

TOGETHER. HARNESSING POTENTIAL.

PETRONAS CHEMICALS GROUP BERHAD | INTEGRATED REPORT 2024




PETRONAS



TOGETHER. HARNESSING POTENTIAL.



The theme "Together. Harnessing Potential." encapsulates the spirit of collaboration at the heart of our success. The cover celebrates the seamless integration of science, people and purpose, highlighting the collective strength that drives meaningful change. It showcases how innovation and cooperation unlock pathways to sustainability and progress, bridging the gap between challenges and opportunities. By harnessing the unique potential of our partnerships and expertise, we pave the way for impactful solutions that benefit industries, communities and the environment, demonstrating that together, we achieve more.

 This interactive PDF allows you to access information easily, search for a specific item or navigate between pages, sections and links.

 Content List  Link  Previous Page  Next Page  Search

INSIDE THIS REPORT

BASIS OF THIS REPORT

- 2 Integrated Reporting Approach 
- 3 Our Reporting Suite 



PCG AT A GLANCE

- 4 Overview of PCG 
- 6 Sustaining Value Creation* 
- 8 Integrated Product Value Chain 
- 10 Our Global Sustainable Impact 










LEADERSHIP MESSAGES

- 11 Chairman's Statement 
- 14 MD/CEO's Review 
- 18 CFO's Review 











OUR PERFORMANCE

- 22 **SEGMENTAL REVIEW** 
 - Commodities 
 - Specialty Chemicals 
- 33 **FINANCIAL REVIEW** 
 - Simplified Group Statement of Financial Position 
 - Analysis on Financial Position 
 - Analysis on Consolidated Statement of Profit or Loss 
 - Analysis on Cash Flows 
 - Group Quarterly Performance 
 - Key Interest Bearing Assets and Liabilities 
 - 5-Year Group Financial Summary 
 - 5-Year Group Financial Highlights 
 - Statement on Value Added 
- 41 **SUSTAINABILITY REVIEW** 
 - Sustainability Approach 









HOW WE CREATE VALUE

- 42 Operating Environment and Outlook 
- 45 Stakeholder Engagement 
- 49 Material Matters 
- 50 Value Creating Business Model 
- 54 Strategic Review 
 - Operational Excellence 
 - Commercial Excellence 
 - Growth Delivery Excellence 
- 66 Risks Overview 

COMMITMENT TO STRONG GOVERNANCE

- 74 Organisational Structure 
- 75 Corporate Information 
- 76 Board of Directors' Profile 
- 81 Company Secretaries 
- 82 Management Committee Profile 
- 88 Corporate Governance Overview Statement 
- 108 Nomination and Remuneration Committee Report 
- 110 Board Audit Committee Report 
- 118 Board Sustainability and Risk Committee Report 
- 121 Statement on Risk Management and Internal Control 

ADDITIONAL INFORMATION







- 132 Top 10 Properties of PCG Group 
- 134 Analysis of Shareholdings 
- 137 Performance Data 
- 139 Independent Limited Assurance Report 
- 141 Notice of 27th Annual General Meeting 
- 145 Administrative Guide 
- 149 Glossary of Terms, Abbreviations and Acronyms 
- Proxy Form 











* This information is available in our corporate website via QR code generated on the respective page

NAVIGATION ICONS









Key Capitals

-  Natural
-  Manufactured
-  Human
-  Intellectual
-  Social & Relationship
-  Financial

Key Stakeholder Groups

-  Employees
-  Customers
-  Suppliers & Vendors
-  Business Partners
-  Shareholders & Investment Community
-  Government & Regulators
-  Communities
-  Media

Material Matters

-  Climate Change
-  Nature & Environment
-  Innovation & Product Stewardship
-  Business Strategy & Financial Resilience
-  Circular Economy
-  Supply Chain Management
-  Cybersecurity & Digitalisation
-  Safety & Health
-  Talent Management & Well-Being
-  Human Rights
-  Community Engagement
-  Corporate Governance

Principal Risks

-  Health, Safety, and Environment Risk
-  Project Execution Risk
-  Strategic Investment Risk
-  Cybersecurity Risk
-  Sustainability Risk
-  Talent Risk
-  Operational Risk
-  Plant Turnaround Risk
-  Market Risk
-  Feedstock and Utilities Risk
-  Regulatory Risk

Dear Stakeholders,

At PETRONAS Chemicals Group Berhad, we create value for stakeholders through our Sustainability Agenda, which integrates Environmental, Economic and Social pillars, with Governance as a cornerstone. Transparency, accountability and responsibility remain essential in building trust and driving sustainable progress.

BASIS OF THIS REPORT

INTEGRATED REPORTING APPROACH

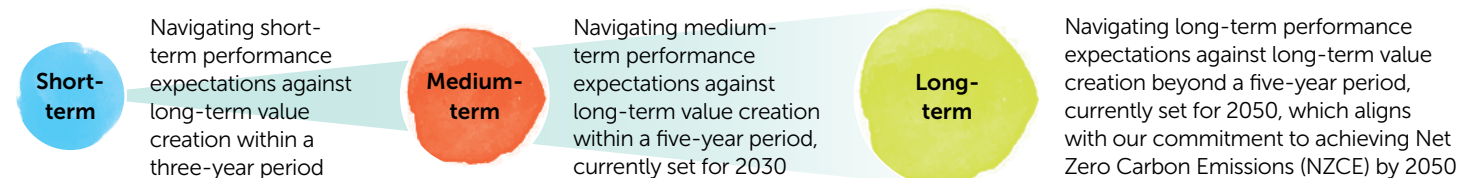
PETRONAS Chemicals Group Berhad (PCG or the Group) ranks among the largest companies listed on Bursa Malaysia Main Market. In line with our commitment to good governance and transparent communication, we focus on delivering comprehensive and balanced performance reports for our stakeholders, partners and communities we engage with. This commitment is encapsulated in PCG's Integrated Report 2024, which not only covers financial results but also integrates discussions on sustainability and future prospects, providing stakeholders with a clear vision of our direction in the short, medium and long-term.

OUR REPORTING BOUNDARIES

This Integrated Report (IR) covers the reporting period of 1 January 2024 to 31 December 2024, unless otherwise stated. Information presented relates to the risks, opportunities and outcomes of activities in the Group, comprising our subsidiaries, joint operation, associates and joint ventures.

<p>Financial Reporting Boundary Covers our operating subsidiaries, joint operation, associates and joint ventures.</p>	<p>Strategy, including key strategic trade-offs R Read more on pages 50 to 65 in the Integrated Report.</p> <p>Business model, including value created for stakeholders R Read more on pages 50 to 53 in the Integrated Report.</p> <p>External environment, including sustainability-driven initiatives R Read more on pages 42 to 44 in the Integrated Report.</p> <p>Stakeholder interests, including our responses R Read more on pages 45 to 48 in the Integrated Report.</p>
<p>Non-Financial Reporting Boundary Covers our operating subsidiaries, joint operation, associates and joint ventures where we have management responsibility. We have excluded the plant utilisation statistics from our Specialty Chemicals division given the non-commoditised nature of its business.</p>	

Time horizons



INTEGRATED REPORTING PROCESS



INDEPENDENT COMBINED ASSURANCE STATEMENT

Assurance for this report is provided by our Board of Directors and supported by independent assurance by KPMG PLT for both financial and non-financial information.

An independent limited assurance was performed by KPMG PLT on selected sustainability indicators for the financial year ended 31 December 2024 as listed below:

- Total Scope 1 GHG Emissions
- Total Scope 2 GHG Emissions (location-based)
- Total Scope 2 GHG Emissions (market-based)
- Total Energy Consumption
- Wastewater Discharge, Chemical Oxygen Demand (COD)
- Freshwater Withdrawal
- Air Emissions, Nitrogen Oxides (NOx) Emissions
- Air Emissions, Sulphur Oxides (SOx) Emissions
- Tier 1 Process Safety Event (T-1 PSE)
- Fatalities
- Lost Time Injury Frequency

The boundary of the limited assurance for indicators 1-9 cover PCG's manufacturing subsidiaries in Malaysia whilst Indicator 10 and 11 cover all of PCG's subsidiaries in Malaysia (boundary for Indicator 11 includes BRB International B.V., BRB Lube Oil Additives & Chemicals B.V. and CSL Silicones Inc.).

KPMG Sweden has been engaged to perform a limited assurance engagement on the selected sustainability indicators listed above for Perstorp Group (Perstorp), excluding air emissions.

R Read more on pages 103 to 106 for the Independent Auditors' Report in the Financial Report.

R Read more on pages 139 to 140 for the Independent Limited Assurance Report in the Integrated Report.

OUR REPORTING SUITE

At PCG, we recognise that transparency and clarity are essential to maintaining the trust of our stakeholders. As a global integrated chemicals enterprise, we are committed to providing comprehensive insights into our business direction, strategic priorities and performance. Equally, we acknowledge the importance of addressing the material risks that affect our operations and growth. Through consistent and thoughtful reporting practices, we aim to build upon the confidence our stakeholders place in us and demonstrate our commitment to accountability, resilience and sustainable value creation.

Integrated Report 2024 (IR)

The objective of PCG's IR is to provide our stakeholders with a thorough and balanced assessment of both financial and non-financial performance. By reading this report, stakeholders will gain a better understanding of our business operations, sustainability initiatives, performance metrics, governance, risk management and future prospects. This report demonstrates our commitment to transparency and aims to bolster the trust and confidence of our stakeholders. Within the governance section, we provide comprehensive coverage of our Corporate Governance activities via the Corporate Governance Overview Statement, Nomination and Remuneration Committee Report, Board Audit Committee Report, Board Sustainability and Risk Committee Report and the Statement on Risk Management and Internal Control.

Guided by:

- International Integrated Reporting Framework (IIRF) as issued by Value Reporting Foundation (VRF)
- Malaysian Code on Corporate Governance (MCCG)
- Main Market Listing Requirements (MMLR) as issued by Bursa Malaysia
- Companies Act 2016 (CA 2016)
- MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board
- IFRS Accounting Standards as issued by the International Accounting Standards Board
- Corporate Governance Guide – 4th Edition as issued by Bursa Malaysia



Financial Report 2024 (FR)

Our FR includes the Directors' Report, Audited Financial Statements and Independent Auditors' Report. The report offers comprehensive financial information to our shareholders, investors, analysts and other relevant parties.

Guided by:

- MMLR as issued by Bursa Malaysia
- CA 2016
- MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board
- IFRS Accounting Standards as issued by the International Accounting Standards Board



Sustainability Report 2024 (SR)

PCG's SR details our performance in Environmental, Economic, Social and Governance (EESG) contexts. The report describes our initiatives and their outcomes that are aimed at creating positive and sustainable impacts for all our stakeholders.

Guided by:

- MMLR as issued by Bursa Malaysia
- Global Reporting Initiative (GRI) Universal Standards 2021
- FTSE4Good Bursa Malaysia Index's Environmental, Social and Governance (ESG) Indicators
- IPIECA Sustainability Reporting Guidance for the Oil and Gas Industry – 4th Edition, 2020
- Dow Jones Best-in-Class Indices
- The United Nations Sustainable Development Goals (UN SDGs)
- IFRS Sustainability Disclosure Standards, IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures)



BASIS OF THIS REPORT

OUR APPROACH TO DELIVERING IMPACT IS GUIDED BY SUSTAINABLE DEVELOPMENT GOALS

We have prioritised 13 of the 17 UN SDGs where we believe we have the greatest ability to deliver meaningful impact through our core business.

For more information on PCG's:

R Sustainability Agenda, refer to Sustainability Approach on page 41 of the Integrated Report and page 10 of the Sustainability Report.

R Contribution to the 13 selected UN SDGs, refer to SDG Targets Alignment on <https://www.petronas.com/pcg/sustainability/sustainability-pcg>.

MATERIALITY

The information in the report focuses on issues that are most material to our business operations and stakeholders. Our approach to identifying, prioritising and confirming these material matters involves a comprehensive four-step materiality assessment process.

FEEDBACK

PCG is committed to constantly enhancing the quality of our reports and we greatly value input from our stakeholders. If you have any questions or suggestions, please contact:

Name : Zaida Alia Shaari
Position : Head of Investor Relations
Email : petronaschemicals_ir@petronas.com

FORWARD-LOOKING STATEMENTS

This report includes several forward-looking statements relating to future performance. These projections and forecasts are grounded in present assumptions and conditions, which are subject to change and therefore carry some uncertainties. Numerous factors might lead to actual outcomes that may vary from those expressed or implied in these forward-looking statements.

BOARD RESPONSIBILITY STATEMENT

The Board acknowledges its responsibility in upholding the integrity of this Integrated Report. The Board believes that this report addresses all the issues that are material to the Group's ability to create value and fairly reflects PCG's integrated performance. This report has been prepared with reference to the IFRS Foundation International <IR> Framework and received the Board's approval on 21 February 2025.

DATUK SAZALI HAMZAH Chairman
MAZUIN ISMAIL Managing Director/ Chief Executive Officer

OVERVIEW OF PCG

PETRONAS Chemicals Group Berhad (PCG) stands as the chemical arm of PETRONAS and as Malaysia's premier integrated chemical manufacturer. Our operations span the production, marketing and distribution of a wide variety of chemical products. PCG marked a significant milestone by going public on 26 November 2010. Through our commitment to Operational Excellence and Commercial Excellence, we are now a prominent integrated chemical producer in Southeast Asia. Our global presence extends across 21 manufacturing sites located in Malaysia, the Netherlands, Sweden, Singapore, Germany, Italy, China, India, the USA and Canada. The Group's dedication to Growth Delivery Excellence has been pivotal in our expansion into specialty chemicals sector, ensuring our business is future-ready.

In line with our aspiration to become 'The Preferred Chemical Company Providing Innovative Customer Solutions', we strive to generate positive outcomes across economic, environmental and social spheres. Central to our strategy is sustainability, guiding us towards our ambition to achieve Net Zero Carbon Emissions (NZCE) by 2050.

OUR PURPOSE

A progressive energy and solutions partner enriching lives for a sustainable future

OUR VISION

To be the preferred chemical company providing innovative customer solutions

At PCG, we define our purpose beyond the traditional business boundaries, aligning our efforts with environmental stewardship, social responsibility and economic growth. We strive to meet current business demands while ensuring long-term sustainability through advanced technologies and sustainable practices. Our vision to be the preferred chemical company is underpinned by our commitment to providing innovative solutions that are designed with resilience and adaptability in mind, preparing us and our stakeholders for the challenges and opportunities in an evolving world.

Our approach integrates innovation into our core, aiming to deliver solutions that not only meet current demands but also anticipate future needs, ensuring our adaptability and resilience. This dedication extends to our workforce and societal engagement, where we foster a culture of growth and achievement, driving positive change beyond our industry. As we look to the future, PCG will continue to be guided by sustainability in its efforts to create long-term value, seeking to minimise its impact on nature while promoting social responsibility. We aim to strike a balance between Environmental, Economic, Social and Governance (EESG) imperatives and value creation as well as operational resilience.

OUR SHARED VALUES

Our shared values are deeply embedded in our culture to ensure we operate with integrity at all times while contributing to the well-being of people in every nation where we have presence.



DRIVEN BY OUR STRATEGY

FIRST-PRONG

Sustain strength in basic petrochemicals through Operational Excellence & Commercial Excellence in Maximising Cash Generation from existing business



TWO-PRONGED STRATEGY

SECOND-PRONG

Selectively diversify into derivatives, specialty chemicals and solutions through Growth Delivery Excellence via Expanding Core & Stepping-out opportunities

OUR EXPERTISE

With 21 world-class chemical manufacturing sites worldwide, we produce a diverse range of commodities and specialty chemicals that serve industries from agriculture and automotive to packaging and personal care. Our integrated chemical solutions - including specialty products and chemical derivatives - empower customers to create products that enhance everyday life. Through innovation and expertise, we deliver best-in-class commercial value to customers globally.



KEY FACTS

Market Capitalisation:
As at 31 December 2024
RM41.4 billion

Production Capacity:
16.8 million TPA

Total Assets Base:
RM60.0 billion

One of the largest integrated chemicals producers in Southeast Asia

Constituent of FTSE4Good Bursa Malaysia Index for 11 consecutive years

Listed as Top 10% Companies for four consecutive years in the Dow Jones Best-in-Class Indices (formerly known as Dow Jones Sustainability Indices) for World and Emerging Markets (Chemicals Industry)

OVERVIEW OF PCG

OUR KEY DIFFERENTIATORS

Environmental

Commitment to Net Zero

- PCG is committed to achieving NZCE by 2050 through sustainable investments, climate risk management, and strategic initiatives
- Ongoing initiatives include driving emissions reduction across operational assets and prioritising decarbonisation projects that are value accretive

Green Product Innovations

- The commissioning of an International Sustainability and Carbon Certification (ISCC) PLUS certified plant in India underscores PCG's commitment to offering sustainable products aligned with global environmental standards

Economic

Global Reach and Market Leadership

- Strong customer relationships and a diversified global product portfolio to meet current and future needs
- Reputable industry leader with a robust network of strategic alliances built on long-standing partnerships

Financial Strength and Growth Potential

- Strong financial performance, with RM30.7 billion in revenue and an EBITDA of RM3.5 billion in 2024
- Focused on asset growth and portfolio expansion into derivatives and specialty chemicals, with a commitment to sustainable investments, delivering strong returns, and maintaining the capacity to fund future growth
- Attractive dividend policy that consistently delivers substantial returns to shareholders

Operational Excellence

- World-class Health, Safety and Environment (HSE) standards ensure safe and reliable operations across manufacturing sites
- High plant utilisation rate in Malaysian operations reflects operational efficiency and robust production capacity

Social

Investing in People

- A diverse and inclusive workforce with strong support for women's representation and consistent investments in training and professional development

Creating Positive Impact

- PCG contributes to community development through social impact initiatives
- Effective customer engagement ensures alignment with stakeholder expectations

Focus on Talent and Innovation

- Seven global Research & Development (R&D) laboratories drive innovation and position PCG as a leader in delivering customer-focused chemical solutions

Governance

Ethics and Transparency

- Adherence to high standards of corporate governance and business ethics ensures PCG's reputation as a trusted and reliable partner
- Transparency in disclosures enables informed decision-making for investors and stakeholders

Industry Recognition

- Sustained inclusion in the Dow Jones Best-in-Class Indices for World and Emerging Markets (Chemicals Industry) and FTSE4Good Bursa Malaysia Index demonstrates leadership in sustainability practices
- Multiple awards in 2024, including Australasian Reporting Awards (Gold) and The Edge Malaysia ESG Awards (Silver), reinforce PCG's commitment to governance excellence

Strategic Alliances and Partnerships

- Long-standing partnerships and a strong network of alliances bolster PCG's capacity to navigate industry challenges and deliver value

SUSTAINING VALUE CREATION

AWARDS & RECOGNITIONS

Our dedication and relentless contributions to the industry in 2024 earned us various awards and recognitions. These accolades reflect our commitment to delivering long-term value for our stakeholders through innovating sustainable products and solutions for our customers.



Scan the QR code to view the full list of our Awards & Recognition.

OUR MILESTONES

PCG has consistently demonstrated a deep commitment to creating value. PCG's dedication to value creation extends beyond singular achievement in diversification, specifically in the specialty chemicals segment, and is rooted in a sustained track record of excellence.

Our growth from one production site in East Malaysia to 21 world-class chemical manufacturing sites and seven Research & Development (R&D) laboratories in Malaysia, the Asia-Pacific, Europe, and North America stemmed from our perseverance and vision in providing innovative customer solutions and enriching lives.

2024

Achieved commercial operations for our growth investments for

- Pengerang Petrochemical Complex and Nitrile Butadiene Latex plant in Pengerang, Malaysia
- Specialty Ethoxylates and Polyether Polyols plant in Kertih, Malaysia
- 2-Ethylhexanoic Acid (2-EHA) in Gebeng, Malaysia

- Introduced Emfinity®, BRB new brand for personal care ingredients

- Introduced Synmerse™ DC, a high-performance immersion cooling solution, to meet data centre cooling needs

- Achieved the following for CDP (formerly known as Carbon Disclosure Project):
B- for Water Security
C for Climate

B- indicates solid environmental management
C reflects awareness and measurement of environmental impacts

- Perstorp commissioned International Sustainability and Carbon Certification (ISCC) PLUS certified plant in Bharuch, India, producing pentaerythritol and Voxtar™ to cater to the Asia Pacific (APAC) region

Recognised by EcoVadis for period assessed in 2024

- Perstorp achieved a Platinum medal, placing it among the top 1% in the industry
- PCG and BRB achieved Silver medals, placing them among the top 15% in the industry

Synmerse™ DC

Synmerse™ DC is a high-performance immersion cooling solution, a specialty product, based on a readily biodegradable synthetic fluid to meet growing data centre cooling needs.

Synmerse™ DC was introduced at Data Centre World Asia, Singapore, on 9-10 October 2024, showcasing its innovative and sustainable solutions to meet thermal management challenges in modern data centres.

Aligned with Perstorp's Finite Material Neutrality goal, Synmerse™ DC is designed with a future adaptable approach that flexibly uses traceable, mass-balanced, renewable, or recycled raw materials.

Its key features include exceptional thermal management, reduced power consumption, extended fluid lifetime, low maintenance, material compatibility and operational safety with high flash and fire points. 100% Per- and Polyfluoroalkyl Substances (PFAS)-free and non-hazardous under Globally Harmonised System (GHS).

Emfinity®

Emfinity® is BRB's new brand for personal care ingredients. Through Emfinity®, we hope to empower beauty through emphatic consumer engagement, fuelled by an infinite array of cosmetic ingredients solutions.

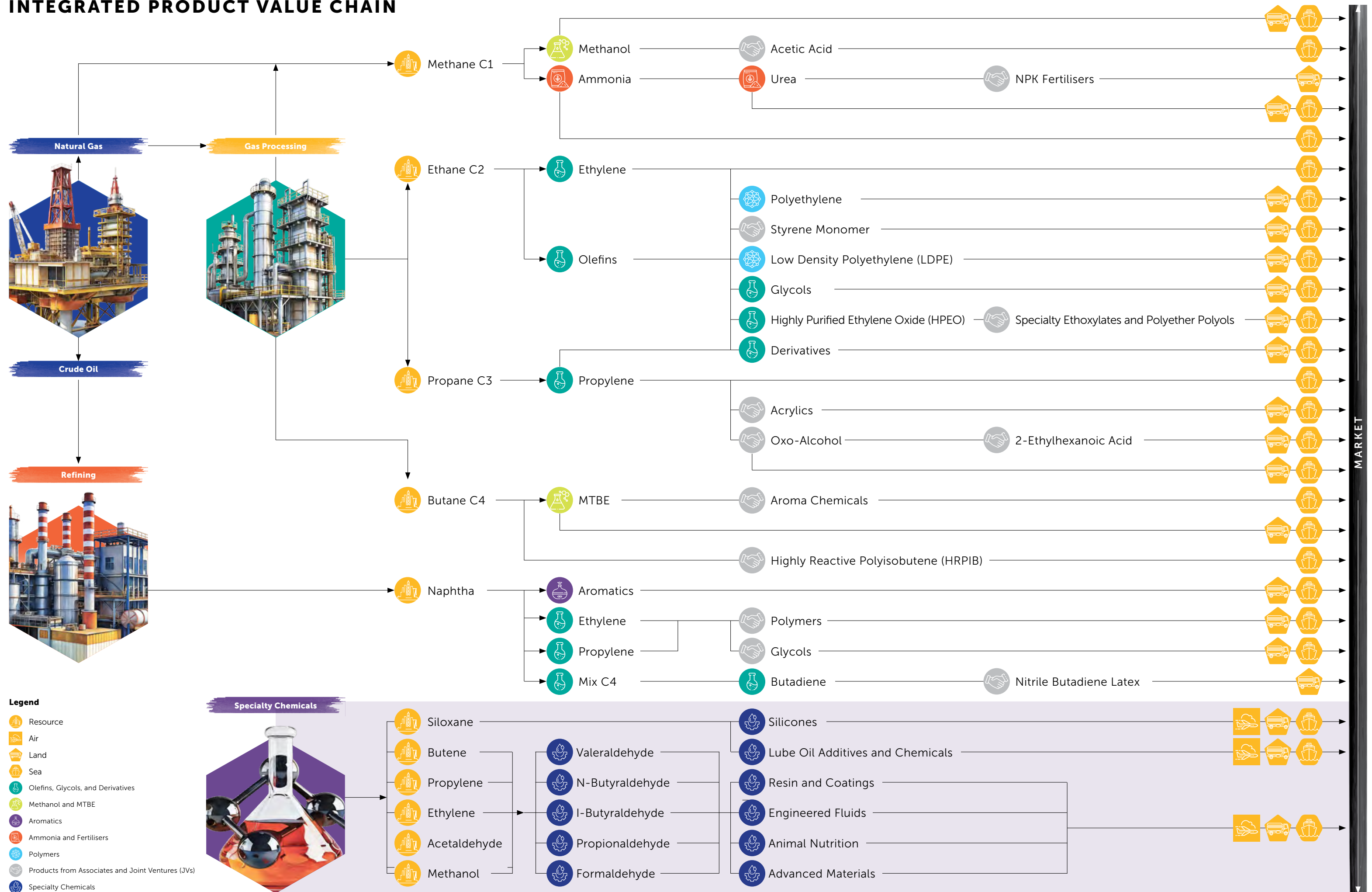
Co-developed with PETRONAS Research Sdn. Bhd., Emfinity® CGSA 200B is a biobased emollient that offers superior product texture, performance, and sustainability, enhancing consumer experience in personal care applications.

Emfinity® CGSA 200B was introduced in April 2024 at in-cosmetics Global, Paris, France, thereafter transitioned from R&D to preparation for commercialisation in November 2024.

In 2025, BRB is set to expand the Emfinity® CGSA 200B range to enrich the offering for personal care ingredient through innovation and sustainability endeavours.



INTEGRATED PRODUCT VALUE CHAIN



- Legend**
- Resource
 - Air
 - Land
 - Sea
 - Olefins, Glycols, and Derivatives
 - Methanol and MTBE
 - Aromatics
 - Ammonia and Fertilisers
 - Polymers
 - Products from Associates and Joint Ventures (JVs)
 - Specialty Chemicals

MARKET




OUR GLOBAL SUSTAINABLE IMPACT

AS AT 31 DECEMBER 2024

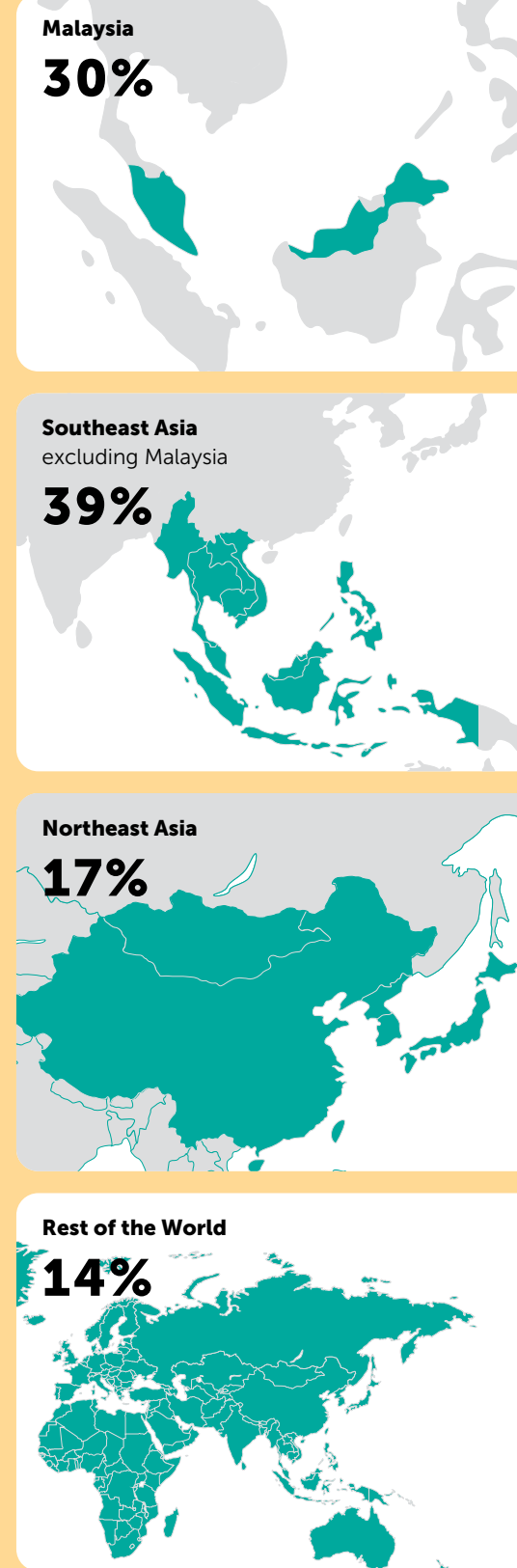
BUSINESS ACHIEVEMENTS


<p>Improved Plant Utilisation: Plant utilisation rate increased to 91.2% for Olefins & Derivatives (O&D) and 90.3% for Fertilisers & Methanol (F&M), reflecting improved operational reliability and reduced unplanned shutdowns</p>	<p>Expanding Collaboration Beyond Borders: First foray into the medical industry with the signing of a Memorandum of Understanding with TOMOE SHOKAI Co., LTD. for the supply of ethylene oxide from our Kertih plant to support its sterilisation business</p>	<p>Full Ownership of Zibo Polyol Facility in China: Perstorp secured complete ownership, enhancing its Asian market strategy and enabling future site diversification</p>
<p>Growth in Sales Volume: Total sales volume increased by 8% year-on-year, reaching 5.66 million MT in F&M and 3.81 million MT in O&D, supported by strategic sourcing and operational efficiency</p>	<p>Commercialisation of Pengerang Petrochemical Complex: Pengerang Petrochemical Complex began commercial operations in November 2024, producing 2,450 KTPA of polymers and glycols</p>	<p>New O&D Product: Launched a new O&D product, HL701, a high Renewable Carbon Index surfactant, aligning with the industry shift toward sustainable solutions</p>
<p>Strengthened Strategic Sourcing: PCG secured 0.9 million MT of externally sourced products, our highest ever strategic sourcing volume, which helped mitigate supply risks and ensure business continuity</p>	<p>Increased Market Presence: Specialty Chemicals Division opened new offices in Malaysia, Turkey and Taiwan, strengthening its global footprint and improving customer engagement</p>	<p>ISCC PLUS Certified Expansion in India: Perstorp's new facility in Bharuch, India, was commissioned with ISCC PLUS certification, strengthening its specialty chemicals portfolio</p>
<p>Expanded Specialty Product Offering: Perstorp and BRB introduced 17 new specialty chemical products, including bio-based materials and high-performance solutions</p>		

ESG-RELATED INITIATIVES

<p>GHG Reduction Initiatives: PCG achieved 151 kilotonnes of CO₂e reduction through energy efficiency improvements as well as flare and vent reduction projects.</p>	
<p>Sustainable Certifications & Compliance: PCG secured Protect & Sustain Certification for urea, renewed ISCC PLUS certification and initiated EcoVadis sustainability benchmarking.</p>	
<p>Water Conservation Success in Sweden: Perstorp's Stenungsund wastewater facility in Sweden is projected to save 1.1 billion litres of freshwater annually, contributing to resource conservation.</p>	

SALES BY MARKETS



 To view our Malaysian operations, please scan the QR code.

CHAIRMAN'S STATEMENT

Dear Stakeholders,

PCG has demonstrated conviction and commitment to creating value for our stakeholders as well as adapting to an evolving global landscape. Despite numerous challenges, including economic headwinds and a persistent downcycle in the chemicals industry, we remained steadfast in pursuing our strategic initiatives. Guided by our strategic thrusts and the courage to face challenges, we strengthened our position for a brighter future.

DATUK SAZALI HAMZAH
Chairman



NAVIGATING CHALLENGES, STRENGTHENING OUR FUTURE

OVERVIEW OF THE YEAR

The year 2024 presented a dynamic operating environment that tested our resilience and adaptability. Amidst global economic fluctuations, the geopolitical landscape remained complex, impacting supply chains and market stability. According to the International Monetary Fund (IMF), global gross domestic product (GDP) growth for 2024 stood at 3.2%. Regional economies displayed varied performances, with Southeast Asia remaining resilient, supported by targeted policy measures and improved export activities.

Crude oil prices were stable within USD70 to USD85 per barrel range, primarily due to Organisation of the Petroleum Exporting Countries (OPEC+) market management, yet rising energy costs and inflationary pressures weighed heavily on production expenses. For the chemicals sector, the interplay of these factors led to a year of cautious recovery with ethylene prices in Southeast Asia averaging about 9% higher compared to 2023. Industry production levels grew year-on-year, supported by the gradual easing of the destocking cycle and the resurgence of demand in key markets. A significant stimulus package announced by China in September 2024 buoyed regional markets, although volatility persisted as implementation measures unfolded.

In this challenging climate, we were steadfast in our commitment to our strategic thrusts: Operational Excellence, Commercial Excellence and Growth Delivery Excellence. We proactively navigated market headwinds with focused initiatives that improved plant reliability, returning our plant utilisation rates to optimum levels. Additionally, we enhanced energy efficiency, diversified product offerings, expanded our market base, explored cross-selling opportunities and strengthened our regional presence to ensure uninterrupted supply to customers. Sustained investments in customer engagement initiatives fostered long-term relationships and emphasised value-added services, further solidifying our competitive positioning.

Noteworthy growth projects that commenced commercial operations in 2024 are Pengerang Petrochemical Complex, Specialty Ethoxylates and Polyether Polyol plants, which expanded our product portfolio and improved our ability to meet market needs. Furthermore, our acquisition of OQ Chemicals Nederland B.V., renamed as Perstorp Amsterdam B.V., strengthened our specialty chemicals platform, enabling greater control over production assets and technologies.

In line with our resilient performance, the Group achieved a record-breaking revenue of RM30.7 billion in 2024, up from RM28.7 billion in 2023, even with the downturn in product prices. Profitability was impacted by cost pressures with EBITDA declining to RM3.5 billion from RM3.8 billion. Despite these challenges, the Board declared a first interim dividend of 10 sen per share and a second interim dividend of 3 sen per share, amounting to RM1.0 billion, reaffirming our commitment to shareholder returns while supporting growth.

As the industry anticipates an eventual upturn, we remain resolute in our commitment to operational discipline and strategic execution, laying the groundwork for sustained growth in a rapidly evolving landscape.

GROWTH PROJECTS

- **Commenced commercial operations**
 - Pengerang Petrochemical Complex
 - Specialty Ethoxylates and Polyether Polyol plants
 - Nitrile Butadiene Latex plant
 - 2-Ethylhexanoic Acid plant
- **Acquisition of OQ Chemicals Nederland B.V.**

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

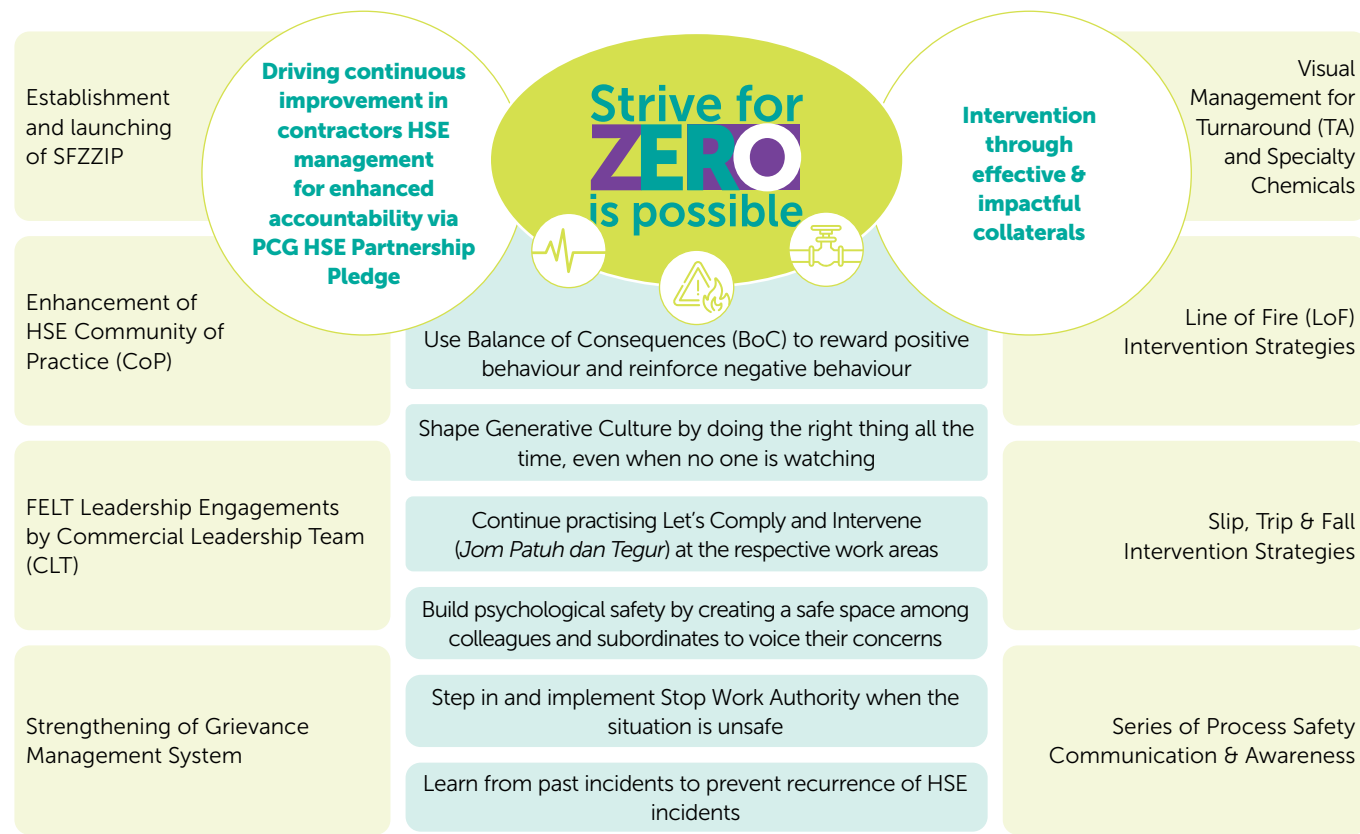
GOVERNANCE AND INTEGRITY: STRENGTHENING ETHICAL FOUNDATIONS

In 2024, we reinforced our commitment to robust governance and integrity practices, recognising these as the cornerstone of a sustainable and resilient organisation. The Board approved an enhanced Integrity Management Oversight and Reporting Structure, ensuring consistent implementation and compliance across all operations. The appointment of PETRONAS' Chief Integrity Officer to oversee this structure exemplifies our dedication to fostering a culture of transparency and accountability.

Safety also remains paramount, with the Board undertaking a comprehensive review of our Health, Safety and Environment (HSE) policy

Safety also remains paramount, with the Board undertaking a comprehensive review of our Health, Safety and Environment (HSE) policy. The HSE policy underscores a zero-tolerance approach to lapses in safety, ensuring that all operations adhere to the highest standards. We will continue to enhance our safety training and awareness programmes as we embed a proactive risk management culture across the organisation.

STRIVE FOR ZERO, ZERO IS POSSIBLE (SFZZIP) PROGRAMME FRAMEWORK



We also prioritised aligning governance practices across our expanding international footprint, particularly following the integration of Perstorp and BRB. Strengthening governance frameworks in these subsidiaries ensured that we maintain and adhere to the same standards of integrity and compliance across all our operations. This alignment enhances operational efficiency and reinforces stakeholder confidence in our ability to operate responsibly globally.

In addition, we are taking steps to enhance our competitiveness by tailoring remuneration packages to specific business segments within our ecosystem. Moving away from a one-size-fits-all approach, we will be adopting compensation structures aligned with the unique demands and market conditions of each business. This strategy supports talent retention and attraction and ensures agility in meeting the specialised needs of our diverse operations.

GOING BEYOND COMPLIANCE

- Enhanced Integrity Management oversight structure
- Comprehensive review of HSE policies
- Alignment of governance practices across international footprint
- Tailored remuneration packages to support talent retention

SUSTAINABILITY: A PRAGMATIC APPROACH TO PROGRESS

Sustainability remains a central pillar of our strategy, with significant efforts directed towards environmental, economics, social, and governance goals. A practical and pragmatic approach underpins our sustainability strategy. Recognising the challenges and costs in achieving zero emissions, we prioritise economically feasible solutions that deliver impactful results. Operationally, we adopt measures with lower carbon footprints, while maintaining affordability and operational efficiency. Commercially, this approach means we work closely with customers across different regions to tailor sustainable solutions that align with their specific market needs and local or regional regulations.

In the context of climate action, we remain guided by our NZCE 2050 Roadmap. In the year under review, we implemented several initiatives to reduce greenhouse gas (GHG) emissions. Additionally, we enhanced our emissions reporting transparency by incorporating Scope 3 emissions for categories 1, 6, 7, and 11 in our disclosures. We complemented this with energy efficiency projects and investments in renewable energy sources. To further our environmental objectives, we inaugurated a state-of-the-art ISCC PLUS certified plant in Bharuch, India. This facility uses renewably sourced raw materials and hybrid electricity, showcasing our commitment to innovative and sustainable manufacturing practices.

Our strong sustainability performance saw PCG maintain its inclusion in the FTSE4Good Bursa Malaysia Index for the 11th consecutive year and its listing in the Dow Jones Best-in-Class Indices for the fourth consecutive year.

On the social front, we advanced our Diversity & Inclusion (D&I) agenda through effective employee engagement initiatives, leadership sharing sessions and the deployment of practical toolkits. The Board's adoption of the PETRONAS Human Rights Policy further strengthened our commitment to safeguarding labour rights and socio-economic well-being in our operations and supply chain.



D&I Sharing by Khalidah Ambiah, Chief Executive Officer of PETRONAS Chemicals Fertiliser Kedah.

OUTLOOK

The global economic landscape in 2025 presents a mix of opportunities and challenges. According to the IMF, global GDP growth is projected to stabilise at 3.3%, signalling a cautiously optimistic outlook. Key drivers include a recovering labour market, moderating inflation and improving consumption trends in major economies. However, geopolitical tensions, lingering inflationary pressures and market volatility will require ongoing vigilance.

For the chemicals industry, growth is anticipated to align with global recovery, with investments focusing on high-tech, clean energy and advanced materials. We are well-positioned to capitalise on these trends through our three strategic thrusts: Operational Excellence, Commercial Excellence and Growth Delivery Excellence. These pillars will enable us to optimise our value chain, maintain high plant utilisation rates and ensure the delivery of innovative and sustainable products.

Sustainability will remain central to our strategy, with continued focus on reducing GHG emissions, developing circular products and supporting the development of low-carbon products. By aligning our operations with emerging regulatory requirements and market needs, we aim to reinforce our position as a leader in sustainable chemical solutions.

While uncertainties persist, we view them as opportunities for innovation and resilience. We remain committed to navigating the evolving landscape with agility, ensuring long-term value creation for stakeholders and positioning ourselves for sustained growth in a competitive global market.

ACKNOWLEDGEMENTS

As we conclude this year's report, I extend my heartfelt gratitude to all those who have contributed to our journey in 2024. First and foremost, I wish to acknowledge the commitment of our employees, whose dedication and professionalism have been the driving force behind our resilience and achievements.

I would also like to express my deepest appreciation to my colleagues on the Board of Directors for their guidance and unwavering support throughout the year. A special note of thanks goes to our former Chairman, Datuk Ir. (Dr.) Abdul Rahim Hashim, for his invaluable contributions and steadfast leadership that have left an enduring legacy within PCG.

To our stakeholders, including shareholders, customers, suppliers and business partners, I extend my sincere gratitude for your trust and partnership. Lastly, I want to recognise the contributions of the local communities where we operate for their continued support.

As we look ahead to 2025 and beyond, I am confident that we will continue to rise together to navigate the challenges of a dynamic world, delivering excellence, innovation and sustainability in all that we do. Thank you for being part of this journey.

DATUK SAZALI HAMZAH

Chairman

MD/CEO'S REVIEW

MD/CEO'S REVIEW

Dear Stakeholders,

As we close another year, I am reminded of the resilience and conviction that define our journey as a company. At PCG, our purpose is guided by three core commitments: delivering dependable and innovative solutions to our customers, creating long-term value for our shareholders and advancing our communities toward a more sustainable future. These commitments are ones we continue to deliver on, despite the challenges of a dynamic and often unpredictable external environment.

MAZUIN ISMAIL
Managing Director/Chief Executive Officer



DRIVING EXCELLENCE, UNLOCKING OPPORTUNITIES

The year 2024 presented its share of complexities. From a prolonged low cycle in the chemicals industry to geopolitical and economic headwinds, these challenges tested our resolve and capabilities. Yet, amidst these difficulties, I am pleased to highlight that PCG demonstrated its resilience, leveraging operational excellence, strategic agility and strong partnerships to sustain value creation. Notable achievements include maintaining high levels of plant utilisation and delivering increased sales volumes in selected segments despite market volatility.

Looking back on the year, I am thankful for the trust placed in us by our stakeholders and the dedication of our employees, whose efforts ensured we stayed true to our commitments. Together, we have not only navigated through 2024 but strengthened our ability to capture future growth opportunities.



Notable achievements include **improving plant utilisation and delivering increased sales volumes** in selected segments despite market volatility.



THE OPERATING ENVIRONMENT

The petrochemical industry faced another year of significant challenges in 2024. The persistent low cycle, driven by a combination of weak demand growth and oversupply, tested the resilience of industry players globally. This imbalance was compounded by broader factors, including geopolitical uncertainties, inflationary pressures and volatile feedstock prices. Key markets saw uneven recovery patterns. China, with its capacity expansions, continued to reshape global supply dynamics, adding pressure to prices and margins. Meanwhile, the industry wide transition towards sustainability practices particularly in developed economies signals a mixture of opportunities and challenges to market players, which adds further complexity to the operating environment.

At PCG, we navigated internal challenges, including rising feedstock costs and plant reliability issues at the start of the year. Aligning with the industry effort towards greener initiatives, PCG also participates in circular plastics and bio-based chemicals, aiming to reduce our carbon emissions and footprint. While 2024 was one of the most challenging years for the industry, PCG's ability to anticipate and respond to market shifts ensured that we continued to deliver value despite the broader pressures.

PROGRESSING STRATEGY

As we progressed through 2024, we remain guided by our two-pronged strategy driven by the three strategic thrusts of Operational Excellence, Commercial Excellence and Growth Delivery Excellence. These thrusts are the foundation upon which we deliver on our commitments to our customers, communities and shareholders. Each initiative undertaken within these areas was aligned with our mission to ensure value creation today while building resilience and growth for tomorrow.



R Read more on pages 55 to 57.

At the heart of our operational strategy is our commitment to ensuring the health and safety of our people and all stakeholders we work closely with, alongside maintaining the reliability and efficiency of our plants.

While we have consistently upheld a zero-compromise approach to safety under our Health, Safety, and Environment (HSE) Excellence initiatives, we are deeply saddened to report a fatality at one of our facilities in 2024. In addition, we recorded four Lost Time Injury (LTI) incidents and two major Loss of Primary Containment (LOPC) incidents.

These incidents are deeply concerning and we responded immediately with corrective actions, including a company-wide safety stand-down, gap assessments and the reinforcement of critical safety protocols. PCG's response strengthened the safety culture across all facilities, with enhanced training and safety ownership initiatives that aims to prevent future incidents and further embed a proactive approach to safety.

In terms of plant reliability, our plant utilisation rates have returned to above 90% levels. This was largely a result of our proactive approach in looking for ways to improve efficiency and reduce downtime. Structured reliability programmes and enhanced contractor management further ensured minimal unplanned shutdowns and improved plant readiness. Continuous training initiatives and a strong collaborative approach with both internal and external parties together with the adoption of advanced digital tools, empowered our teams to identify efficiency improvements.

Furthermore, disciplined spending on timely plant turnarounds ensured that our facilities remained robust and capable of meeting customer demands reliably. This discipline extended to ensuring that spending on both maintenance and safety are not compromised despite ongoing margin pressures. Other key initiatives included investments in energy optimisation and flaring reduction, which exemplify our commitment to the environment, as we align operational improvements with sustainability goals.



R Read more on pages 58 to 61.

In a market characterised by oversupply and price volatility, commercial agility was critical to our success. PCG's ability to leverage deep market knowledge and strong customer relationships enabled us to maintain a high Order Fulfilment Reliability (OFR) result of 95%, reinforcing our commitment to our customers. Additionally, our customer portal offers real-time updates and personalised solutions to over 230 customers worldwide to further reinforcing our commitment to address specific customer needs.

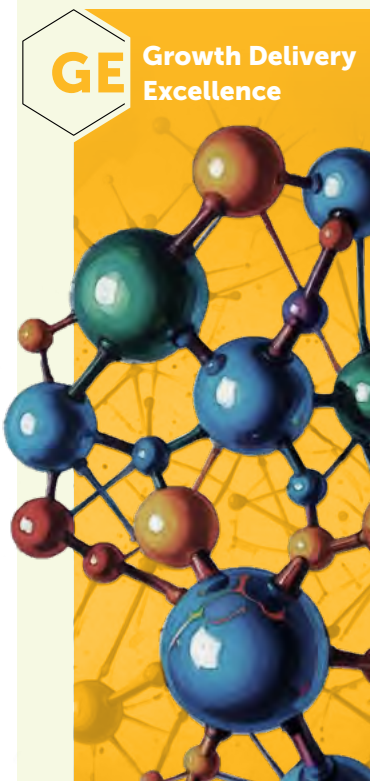
Strategic sourcing emerged as a cornerstone of our commercial strategy, with sourcing volumes increasing by 25% year-on-year. These efforts ensured continuity of supply and safeguarded our position as a preferred supplier in the region. We also intensified our route-to-market efforts to support upcoming volumes from key projects like the Pengerang Integrated Complex (PIC). This proactive approach allowed us to place 0.98 million metric tonnes of pre-operation output in the market seamlessly.

Additionally, PCG achieved a significant milestone with our first foray into the medical industry following the signing of a Memorandum of Understanding with TOMOE SHOKAI Co., LTD. for the supply of ethylene oxide from our Kertih plant to support its sterilisation business.



MD/CEO'S REVIEW

MD/CEO'S REVIEW



R Read more on pages 62 to 65.

Delivering on growth commitments remained a priority in 2024, as we advanced in key projects to align with both market needs and sustainability trends. Highlights include:

- **Pengerang Petrochemical Complex:** Achieved commercial operation in November 2024, producing petrochemical products, which are 50% owned by PCG, including polymers and glycols with a total production capacity of 2,450 KTPA.
- **Nitrile Butadiene Latex (NBL):** Operational in September 2024, positioned to leverage Malaysia's leadership in the global glove market, with sales volume of over 50 KTPA in 2024. The plant has the capacity to produce 200 KTPA of NBL annually.
- **Specialty Ethoxylates and Polyether Polyols:** Achieved commercial operation in May and July 2024 respectively, meeting demand for automotive foam, cleaning and personal care products. Synergies with specialty chemicals are expected to enhance performance.
- **2-Ethylhexanoic Acid (2-EHA):** Achieved commercial operation in August 2024. This joint venture plant has doubled its capacity to 60 KTPA and will address regional demand for 2-EHA applications, including synthetic lubricants and Polyvinyl butyral (PVB) plasticisers.
- **Isononanol (INA):** Currently in its commissioning stage and will produce 250 KTPA of isononanol annually, used for the production of higher molecular weight plasticisers applied in automotive and building industries. Target to achieve commercial operation in 2025.

In addition, the specialty chemicals segment continues to make steady progress. The acquisition of the OQ Chemicals Nederland B.V., renamed as Perstorp Amsterdam B.V. will drive the growth strategy for the Engineered Fluids segment. Integration efforts with Perstorp have continued its course, bolstered by the establishment of a Perstorp office in Malaysia. We have also strengthened our capabilities in specialty chemicals with the inauguration of an Internal Sustainability & Carbon Certification (ISCC) PLUS certified plant in Bharuch, India, expanded capabilities in China and the introduction of BRB Group's (BRB) new personal care line, Emfinito®.

In keeping with our commitments, we continuously reassess and prioritise ongoing or future growth projects to ensure alignment with long-term value creation. This deliberate approach underscores our responsibility to deliver both immediate and sustainable returns for stakeholders. In this context, the commissioning of our advanced recycling plant in Pengerang has been delayed due to project execution challenges and we will make further announcements on this project in due course.

SUSTAINABILITY AT THE CORE

At PCG, sustainability is not just a commitment but a guiding principle that shapes how we create lasting value. We strive to reduce our environmental footprint, uphold social responsibility and ensure that our approach to Environmental, Economic, Social and Governance (EESG) priorities is both forward-thinking and practical, balancing ambition with operational strength.

In 2024, we established PCG's Sustainable Portfolio centred on three focus areas: Low-Carbon solutions and Carbon Dioxide utilisation; Circular Economy solutions and Bio-based chemicals. These pillars reflect our commitment to shaping a sustainable future and meeting the evolving expectations of our stakeholders.

Key operational efforts in 2024 included advancing our Net Zero Carbon Emissions 2050 Roadmap and implementing greenhouse gas (GHG) reduction strategies across our operating units. Initiatives such as steam and energy optimisation, electrification and flaring reduction resulted in a 151 kilotonnes reduction in CO₂e emissions this year.

On the commercial front, PCG prioritised sustainable product development and certification to support customers' sustainability journeys. Achievements included the launch of Pevalen™ Pro 100, ISCC PLUS certified plasticiser made entirely from renewable carbon and maintaining certifications such as Protect & Sustain (P&S) and ISCC PLUS Trader Scheme. These milestones, coupled with the first EcoVadis Silver medal for PCG, a Platinum medal for Perstorp and another Silver medal for BRB, reaffirm our alignment with global sustainability benchmarks.

In tandem with environmental goals, we advanced circular economy projects and invested in innovation through the Technology & Innovation Fund and Sustainability Fund to accelerate innovations to meet sustainable product demand. Internally, we emphasised capability development and certification programmes, launching initiatives such as the PCG Sustainability Training Matrix and PCG's Sustainable Project Management. Collaborative efforts included hosting the Petrochemicals Sustainability Conference 2024 and engaging in international partnerships, such as the Strategic Plastic Incentive Programme in Indonesia and waste reduction initiatives in Thailand.

Our "PCG Be Green" initiative expanded its international reach, addressing waste management and environmental restoration in collaboration with partners like PCX Markets and the TerraCycle Thai Foundation. Through these partnerships, we engaged local communities and promoted environmental awareness. Ultimately, sustainability at PCG is about delivering values for our stakeholders while striking the right balance by driving meaningful EESG progress. By focusing on initiatives that are impactful, inclusive and pragmatic, we are positioning PCG to thrive in an increasingly sustainability-focused world.



Giving back to the local communities through canal clean-up activation in collaboration with Terracycle Thai Foundation in Bangkok, Thailand.

OUTLOOK

The global economy is forecasted to experience slow growth in 2025, driven by high energy prices, tight monetary policies and ongoing geopolitical conflicts. These factors are likely to weigh heavily on consumer demand and industrial activity, particularly in chemical-consuming sectors.

The industry is also expected to contend with persistent oversupply and demand imbalances. Key players in China continue to ramp up capacity expansions, intensifying competitive pressures and further suppressing margins.

In 2025, PCG will focus on leveraging its strengths to navigate challenges and maintain competitiveness. Operational excellence will remain central to our strategy, ensuring cost efficiency, asset reliability and proactive value creation. We will also strengthen our commitment to achieving ZERO incidents.

Collaboration will be critical to sustaining and enhancing our competitiveness, alongside efforts to grow new business by building a strong project funnel, achieving growth milestones and expanding our specialty chemicals portfolio. A key consideration in the context of the commercial viability of new growth opportunities will be the anticipated introduction of carbon taxes in Malaysia by 2026 in the energy, oil and gas as well as steel sectors. In addition, driving climate action and achieving our sustainability goals remain top priorities as we continue integrating sustainable, value-adding products into our offerings to align with our EESG commitment.

On the commercial front, we aim to expand our market reach by targeting new regions and untapped customer segments. We are also on track to fully commercialise the Melamine and Maleic Anhydride (MAN) plants, bolstering our capabilities in Southeast Asia and beyond. Simultaneously, our global innovation network will continue to explore bio-based solutions, reinforcing our leadership in sustainable chemicals. Strategic sourcing will ensure reliable and consistent supply to meet customer demands.

Overall, while we possess the conviction, resilience and strategies to navigate a challenging environment, we will continue to pay close attention to our financial performance and profitability. We are cognisant of the fact that we are not immune to market volatility and will ensure steadfast vigilance in the preservation of value for our stakeholders. We will ensure prudent spending and effective capital allocation as we focus on capturing immediate value and building a strong foundation for long-term sustainable growth.

ACKNOWLEDGEMENTS

As we reflect on 2024, I extend my heartfelt gratitude to everyone who contributed to PCG's journey. To our employees, your dedication in ensuring operational reliability, driving innovation and embracing sustainability has been instrumental in reinforcing PCG's industry leadership. To our customers, business partners and shareholders, we thank you for your trust and continued support.

I would also like to express my sincere appreciation to the Board of Directors for their guidance and counsel throughout the year. On behalf of the entire organisation, I extend our deepest gratitude to Datuk Ir. (Dr.) Abdul Rahim Hashim for his exceptional leadership as Chairman of the Board. His contributions have been invaluable in shaping PCG's direction. At the same time, we warmly welcome Datuk Sazali Hamzah as our new Chairman. Having served as PCG's Managing Director/Chief Executive Officer (MD/CEO) from 2014 to 2021, Datuk Sazali brings a wealth of experience and a deep understanding of our business. We are confident that under his leadership, PCG will continue to thrive.

Looking ahead, we remain committed to building a stronger, more sustainable future. The resilience demonstrated in 2024 gives us confidence that we can continue to deliver on our commitments to customers, shareholders and communities. Together, we are building a more resilient, sustainable and prosperous PCG, creating positive and lasting impacts for the communities we serve and driving progress in the operating landscape we share.

MAZUIN ISMAIL

Managing Director/Chief Executive Officer

CFO'S REVIEW

Dear Stakeholders,

In 2024, our performance was influenced by changing market conditions, geopolitical uncertainties, and forex fluctuations. Despite these hurdles, we stayed resilient, strengthening core business and focused on growth and sustainability.

Mohd Azli Ishak
Chief Financial Officer



FINANCIAL DISCIPLINE, SUSTAINING PERFORMANCE

The commodities market faced many challenges, such as China's increased self-sufficiency in petrochemicals, which lowered product prices and tightened margins. Additionally, geopolitical instability in the Middle East caused fluctuating oil prices, affecting feedstock prices. The specialties market also struggled due to global economic uncertainties, geopolitical tensions, and supply chain disruptions. These issues led to supply and demand imbalances, worsened by slow growth in key industries especially construction and automotive. High energy prices in Europe raised production costs, while low-cost Chinese competitors compressed margins.

In terms of our operational performance, we achieved a commendable plant utilisation rate of 91% up from 85% in the previous year. This is in spite of unexpected downtimes at some plants due to supply chain issues and mechanical challenges.

In reflection of our financial performance, the Group delivered a solid revenue performance, reaching a record-breaking RM30.7 billion, even as product prices experienced downturn. This growth underscores the Group's resilience in navigating challenging market conditions and reflects strong contributions from core operations.

The Group's EBITDA declined to RM3.5 billion from RM3.8 billion in 2023, reflecting higher operational expenses within a joint operation entity and narrower product spreads due to market dynamics. These challenges resulted in a lower EBITDA margin of 12%, compared to 13% in the prior year.

Profit after tax (PAT) faced a sharper decline, decreasing by 26% to RM1.3 billion from RM1.8 billion in 2023. This was primarily driven by the combination of lower EBITDA, unfavourable foreign exchange, increased depreciation charges, and higher finance costs within a joint operation entity. Despite these pressures, the Group benefitted from a remeasurement gain on trade payables, which partially offset the adverse financial impacts.

While the financial results reflect a challenging operating environment, the Group remains focused on managing costs, optimising operations, and leveraging its strategic initiatives to enhance long-term value creation for stakeholders.

The establishment of the Technology & Innovation Fund, is a significant milestone for PCG. This fund aims to support research and development projects that align with our business objectives and sustainability goals.

We remain committed to delivering value to our stakeholders through a steadfast focus on operational efficiency, strategic growth initiatives and sustainable practices. These efforts will position us to navigate market uncertainties and emerge stronger in the coming years.

The Group's EBITDA declined to RM3.5 billion from RM3.8 billion in 2023, reflecting higher operational expenses within a joint operation entity and narrower product spreads due to market dynamics. These challenges resulted in a lower EBITDA margin of 12%, compared to 13% in the prior year.

CFO'S REVIEW

KEY ACHIEVEMENTS



Prudent Cost Discipline and Optimisation

Our capability to sustain our position as industry leader by continuing to take proactive measures that optimise cost and preserve value.

Actions:

- Maintained strong financial discipline and optimised costs, driven by initiatives in Operational and Commercial Excellence, alongside effective project management and execution
- Utilised tools such as preventive maintenance through machinery monitoring, as well as prescriptive and diagnostic measures
- Managed stakeholders effectively through contract negotiations, leading to enhanced contract value

Results:

- Cost saving of RM284.5 million was achieved through strategic procurement savings from contract negotiations, on-site cost optimisation and well-planned maintenance activities



Strengthened Risk Management and Governance

Our effective risk management has always been a pillar of good governance and integral to ensure business continuity.

Actions:

- Enhanced integrity management practices and compliance
- Influenced associate and JV companies to adopt structured risk management
- Assessed high-impact business decisions for growth and sustainability projects
- Implemented risk appetite, aligned risk profiles and mitigations across PCG Group, and introduced signposts for emerging risks monitoring
- Reviewed and aligned Group Limits of Authority (LOA) with current business practices
- Enhanced PCG's IR2024 disclosure contents, guided by reporting requirements and guidelines (i.e., MCCG, MMLR, GRI, IFRS and MFRS)

Results:

- Expanded and maintained ISO 37001:2016 Anti-Bribery Management System (ABMS) certification for PETRONAS Chemicals Marketing (Labuan) Ltd. (PCML) and PCG
- Strengthened risk management in associate and JV companies
- Promoted the balance of process efficiency and business agility in decision-making
- Secured prestigious awards; The Australasian Reporting Awards (Gold) and The Edge Malaysia ESG Awards (Silver), reinforces PCG's commitment to governance



Effective Working Capital and Liquidity Management

Our working capital management initiatives focused mainly on effective inventory, trade receivables and payables management as well as maintaining liquidity.

Actions:

- Executed efficient inventory management through strategic planning, proactive monitoring and the Bottom-Up Stock Target (BUST) initiative, ensuring optimal stock levels and uninterrupted supply to customers
- Diligently monitored potential overdue receivables
- Enhanced scrutiny of payable deadlines and optimised the payment process to guarantee timely payments within agreed terms, thereby safeguarding creditor relationships
- Developed daily cash flow forecasts to ensure robust cash management

Results:

- Maintained the timely monetisation of products, balanced with their availability, to meet customers' requirements
- Timely receipt of payments and maintained a record with no outstanding receivables written-off



External Financing

Our ability to secure financing amidst uncertainties is a testament to financial institutions' confidence in PCG's financial strength.

Actions:

- In addition to maintaining low financial leverage, we continue to put Environmental, Economic, Social and Governance (EESG) as a top priority to position ourselves in meeting financing market requirements, with an attractive proposition to stakeholders

Results:

- Secured external financing with competitive rates despite market challenges, for our subsidiary, associates and joint venture

CFO'S REVIEW

SEGMENTAL PERFORMANCE RESULTS

Our chemicals portfolio comprises Olefins & Derivatives (O&D) and Fertilisers & Methanol (F&M) which make up the commodities business and Specialties. F&M remained as the major contributor to the Group's EBITDA.

OPERATIONAL AND COMMERCIAL PERFORMANCE

Plant Utilisation Rate

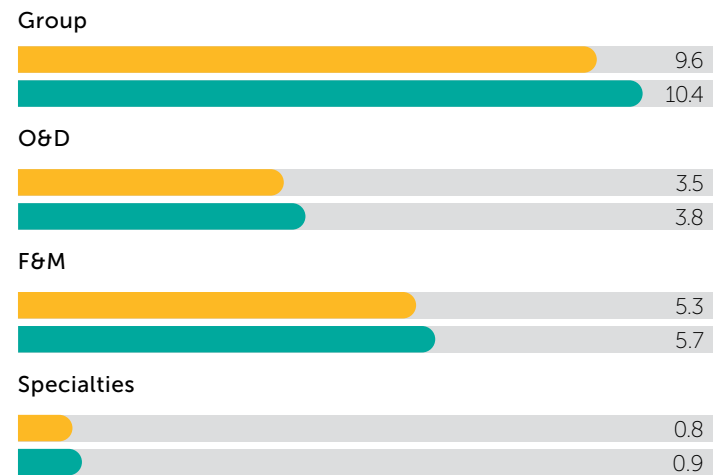


O&D: Improved at 91.2% mainly due to lower external unplanned shutdown, resulting in higher production and sales volume.

F&M: Improved at 90.3% mainly due to lower plant maintenance activities, resulting in higher production and sales volume.

* excluding PIC

Sales Volume (Million TPA)



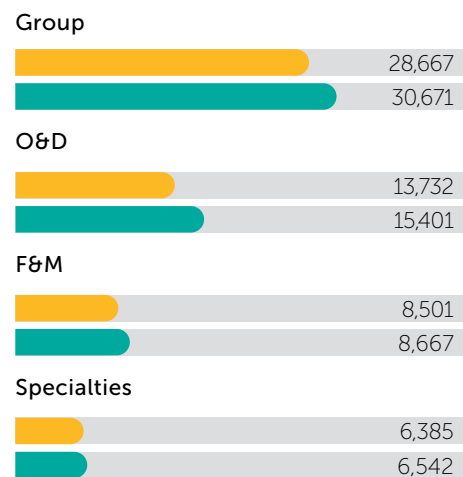
O&D: Increased in line with higher production volume and additional capacity from Pengerang Petrochemical Complex.

F&M: Increased driven by firm demand and stable plants' production.

Specialties: Increased mainly due to strong demand for Oxo and Polyols.

FINANCIAL PERFORMANCE

Revenue (RM Million)

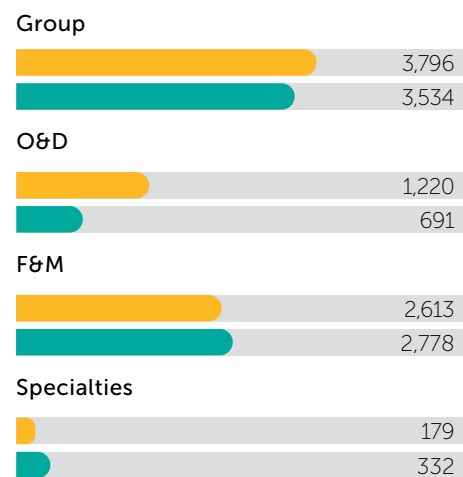


O&D: Improved mainly contributed by higher sales volume and product prices.

F&M: Increased mainly due to higher sales volume, partially offset by lower product prices.

Specialties: Increased mainly due to higher sales volume.

EBITDA (RM Million)

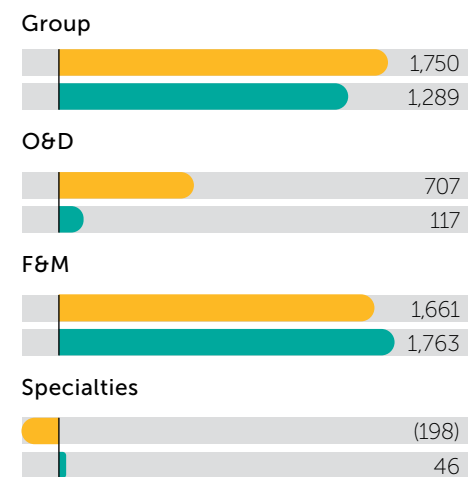


O&D: Reduced mainly due to lower product spreads and higher plant operating costs from a joint operation entity, partially offset by higher sales volume.

F&M: Improved mainly contributed by higher sales volume, partially offset by lower product spreads.

Specialties: Higher driven by improved contribution margin following higher sales volume and lower raw material costs.

Profit/(Loss) After Tax (RM Million)



O&D: Reduced in line with lower EBITDA, unfavourable foreign exchange and higher depreciation and finance cost from a joint operation entity, partially offset by income arising from adjustment of timing of trade payables.

F&M: Increased in line with higher EBITDA.

Specialties: Improved in line with higher EBITDA.

BALANCE SHEET HIGHLIGHTS

- Total Assets:** Maintained at RM60.0 billion same level as FY2023.
- Cash Position:** Stood at RM9.9 billion, reflecting strong liquidity for growth initiatives and operational needs.
- Gearing Ratio:** Remained low at 8%, underscoring PCG's financial discipline.

Total Assets

RM60,020 MILLION

2023: RM60,206 million

Total Equity

RM39,979 MILLION

2023: RM42,074 million

Dividend Payout Ratio (%)

88.5%

2023: 61.3%

RETURNS TO SHAREHOLDERS

In line with PCG's dividend policy of a payout ratio of around 50% of Group Profit After Tax and Non-Controlling Interests (PATANCI), the Board declared dividends of 10 sen and 3 sen per ordinary share, amounting RM1,040 million in respect of the financial year ended 31 December 2024. This reaffirms our commitment to balancing shareholder returns with funding for growth.

SUSTAINABILITY

In 2024, PCG continued to prioritise sustainability as a key pillar of its strategy. We have strengthened our focus on reducing environmental impact while positioning the Group for long-term value creation in line with global EESG standards.

CLIMATE ACTION AND DECARBONISATION

- Emission Reduction:** We have identified optimisation opportunities to ensure operational efficiency and reduce emissions.
- Carbon Tax Readiness:** Actively preparing for Malaysia's upcoming carbon tax in 2026 by embedding internal carbon pricing mechanisms into new project assessments.
- Renewable Energy Initiatives:** We are planning rooftop solar installations at administrative facilities, along with ground-mounted solar installations. This project will reduce carbon intensity in non-core operations.

ALIGNMENT WITH GLOBAL SUSTAINABILITY STANDARDS

- PCG is aligning its reporting with emerging global frameworks, including the IFRS S1 and S2 issued by the International Sustainability Standards Board (ISSB) and the European Corporate Sustainability Reporting Directive (CSRD). This enhances transparency, accountability, and stakeholder confidence in PCG's sustainability agenda.
- Climate risk assessments have been expanded to include international assets, addressing physical and transition risks across our operations.

CFO'S REVIEW



Our transparency in governance reporting is recognised at the Australasian Reporting Awards 2024.

As part of our Net Zero Carbon Emissions (NZCE) 2050 Roadmap, we balance investments in sustainable technologies with delivering consistent shareholder value. While some renewable product initiatives face cost challenges, these obstacles drive innovation and optimisation. By refining processes and enhancing efficiencies, we aim to make these initiatives commercially viable and drive progress toward a sustainable future.

The establishment of Sustainability Fund, is a key step in our commitment to environmental stewardship and sustainable growth. This fund will finance projects that promote renewable energy, reduce carbon emissions and enhance efficiency aligned with PCG's decarbonisation aspirations.

PCG recognises that the global push for sustainable practices will drive future growth. We are working closely with stakeholders, including customers and regulators, to meet evolving expectations while embedding sustainability into the core of our operations.

OUTLOOK

The outlook for 2025 remains challenging as the global chemical sector continues to grapple with economic uncertainties, fluctuating crude oil prices and evolving market dynamics. The anticipated pressure on petrochemical prices, driven by softer demand and geopolitical headwinds, will require PCG to focus intently on cost containment and operational efficiency.

KEY SEGMENTAL OUTLOOK

Commodities

Commodities market is expected to be bearish amidst supply outages and limited downstream demand.

Specialties

The Group remains cautiously optimistic for the demand recovery in specific end markets, attributable to the uncertain global macroeconomic environment.

STRATEGIC FOCUS FOR 2025

- Cost Optimisation:** PCG will continue its focus on rigorous cost management practices, leveraging proven operational and commercial excellence strategies to enhance competitiveness and resilience.
- Growth Investments:** The commercialisation of the Pengerang Integrated Complex (PIC) will contribute to revenue growth, supported by new specialty chemical projects in the region.
- Sustainability Goals:** Intensified efforts to reduce greenhouse gas emissions and comply with Malaysia's forthcoming carbon tax regulations will underpin PCG's commitment towards NZCE by 2050.

MOHD AZLI ISHAK
Chief Financial Officer

SEGMENTAL REVIEW

COMMODITIES



OVERVIEW

In 2024, PCG continued to strengthen operational and sales performance across the Commodities portfolio which includes the Olefins & Derivatives (O&D) and Fertilisers & Methanol (F&M) segments.

Operational performance saw marked improvements, driven by increased plant reliability and reduction in planned shutdowns across the year, leading to improved plant utilisation. On the commercial front, external market conditions, including increased regional competition from China and geopolitical instability in the Middle East, continued to create pricing pressures.

PCG's strategic focus on Operational Excellence and Commercial Excellence remained central in our efforts to deliver value. The company's proactive approach—optimising maintenance, getting closer to our customers, expanding strategic sourcing and leveraging digital technology—has helped protect our market position and stabilise sales volumes despite the challenging environment.

CHALLENGES & MITIGATION

This year, PCG experienced a tragic incident resulting in a fatality. This incident occurred in August in Labuan and prompted immediate corrective measures, including a company-wide safety stand-down, gap assessments and reinforcement of critical safety protocols. PCG's response strengthened the safety culture across all facilities, with enhanced training and safety ownership initiatives that aimed to prevent future incidents and further embed a proactive approach to safety.

Internally, efforts to enhance plant reliability that were initiated in 2023 have continued into 2024. PCG's ongoing initiatives to enhance plant reliability addressed key operational challenges across facilities. For instance, structured root cause investigations and reliability discussions resulted in targeted interventions to address persistent issues, particularly at critical facilities like PETRONAS Chemicals MTBE (PC MTBE), PETRONAS Chemicals Methanol (PC Methanol) and PETRONAS Chemicals Fertiliser Kedah (PC Fertiliser Kedah), where unplanned shutdowns posed challenges early in the year. Digital transformation initiatives have also played a key role in supporting operational efficiency and equipment reliability across PCG's facilities in 2024. By leveraging on the established advance analytics digital tools such as Asset Performance Management (APM), Plant Facing Analytics (PFA), and Descriptive Analytic tools (PIVOT DA) PCG was able to proactively identify and prevent potential equipment failures. Collectively, these initiatives, supported by focus on planned maintenance, enabled recovery across most Operating Units (OPUs).

Externally, the industry has also faced several challenges, as China's increasing self-sufficiency and petrochemical exports into the region continued to drive down product prices and pressure margins. In addition, ongoing geopolitical volatility in the Middle East resulted in fluctuating oil prices and is expected to remain a challenge for feedstock prices over the next two to three years.

From a commercial perspective, PCG continues to strive to become closer to its customers in the region to mitigate intensifying competition. We have further strengthened our value proposition to customers by working with credible partners to install tankages in key markets such as China, Thailand and Indonesia. We believe that having a physical presence in countries where our clients are located is crucial to protecting our ability to create value.

Protecting our ability to create value has also led to the further expansion of our strategic sourcing efforts to mitigate potential production challenges. We leveraged our wide network and solid relationships with other co-producers and suppliers, to secure not only spot but term supply for products such as methanol, MTBE, urea, ammonia and aromatics. In 2024, this added about 900 KTPA of externally sourced product to our total sales volume. Strategic sourcing will become a key component of our overall commercial strategy as we prepare for future regulatory requirements that will demand more frequent plant turnarounds and maintenance shutdowns. In addition, we have proactively revised certain term arrangements to reflect the realities of the ongoing industry downcycle, to ensure we maintain our market share in key markets.

SEGMENTAL REVIEW

PERFORMANCE HIGHLIGHTS & ACHIEVEMENTS

O&D SEGMENT PERFORMANCE

In the year under review, the O&D segment achieved a plant utilisation rate of 91.2%, an improvement from 85.4% in 2023. This increase in operational efficiency was driven by enhanced maintenance strategies and reliability programmes, although certain reliability issues persisted, particularly at PC MTBE, where a heat exchanger required repairs. Significant improvements in reliability followed the scheduled replacement of critical components.

The O&D segment's sales performance in 2024 reflected efforts to secure feedstock and manage inventory effectively. Total sales volume for the year reached 3,810 kilometric tonnes (KMT), building on the 3,516 KMT achieved in 2023, supported by the stable plant performance. This achievement was underpinned by enhancing the reliability of supply from upstream and gas processing plants and the effective coordination of shutdown activities. This also contributed to an Order Fulfilment Reliability (OFR) of 95% and enhanced customer confidence.

In addition, we intensified route-to-market (RTM) efforts to secure homes for the upcoming volumes from PIC. In 2024, a total of 984 KMT from pre-operation activities was delivered to the market with minimal operational setbacks.

In 2024, we continued to support customers' needs for sustainable solutions by offering natural-based Fatty Alcohol Ethoxylates (FAE) products that are Roundtable on Sustainable Palm Oil (RSPO) certified. We also commercialised a new surfactant, HL701, that has a high Renewable Carbon Index (RCI) in November 2024.



Overall Production Volume:

3,644 KMT
2023: 3,365 KMT
2022: 3,577 KMT

Overall Sales Volume:

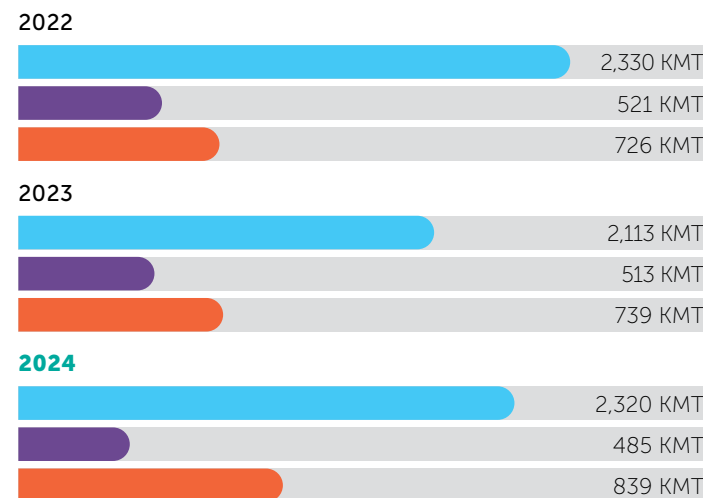
3,810 KMT
2023: 3,516 KMT
2022: 2,879 KMT

Plant Utilisation:

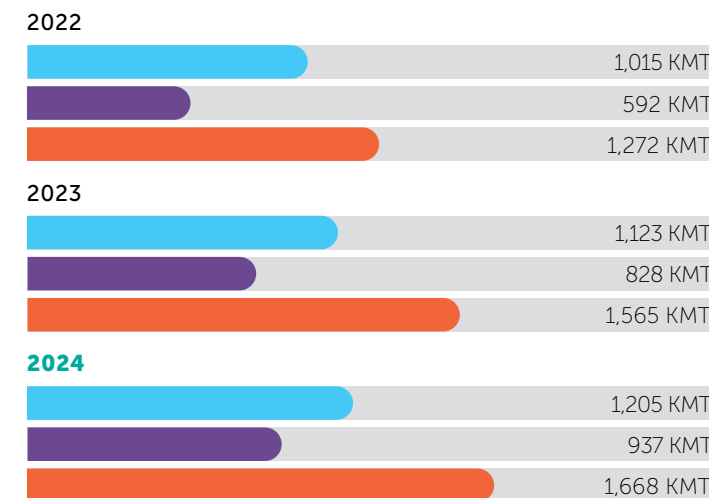
91.2%
2023: 85.4%
2022: 91.4%

● Olefins, Glycols & Derivatives ● Polymers ● Aromatics & MTBE

PRODUCTION VOLUME BREAKDOWN



SALES VOLUME BREAKDOWN



SEGMENTAL REVIEW

SEGMENTAL REVIEW

PERFORMANCE HIGHLIGHTS & ACHIEVEMENTS

F&M SEGMENT PERFORMANCE

In 2024, the F&M segment achieved a higher plant utilisation rate of 90.3% compared to 84.4% in 2023, supported by targeted maintenance and reliability programmes across our methanol and ammonia plants. This focus on maintenance ensured minimal unplanned shutdowns and allowed us to sustain operational stability. Total sales volume grew to 5,660 KMT, an 8% increase over the previous year.

Sales volume was higher as a result of PCG's strategic sourcing efforts, which ensured resilience during planned and unplanned shutdowns as it enabled us to meet market demand efficiently while maintaining sufficient inventory levels.

Regionally, we have focused on strengthening our foothold, especially in the methanol space. We have laid the groundwork in several regions by expanding tankage capacities in strategic locations, not only within Southeast Asia but also beyond. This expansion is in preparation for the upcoming sale of volumes from our business partner, Sarawak Petchem, whose methanol plant is set to add 1.75 million tonnes of nameplate capacity to the market in 2025.

Overall Production Volume:

6,618 KMT
2023: 6,169 KMT
2022: 6,390 KMT

Overall Sales Volume:

5,660 KMT
2023: 5,252 KMT
2022: 5,184 KMT

Plant Utilisation:

90.3%
2023: 84.4%
2022: 87.5%

REVENUE



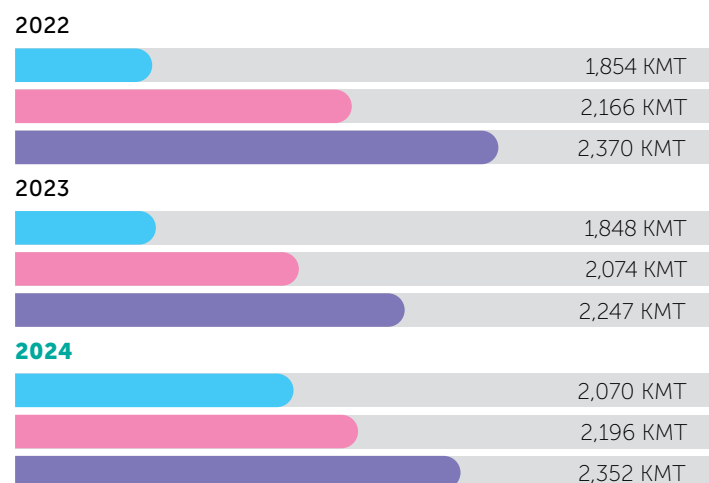
PROFIT AFTER TAX



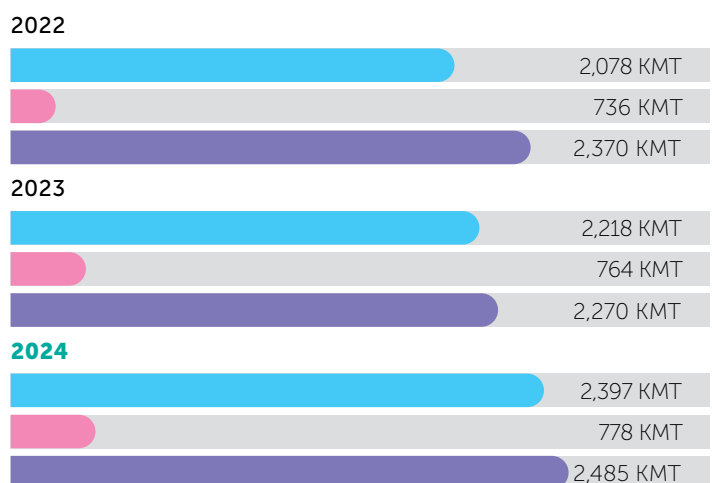
EBITDA



PRODUCTION VOLUME BREAKDOWN



SALES VOLUME BREAKDOWN



RISKS & OPPORTUNITIES

Very High High Medium Low

H Health, Safety and Environment Risk

Unsafe working environment exposes our employees and contractors to physical and chemical hazards, leading to potential injuries or fatality.

Opportunity:

- Drive the implementation of HSE excellence programmes at all levels including contractors to ensure safe working environment

Actions taken:

- Streamlined the FELT Leadership Engagement Programme that was led by top leaders in collaboration with PCG HSE and the Product Stewardship team
- Drove continuous improvement in contractors' HSE management to enhance accountability and compliance
- Enhanced the effectiveness of Process Safety Observations (PSO) to identify and mitigate potential risks proactively
- Implemented assurance programme for road transporters, which include empowerment so that HSE practices can be sustained and self-regulated by transporters
- Conducted 6 Defensive Driving Training (DDT) sessions for sales personnel
- Implemented e-learning DDT module for the rest of commercial staff to inculcate awareness on road safety

Results:

- Recorded one fatality, three Loss Time Injuries (LTI) and two major Loss of Primary Containment (LOPC) in 2024
- Recorded ZERO Serious Vehicle Accident Rate (SVAR)

O Plant Operational Risk

Unreliable and inconsistent production impacts sales volume and revenue growth.

Opportunity:

- Strengthen technical collaboration internally and externally to improve response and mitigate plant reliability challenges based on best practices and latest improved technology
- Deliver Operational Excellence through digital implementation in managing plant reliability issues

Actions taken:

- Continuation of an expert network for all technical experts to manage specific discipline, knowledge and work processes from across PCG to come together on a single platform to discuss and share solutions
- Continuation of PFA tools to increase plant Overall Equipment Effectiveness (OEE) and targeting the reduction of plant downtime due to equipment failure through advanced analytics

Result:

- Addressed majority of plant issues. As a result, improvement in plant utilisation rate from 85% to 91%

F Feedstock and Utilities Risk

Unreliable feedstock, utilities and chemicals supply which may disrupt plant operation.

Opportunity:

- Effectively drive the effort to improve the reliability of supply with feedstock, utilities and chemicals suppliers

Actions taken:

- Drive continuous engagement with PETRONAS Gas Berhad (PGB) (Peninsular Malaysia) and PETRONAS Carigali Sdn. Bhd. (PCSB) (Sabah & Sarawak) for assurance in fulfilling feedstock supply obligations through existing gas planning, integration and coordination platforms involving upstream and gas business. (i.e., Gas Operation and Delivery Committee (GODC), Gas Planning and Delivery Meeting (GPDM), Gas Planning and Delivery Committee (GPDC))
- Sustained close collaboration with local agencies to ensure uninterrupted water supply to our facilities

Result:

- PCG managed to secure reliable feedstock supply in 2024 with more than 140 tonnes per hour (tph) of ethane for our Kertih Integrated Petrochemicals Complex and improved Sabah and Sarawak gas supply availability to ensure uninterrupted plant operation

M Market Risk

Mismanagement of customer relationships may result in loss of customer loyalty and subsequently, tarnish the company's reputation.

Opportunity:

- Reliable and timely delivery of products to customers promotes repeated purchases and customer loyalty
- Strong engagement with customers enables a better understanding of their product expectations
- Collaborations with customers provide us with better insight on current market needs
- Expansion of customer base and exploration of new markets through innovative products

Actions taken:

- Established term contracts with co-producers to secure supplemental volume in case of plant downtime
- Collaborated on product co-creation opportunities to solve customers' pain points
- Delivered customer-centric value propositions that meet customer needs
- Optimised sales portfolio mix and maintained high pricing excellence against market benchmark to maximise value
- Maintained competitive logistics costs through cost-to-serve optimisation initiatives

Results:

- Continue to achieve high sales volume despite challenges amidst market volatility and slow demand
- Achieved 5.3 sigma on customer feedback, exceeding the industry standard of 5.0 sigma
- Achieved a Net Promoter Score (NPS) of +65, higher than industry average

SEGMENTAL REVIEW

CONTRIBUTION TO SUSTAINABILITY

Sustainability Certifications:

PCG advanced its commitment to sustainable practices through multiple certifications and recertifications, which underscore its alignment with international standards and regulatory requirements:

- **Protect & Sustain (P&S) Certification** for PC Fertiliser Kedah's urea, reinforcing product safety and environmental standards. The P&S Certification is the de facto global product stewardship standard for the fertiliser industry, as it allows producers, distributors, traders and transporters to publicly and credibly prove their commitment and conformance towards Responsible Care and various ISO standards
- **EcoVadis sustainability assessment** has been initiated to benchmark environmental and social responsibility practices. The EcoVadis sustainability assessment, widely used by chemical industries enables customers, business partners and investors to ensure that the company takes its environmental, social and ethical responsibilities seriously
- **ISCC PLUS Recertification** to ensure product traceability and alignment with responsible sourcing. ISCC PLUS is a voluntary certification scheme designed to validate sustainability characteristics of alternative feedstocks and demonstrates compliance with clearly defined sustainability standards
- **Bureau of Indian Standards (BIS) Certification** for glycols, affirming product quality and safety compliance. A BIS certification enables PCG products like Ethylene Glycol to be extended to the Indian market and demonstrates that it has met standards set by the National Standard Body of India

GHG Reduction Initiatives:

- Abated **81K tonnes CO₂e** through targeted energy efficiency projects
- Conducted asset decarbonisation assessments to support **electrification and implemented heat sleeves at PC Fertiliser Kedah** to reduce heat release
- **Rejuvenation of heat recovery equipment** which optimise internal steam system operation

Customer Delivery Excellence (CDEx) Platform for Logistics Efficiency:

- Piloted improved logistics efficiency at PC Fertiliser Kedah by enabling vehicle slot booking, which helped to reduce traffic congestion issues and truck idling times

OUTLOOK

PCG is positioned to expand its operations and market reach in 2025, with a strategic focus on both Operational Excellence and Commercial Excellence. Key projects include the anticipated start-up of the melamine plant, which will enable PCG to cater to growing regional demand for melamine-based products. Additionally, the Sarawak Petchem methanol plant is set to add 1.75 million tonnes of nameplate capacity, further strengthening PCG's supply capabilities in Southeast Asia. We will also be further advancing feasibility studies as outlined under the Memorandum of Understanding that was signed with Sarawak Petchem to evaluate the development a Low-Carbon ammonia and urea plant in Bintulu, Sarawak.

The full commercialisation of PIC will also be a key milestone in 2025, as PCG expands its polymer offerings, with tailored technical support for customer-specific needs. PCG will also continue its proactive market preparation and ensure readiness for upcoming products like Maleic Anhydride (MAN) which are expected to reach target markets by 2026.

Sustainability remains a core priority, with key initiatives in place to continue developing and offering more sustainable products to our customers. PCG is actively working on developing solutions to assist in the management of various sustainability concerns such as microplastics pollution, amongst others. Collaborations with customers are also taking place, to co-create innovative products such as mono-material (polymer) solutions, in support of customers' sustainability agenda.

Operationally, the focus will be on achieving a generative HSE culture that empowers employees to proactively address safety and health issues. Integrated maintenance activities at Kertih Integrated Petrochemical Complex (KIPC) and continued management of plant issues and reliability threats will support plant performance. These strategic and operational advancements will collectively equip PCG to meet the challenges of 2025, creating value through resilience and innovation.



PERSTORP'S NEW PENTA PLANT

BHARUCH, INDIA

The plant spans **28 acres**, was inaugurated on **20 February 2024**, and employs **120 people**.

Perstorp commissioned its ISCC PLUS certified plant in Bharuch, India. This facility is set to produce 40,000 metric tonnes of Pentaerythritol and 26,000 metric tonnes of calcium formate annually.

This includes the renewable-based, ISCC PLUS certified Voxtar™, all manufactured using renewable raw materials and hybrid electricity sources.

PCG'S TECHNOLOGY & INNOVATION CENTRE

BANGI, MALAYSIA

Tailored for diverse **customer needs and designed to foster co-creation** with customers, the centre will play a **key role in advancing specialty chemicals and applicative science**. Set to be completed in 2025, the centre will **leverage cutting edge technology and innovative practices to deliver enhanced value** across regions.

Artist impression for the interior build of the centre.

The centre will feature end-to-end capabilities: Synthesis lab (new chemistry and processes), Analytical lab (characterisation), Pilot Plant (process scale-up and pre-market sampling), and Applicative Science lab (performance tests).

This innovation ecosystem is vital for PCG's future success, positioning the centre as one of PCG's global hubs, establishing its leadership in specialty chemicals innovation.



SEGMENTAL REVIEW

SPECIALTY CHEMICALS



OVERVIEW

In 2024, Specialty Chemicals (SC) Division, encompassing Perstorp and BRB, continued our growth trajectory with a strategic focus on innovation, sustainability and market expansion. With a global network comprising 15 production sites, the division serves diverse markets across the Americas, Europe, Middle East, Africa and Asia Pacific (APAC).

Guided by a comprehensive transformation strategy, the division aims to advance further down the chemicals value chain to be closer to end users, enabling us to identify new opportunities. This includes efforts to enhance competitive positioning through both organic and inorganic initiatives in target segments to deliver tailored solutions for the specific challenges faced by our customers.

Another crucial element of this transformation is the ongoing establishment of the innovation networks, scheduled for completion in 2025. These facilities will be strategically located close to our customers, facilitating expedited services and more efficient, responsive solutions. Designed to address the diverse needs of customers across various regions, the hub will leverage cutting-edge technology and innovative practices to foster co-creation with customers and deliver enhanced value.

As we progress with these strategic initiatives, our commitment to sustainability, innovation and customer-centric solutions remains steadfast. We are confident that these efforts will not only solidify our position in the specialty chemicals market but also propel us towards achieving our long-term vision of becoming a leading specialty chemicals player and delivering exceptional value to our stakeholders.

CHALLENGES & MITIGATION

In 2024, SC navigated challenges from global economic uncertainties, geopolitical tensions, and supply chain disruptions, affecting supply-demand balance and key industries like construction and automotive. Persistent high energy prices in Europe and competition from low-cost Chinese producers resulted in compressed margins.

To mitigate these pressures, we implemented operational and commercial strategies. We enhanced efficiency, controlled input costs through favourable supplier negotiations, and sourced alternative raw materials. In addition, strengthening inventory management ensured steady material flow.

To diversify revenue streams, we targeted specialised markets and emerging sectors, focusing on lower carbon footprint products. Furthermore, we reinforced customer engagement initiatives and value-added services to foster long-term relationships.

These initiatives increased our market share, sales volumes, and operational resilience while maintaining margins. Exploring new product lines and diversifying suppliers minimised market fluctuation impacts, opening up new revenue streams and reinforcing a resilient foundation for growth.

SEGMENTAL REVIEW

PERFORMANCE HIGHLIGHTS

REVENUE

2024
RM6.5 billion
2023: RM6.4 billion

EBITDA

2024
RM0.3 billion
2023: RM0.2 billion

PROFIT/(LOSS)
AFTER TAX

2024
RM0.05 billion
2023: (RM0.2 billion)

SALES VOLUME

2024
897 KMT
2023: 841 KMT

New products
launched in 2024:

17

Events participated
in 2024:

42

- In 2024, Perstorp commissioned its ISCC PLUS certified plant in Bharuch, India, which was officially inaugurated in February. This facility is set to produce 40,000 metric tonnes of Pentaerythritol and 26,000 metric tonnes of calcium formate annually. This includes the renewable-based, ISCC PLUS certified Voxtar™, all manufactured using renewable raw materials and hybrid electricity sources.
- In March, Perstorp secured full ownership of its polyol manufacturing site in Zibo, China, enhancing its strategic focus on the Asian market and paving the way for future expansion and diversification of the site.
- Inaugurated new offices in Malaysia, Turkey, and Taiwan, reinforcing our presence in Southeast Asia and Europe, while leveraging Taiwan's strategic position within the semiconductor supply chain.
- The inclusion of Isononanol (INA), Iso-Dodecene and Oxo Oil 9N has expanded Perstorp's Oxo Alcohols portfolio from C8 to C10, thereby broadening Perstorp's product range and strengthening its capability to better serve customers.
- In December, Perstorp acquired OQ Chemicals Nederland B.V. renamed as Perstorp Amsterdam B.V. which will further enable our growth strategy and strengthen our presence in the Engineered Fluids segment.
- BRB's subsidiary, CSL Silicones, expanded its portfolio for high voltage insulator coatings (HVIC) in the Middle East and strengthened its roof coatings business in North America through partnerships and product diversifications.
- BRB's production sites in Ittervoort and Echt, the Netherlands and Gebeng, Malaysia, achieved ISO 45001 (OH&S) and ISO 14001 (environmental management) certifications, reinforcing BRB's commitment to Quality, Environment and Safety.



Strengthening our presences in the Engineered Fluids segment with acquisition of OQ Chemicals Nederland B.V. renamed as Perstorp Amsterdam B.V.

SEGMENTAL REVIEW

SEGMENTAL REVIEW

SPECIALTY CHEMICALS PRODUCT GROUPS

RESINS & COATINGS

Essential building blocks and specialty products tailored to produce resins for the coatings industry, including alkyd resins, liquid saturated polyester, liquid unsaturated polyesters, powder polyesters, polyurethane dispersions, radiation curing, cationic curing and intumescent carbon donors.

Highlights:

- Product development to support customers transitioning away from Trimethylolpropane Triacrylate (TMPTA), a chemical commonly used in coatings, adhesives and inks, following its reclassification as a Class 2 carcinogen in late 2023

ENGINEERED FLUIDS

High quality building blocks for polyol ester base stock with a complete range of polyol portfolio. Mainly targeted for use in aviation turbine oils, hydraulic fluids, metalworking fluids, refrigeration lubricants, transformer oils and di-electric fluids.

Highlights:

- Introduced Synmerse™ DC, a high-performance immersion cooling fluid designed to enhance operational safety, cooling efficiency, and reduce maintenance in data centres. Developed in collaboration with leading processor manufacturers and original design manufacturers, Synmerse™ DC ensures compatibility with next-generation computing technologies. It was first showcased at Data Centre World Asia 2024 in October

ADVANCED MATERIALS

Leverages focused and innovative chemistry related to polymer additives, polyvinyl chloride (PVC) plasticisers and polyesters to help formulators, compounders and converters to produce safer, more sustainable and higher performance plastics.

Highlights:

- Expanded Akestra™ to the American market. This unique material offers a glass-like appearance with superior heat resistance compared to polyethylene terephthalate (PET), making it an ideal choice for hot-fill packaging and food contact applications
- Launched Pevalen™ Pro 100, an ISCC PLUS certified, non-phthalate plasticiser made from 100% renewable carbon. This innovation sets a new industry benchmark by delivering a fully renewable, high-performance solution for flexible PVC without compromising on performance nor safety

ANIMAL NUTRITION

Innovative organic acid-based solutions that improve gut health and performance, while safeguarding feed from contaminants such as enteric pathogens, mycotoxins, molds and yeasts.

Highlights:

- Launched Gastrivix™ Go in Europe, the Middle East, and Africa (EMEA) and Gastrivix™ Gain in the Chinese market. Both feed additives - Gastrivix™ Go and Gastrivix™ Gain - are formulated to support gut health in animals

SILICONES

Specialty silicones products cover markets such as Personal Care, Construction, Coating & Inks, Plastic & Rubber Composites, and Food & Beverages.

Highlights:

Personal Care

- BRB soft launched a novel bio-based emollient, Emfinity® CGSA 200B, which was developed in collaboration with PETRONAS Research Sdn. Bhd.
- Introduced innovative products that combine three unique silicone technologies to enhance hair and skin care as well as customer experience. BRB 1864 features a silicone-rich formula for a luxurious shine and conditioning effect, BRB 2844 is a water-dispersible silicone wax that reduces tackiness and provides deep moisturisation, and BRB SG 250 is a silicone elastomer that imparts a velvety, powdery feel and lasting comfort on the skin

Coating Applications

- Launched BRB Siloen® SMA 287 and BRB Siloen® SMA 288 coating additives, designed for anti-blocking, slip and scratch, and mar resistant enhancers for water-based polyurethane or acrylic wood coatings. Additionally, improved BRB Siloen® SR 619, a solvent-dilutable impregnating agent for mineral construction materials (such as concrete, bricks and natural stones), offering enhanced water repellency and superior penetration

LUBE OIL ADDITIVES AND CHEMICALS (LAC)

LAC solutions reduce fuel consumption, while extending service life and enhancing efficiency of vehicles and machineries, being the key enabler of cost-effectiveness in the automotive and industrial sectors

Highlights:

Introduced six strategic products aimed at advancing performance and sustainability across automotive and industrial applications:

Petrolad® Series:

Petrolad 750, Petrolad 133LS, and Petrolad 9430 are innovative additive packages for automatic transmission fluids, gear oils and engine oils. These products deliver improved performance, cost savings and enhanced environmental sustainability

Viscotech® Series:

Viscotech 6073LR, Viscotech 6540LR/6640LR, and Viscotech 6012LR are viscosity modifiers formulated with re-refined base oil, supporting a circular economy. These modifiers offer high performance, reduced environmental impact and cost-effective solutions for various lubricant applications

RISKS & OPPORTUNITIES

Very High High Medium Low

H Health, Safety and Environment Risk

- HSE incidents in chemical manufacturing, such as spills and fires, can have severe consequences on personnel, the environment and operations
- Mature facilities can result in plant slowdowns or shutdowns

Opportunity:

- Driving HSE excellence through compliance with relevant laws and regulations, while enhancing personnel safety, protecting the environment, optimising operations and fostering continuous improvement and stakeholder trust

Action taken:

- Continuously improve safety measures through asset integrity programmes, safety training and culture-building initiatives like the Perstorp Careway 365 programme, which includes annual assessments and integration with PETRONAS

Results:

- Recorded ZERO fatality, one Lost Time Injury (LTI), and ZERO major Loss of Primary Containment (LOPC) in 2024

M Market Risk

- Decline in market share, demand, and customer base
- Geopolitical tensions and sustained high inflation contributing to economic slowdown
- Heightened competition with increased supply from China to Europe

Opportunity:

- Gain a competitive market advantage by proactively anticipating customer needs, fostering stronger collaboration and building deeper relationships with stakeholders

Action taken:

- Implementing strategies to address challenges, including alternative sourcing and long-term partnerships
- Enhancing market presence through participation in exhibitions, hosting seminars/webinars and launching new products to meet evolving demand
- Conducted balanced approach between producing main product vs co-products to optimise margin contributions
- Participated in 42 key exhibitions across the world such as the Data Centre World Asia, American Coatings Show and in-cosmetics Asia

Results:

- Launched 17 new products which covers immersion cooling, personal care and plasticiser applications
- Increased 7% sales volume and driving growth in high-margin products

T Talent Risk

- Inability to retain and recruit key personnel, insufficient manning for business sustainability and growth projects
- Skills and competencies management is not aligned with the company's strategies for recruitment, employee development, retention, and transition

Opportunity:

- Expanding team capacity and complement existing capabilities through re-organising the PCG SC Organisational Structure and Operating Model
- Develop Talent Management intervention to mitigate retention challenges

Action taken:

- Development of SC Operating Model and Organisational Structure to be effective in February 2025
- Dedicated HR personnel to look into talent management including recruitment with focused collaboration involving both HR, business units and external support
- Executing and accelerate the near term/recruiting efforts to support the business deliverable

Results:

- Consultations with Perstorp and BRB Works Council/Union and subsequent agreement regarding SC's Organisational Structure were reached by the end of 2024
- Delivered recruitment success at a rate of 79%, with a 92% acceptance rate as of December 2024
- Implemented Cross Mobility programme for PCG Corporate Office, Perstorp and BRB talent pools as part of a targeted short-to-medium term strategy to enhance talent development and capabilities, aligning with our growth objectives

O Operational Risk

- Energy and raw material prices remain elevated, creating a significant competitive gap between Europe, the Middle East, and Africa (EMEA) and the Asia-Pacific (APAC) region, impacting margin contribution
- Supply chain and logistics disruptions, driven by external factors such as geopolitical tensions and sanctions, continue to affect operations

Opportunity:

- Strong value chain performance driven by efficient planning, effective implementation and proactive intervention in operations and maintenance activities

Action taken:

- Ongoing improvement programmes with site-specific implementation focused on cost reduction, raw material optimisation, and yield enhancement, while providing support to select struggling suppliers
- Renegotiate with current suppliers on raw material and develop supplier assessment, performance evaluation as well as audit programme

Results:

- Realised 7% cost savings across multiple sites in areas like direct variable costs, freight, and raw materials
- Improved product yield in the specialties segment
- Modified supplier terms (price, payment, consignment stock and order size) to assist suppliers during difficult periods

R Regulatory Risk (including Sustainability)

- Emerging and increasingly stringent laws and regulations impacting specialty products and their markets
- Inability to anticipate and adjust to changing sustainability regulations may lead to legal penalties, market setbacks, reputational harm and higher operational costs

Opportunity:

- Leveraging compliance as a catalyst for innovation, driving a competitive edge and enhancing market share

Action taken:

- Enhance employees' understanding of the Code of Conduct and Business Ethics (CoBE) by implementing mandatory e-learning and training programmes, including CoBE, EESG and more
- Develop a strong sustainability strategy and framework supported by clear and effective communication
- Utilise Subject Matter Expert (SME) knowledge through continuous communication and engagement

Results:

- Strengthened compliance practices to stay aligned with evolving laws and regulations
- Transformed ambitious 2030 sustainability targets into actionable roadmaps at both corporate level and each production plant. These roadmaps detail practical activities to reduce greenhouse gas emissions, minimise waste, conserve freshwater and drive sustainable transformation throughout the value chain

SEGMENTAL REVIEW

Innovation Risk

- **Inability to introduce new products to the market, resulting in the loss of competitive advantage and market share**

Opportunity:

- Robust planning and execution, supported by adequate R&D funding, enhance the ability to outperform competitors

Action taken:

- Develop a comprehensive innovation strategy that aligns with future market trends and customer needs
- Capture the right talent and technology to drive innovation efforts forward

Results:

- Engage continuously with potential technology partners and invest in Research & Development (R&D) to capitalise on market opportunities
- Construction of innovation labs in Malaysia, China and Europe to expand R&D network set for completion in 2025

CONTRIBUTION TO SUSTAINABILITY

In the year under review, SC has demonstrated a steadfast commitment to incorporating sustainability into our daily operations, in alignment with PCG's Sustainability Agenda. Our sustainability efforts are further bolstered by Perstorp's ambition to achieve Finite Material Neutral, which aims to shift away from all virgin fossil raw materials and energy to using renewable, recycled or reclaimed raw materials and energy at production plants globally. Accordingly, Perstorp and BRB are progressing toward compliance with the Corporate Sustainability Reporting Directive (CSRD), with the primary objectives of enhancing transparency, fostering sustainable business practices and contributing to a more resilient economy.

Perstorp

In 2024, Perstorp earned the Platinum medal from EcoVadis, ranking it within the top 1% of all companies assessed. This improvement from Silver to Platinum in only two years reflects Perstorp's strong dedication to sustainability initiatives. In North America, Perstorp's Toledo site obtained the ISCC PLUS 'trader with storage' certification, demonstrating its commitment to sustainability and traceability in the trading and storage of sustainable materials.

In addition, Perstorp's Waspik site became the first Perstorp facility to achieve net zero emissions for both Scope 1 and Scope 2. This accomplishment was made possible through the replacement of natural gas with biogas, a full transition to 100% renewable energy and the implementation of additional sustainability initiatives, including the substitution of diesel trucks with electric vehicles. In April, Perstorp inaugurated a wastewater project at its Oxo plant in Stenungsund, Sweden, which is expected to conserve 1.1 billion litres of freshwater annually by purifying and reusing municipal wastewater.

BRB

BRB holds the Silver medal from EcoVadis in 2024, securing top 15% position across all industries. To enhance sustainability tracking, BRB implemented the Return on Society and Environment (ROSE) Framework for improved transparency in Corporate Carbon Footprint (CCF) and EESG goals. The ROSE framework is a sustainability management software that assists companies in achieving CSRD compliance.

Additionally, BRB's subsidiary, CSL Silicones, has partnered with Bullfrog Power to transition the electricity and natural gas supply for its silicone manufacturing plant in Guelph, Ontario, to renewable sources. Following extensive research and development efforts, CSL Silicones is now able to incorporate recycled silicone oil into certain formulations. Furthermore, BRB is collaborating with a new label supplier to use recyclable PET back lining instead of wax paper, thereby reducing carbon footprint.

OUTLOOK

PCG is well-positioned to enhance its global presence in 2025 by focusing on innovation, sustainability, and market responsiveness in the Specialty Chemicals business. A major milestone for the year will be the full operationalisation of the newly established Sayakha plant in Bharuch, India which will strengthen our polyol business in the APAC region and address the increasing regional demand for these products.

To deepen customer collaboration, PCG plans to establish new application labs in Malaysia, China, and Europe, complementing the existing network. These facilities will enable the division to co-develop innovative solutions and respond swiftly to customer-specific requirements, further enhancing operational agility and market insights.

On the operational front, efforts will focus on optimising supply chains, leveraging cost-effective raw materials, and strategically deploying resources to drive profitability. These initiatives aim to reinforce PCG's position as a dependable partner, delivering superior-quality specialty chemicals to customers worldwide.

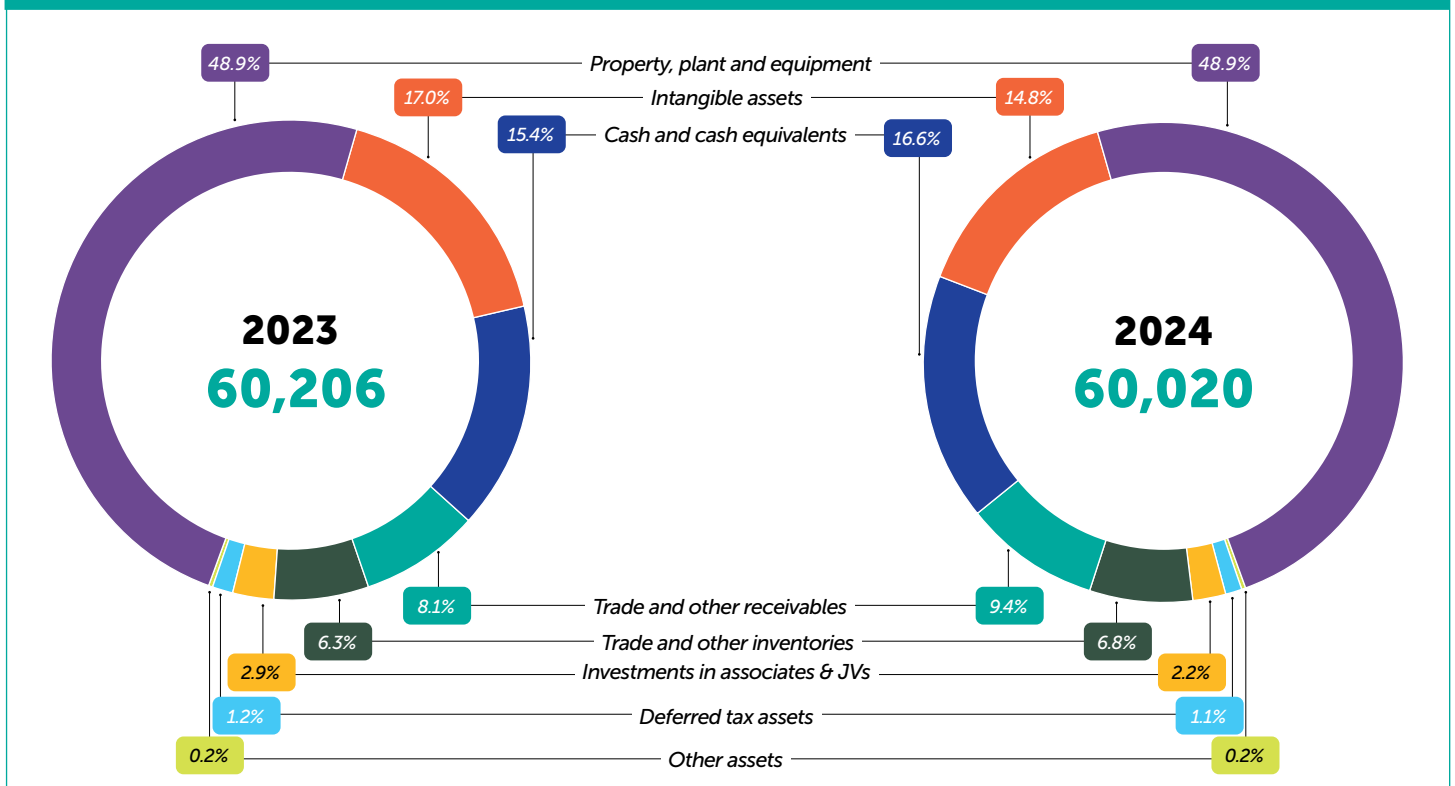
PCG will pursue a balanced growth strategy that combines organic and inorganic initiatives, broadening its portfolio and venturing into new markets. Emphasising a customer-centric, sustainability, and solution-driven focus, we will ensure the delivery of high-performance products tailored to meet diverse industry needs. This strategic direction will help us progress towards a leadership position in specialty chemicals and capture the exciting opportunities that lie ahead.

FINANCIAL REVIEW

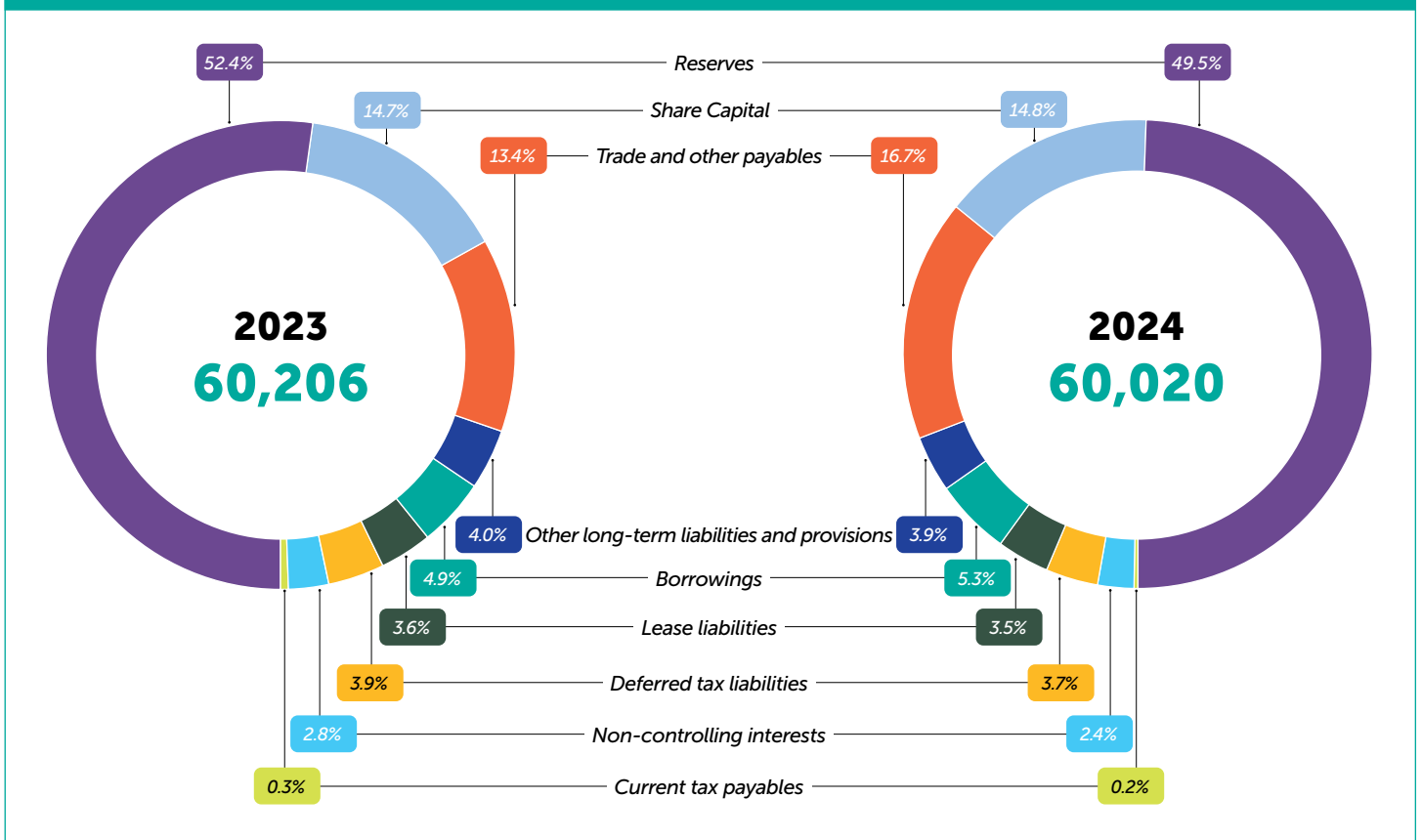
SIMPLIFIED GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

TOTAL ASSETS (RM Million)



TOTAL EQUITY AND LIABILITIES (RM Million)



FINANCIAL REVIEW

ANALYSIS ON FINANCIAL POSITION

AS AT 31 DECEMBER 2024

Sustain resilient financial position at **RM60.0 billion** amidst market challenges.

Total assets as at 31 December 2024 decreased by RM0.2 billion at RM60.0 billion mainly contributed by:

- Decrease in **intangible assets** by RM1.4 billion mainly due to the strengthening of Ringgit Malaysia against Euro and Swedish Krona;
- Decrease in **investment in associates and JVs** by RM0.4 billion mainly due to redemption of preference shares and share of loss contribution from associates and JVs during the year;

Partially offset by:

- Increase in **trade and other receivables** by RM0.8 billion in line with higher revenue; and
- Increase in **cash and cash equivalents** by RM0.7 billion mainly from higher net cash from operating activities coupled with lower dividend payment to shareholders.

Net assets attributable to shareholders of the company decreased by RM1.9 billion at RM38.6 billion mainly from foreign exchange movement due to strengthening of Ringgit Malaysia compared to US Dollar, Euro and Swedish Krona.

Total liabilities increased by RM1.9 billion was mainly attributed to an increase in **trade and other payables** arising from operationalisation cost of joint operation entity.

RM Million	31.12.2023	31.12.2024	Variance
ASSETS			
Property, plant and equipment	29,437	29,338	(99)
Investments in associates and joint ventures	1,710	1,339	(371)
Intangible assets	10,253	8,898	(1,355)
Long term receivables	1,027	951	(76)
Retirement benefits	95	103	8
Deferred tax assets	746	632	(114)
TOTAL NON-CURRENT ASSETS	43,268	41,261	(2,007)
Trade and other inventories	3,767	4,086	319
Trade and other receivables	3,857	4,705	848
Tax recoverable	46	37	(9)
Cash and cash equivalents	9,268	9,931	663
TOTAL CURRENT ASSETS	16,938	18,759	1,821
TOTAL ASSETS	60,206	60,020	(186)
EQUITY			
Share capital	8,871	8,871	-
Reserves	31,544	29,686	(1,858)
Total equity attributable to shareholders of the Company	40,415	38,557	(1,858)
Non-controlling interests	1,659	1,422	(237)
TOTAL EQUITY	42,074	39,979	(2,095)
LIABILITIES			
Borrowings	2,473	2,419	(54)
Lease liabilities	1,930	1,874	(56)
Provisions	299	303	4
Retirement benefits	279	255	(24)
Other long term liabilities	1,831	1,801	(30)
Deferred tax liabilities	2,371	2,198	(173)
TOTAL NON-CURRENT LIABILITIES	9,183	8,850	(333)
Borrowings	500	795	295
Lease liabilities	229	224	(5)
Trade and other payables	8,042	10,054	2,012
Taxation	178	118	(60)
TOTAL CURRENT LIABILITIES	8,949	11,191	2,242
TOTAL LIABILITIES	18,132	20,041	1,909
TOTAL EQUITY AND LIABILITIES	60,206	60,020	(186)
Net assets per share attributable to shareholders of the Company (RM)	5.05	4.82	(0.23)

ANALYSIS ON CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2024

The Group achieved a record-breaking revenue of **RM30.7 billion**, the highest revenue since inception.

PCG's **revenue** increased to RM30.7 billion, marking a rise of RM2.0 billion compared to RM28.7 billion in 2023 driven by higher sales volume in line with higher production volume.

The **cost of revenue** rose by RM2.1 billion primarily due to higher feedstock cost in line with higher production volume.

Gross profit remained consistent with 2023, totaling RM4.7 billion.

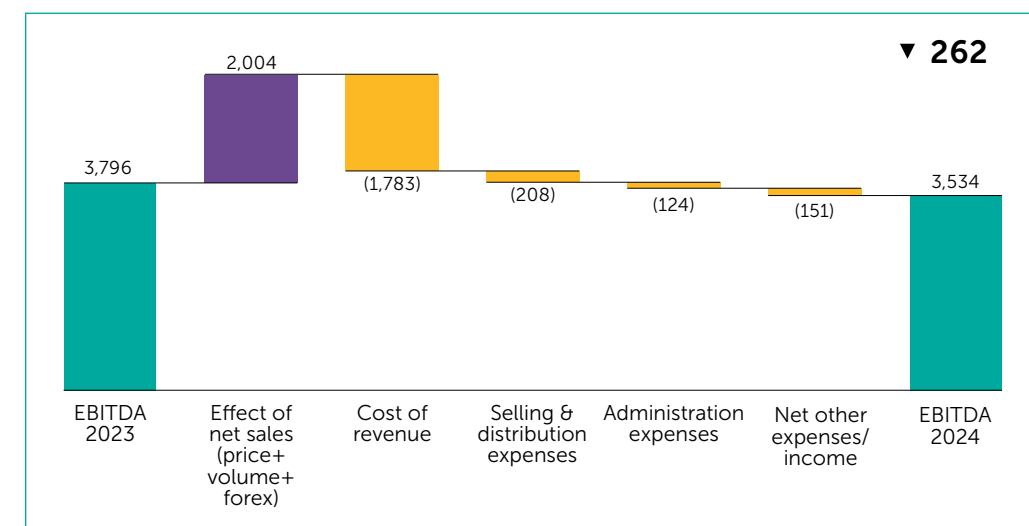
Operating profit decreased by RM0.1 billion at RM2.1 billion. This decline was primarily driven by higher plant operation costs from a joint operation entity, partially offset by income arising from adjustment of timing of trade payables.

Share of loss of equity-accounted associates and joint ventures in current year compared to share of profit mainly due to lower sales volume and higher operating cost following commencement of production.

PCG recorded **PBT and PAT** at RM1.7 billion and RM1.3 billion, respectively.

RM Million	Year ended 31 December		
	2023	2024	Variance
Revenue	28,667	30,671	2,004
Cost of revenue	(23,882)	(25,965)	(2,083)
Gross profit	4,785	4,706	(79)
Selling and distribution expenses	(1,906)	(2,144)	(238)
Administration expenses	(1,394)	(1,526)	(132)
Other expenses	(40)	(199)	(159)
Other income	711	1,220	509
Operating profit	2,156	2,057	(99)
Financing costs	(139)	(260)	(121)
Share of (loss)/profit after tax of equity-accounted associates and joint ventures	93	(107)	(200)
PROFIT BEFORE TAXATION	2,110	1,690	(420)
Tax expense	(360)	(401)	(41)
PROFIT FOR THE YEAR	1,750	1,289	(461)
Profit attributable to:			
Shareholders of the Company	1,696	1,175	(521)
Non-controlling interests	54	114	60
PROFIT FOR THE YEAR	1,750	1,289	(461)
EBITDA	3,796	3,534	(262)
EBITDA Margin (%)	13%	12%	
GP Margin (%)	17%	15%	

EBITDA MOVEMENT FOR THE YEAR (RM MILLION)



EBITDA in 2024 at **RM3.5 billion** has decreased in line with lower product spreads and higher operational cost of joint operation entity.

FINANCIAL REVIEW

ANALYSIS ON CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

PCG maintained a solid cash flow, with cash and cash equivalents standing at **RM9.9 billion**.

Net cash generated from operating activities decreased by RM0.5 billion, largely due to lower profit generated during the year.

Net cash used in investing activities decreased by RM0.1 billion, primarily due to redemption of preference shares in an associates and joint venture.

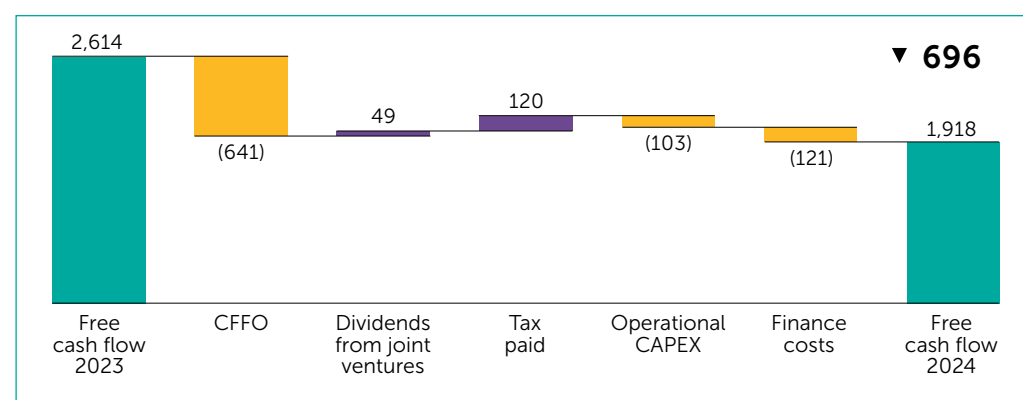
Net cash used in financing activities decreased by RM0.9 billion mainly due to lower dividend payment to shareholders.

Free cash flow:
RM1.9 billion
2023: RM2.6 billion

Dividends paid:
RM1.2 billion
2023: RM1.9 billion

RM Million	2023	2024	Variance
Cash flows from operating activities			
Profit before tax	2,110	1,690	(420)
Adjustments for non-cash items	1,711	1,832	121
Changes in working capital	1,335	993	(342)
Cash generated from operations	5,156	4,515	(641)
Interest income received	386	414	28
Taxation paid	(423)	(303)	120
Net cash generated from operating activities	5,119	4,626	(493)
Cash flows from investing activities			
Net acquisition of a subsidiary and non-controlling interest	2	(87)	(89)
Net purchase of property, plant and equipment	(2,349)	(2,452)	(103)
Investment in associates and JVs	-	128	128
Dividends received from joint venture	23	72	49
Others	(269)	(156)	113
Net cash used in investing activities	(2,593)	(2,495)	98
Cash flows from financing activities			
Dividends paid	(1,920)	(1,234)	686
Drawdown of borrowings	226	4,465	4,239
Repayment of borrowings	(256)	(4,252)	(3,996)
Payment of lease liabilities	(225)	(245)	(20)
Net cash used in financing activities	(2,175)	(1,266)	909
Net cash flows from operating, investing and financing activities	351	865	514
Effect of foreign currency translation differences	(172)	(28)	144
Net increase in cash and cash equivalents	179	837	658
Net foreign exchange differences on cash held	201	(179)	(380)
Cash and cash equivalents at beginning of the year	8,888	9,268	380
Cash and cash equivalents at end of the year	9,268	9,926	658
Cash and cash equivalents			
Cash and bank balances	9,268	9,931	663
Bank overdrafts	-	(5)	(5)
Cash and cash equivalents	9,268	9,926	658

FREE CASH FLOW MOVEMENT (RM MILLION)



Free cash flow in 2024 at **RM1.9 billion** has decreased as compared to RM2.6 billion in 2023 in line with lower profit generated during the year and higher finance cost.

FINANCIAL REVIEW

GROUP QUARTERLY PERFORMANCE

RM Million	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2024
Revenue	7,499	7,728	7,986	7,458	30,671
Operating profit/(loss)	847	1,036	(566)	740	2,057
Profit/(loss) before taxation	805	940	(657)	602	1,690
Profit/(loss) for the quarter/year	703	809	(762)	539	1,289
Profit attributable to shareholders of the Company	668	777	(789)	519	1,175
Earnings per share (sen)	8	10	(10)	6	15*
Dividends per share (sen)	-	10	-	3	13

RM Million	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2023
Revenue	7,557	7,113	6,784	7,213	28,667
Operating profit	592	702	606	256	2,156
Profit before taxation	590	694	586	240	2,110
Profit for the quarter/year	536	633	439	142	1,750
Profit attributable to shareholders of the Company	532	628	424	112	1,696
Earnings per share (sen)	7	8	5	1	21
Dividends per share (sen)	-	8	-	5	13

* Detailed breakdown by quarter may not add up to the total due to rounding

KEY INTEREST BEARING ASSETS AND LIABILITIES

RM Million	2023			2024		
	As at 31 December 2023	Effective Interest Rate (%)	Interest Income/Expenses	As at 31 December 2024	Effective Interest Rate (%)	Interest Income/Expenses
Interest earning assets:						
Cash and bank balances	947	-	17	1,304	-	30
Fund investment	8,321	4.18	369	8,627	4.16	384
Interest bearing liabilities:						
Borrowings	2,973	5.17	149	3,214	4.59	159
Lease liabilities	2,159	6.59	142	2,098	7.72	162
Other long term liabilities	709	4.65	56	760	5.49	78

FINANCIAL REVIEW

FIVE-YEAR GROUP FINANCIAL SUMMARY

RM Million	2020	2021*	2022	2023	2024
Consolidated statement of income					
Revenue	14,362	23,026	28,953	28,667	30,671
By segment:					
Olefins and Derivatives	8,194	12,465	12,929	13,732	15,401
Fertilisers and Methanol	5,311	9,341	12,850	8,501	8,667
Specialties	-	-	3,125	6,385	6,542
Others	857	1,220	49	49	61
Cost of revenue	(10,837)	(14,447)	(20,277)	(23,882)	(25,965)
Gross profit	3,525	8,579	8,676	4,785	4,706
Selling and distribution expenses	(967)	(1,091)	(1,436)	(1,906)	(2,144)
Administration expenses	(718)	(839)	(1,157)	(1,394)	(1,526)
Other expenses	(68)	(60)	(166)	(40)	(199)
Other income	428	422	717	711	1,220
Operating profit	2,200	7,011	6,634	2,156	2,057
Financing cost	(27)	(29)	(66)	(139)	(260)
Share of (loss)/profit after tax of equity-accounted associates and joint ventures	(316)	729	165	93	(107)
Profit before taxation	1,857	7,711	6,733	2,110	1,690
Tax expense	(271)	(391)	(406)	(360)	(401)
Profit for the year	1,586	7,320	6,327	1,750	1,289
Profit attributable to the shareholders of the company	1,628	7,346	6,322	1,696	1,175
Consolidated statement of financial position					
Property, plant and equipment	20,987	22,041	27,213	29,437	29,338
Cash and cash equivalents	12,707	16,390	8,888	9,268	9,931
Total assets	39,829	46,454	55,430	60,206	60,020
Borrowings	2,192	2,388	2,718	2,973	3,214
Total liabilities	8,820	11,068	15,697	18,132	20,041
Share capital	8,871	8,871	8,871	8,871	8,871
Reserves	21,575	25,980	30,207	31,544	29,686
Total equity attributable to the shareholder of the company	30,446	34,851	39,078	40,415	38,557
Non-controlling interests	563	535	655	1,659	1,422
Total equity	31,009	35,386	39,733	42,074	39,979
Financial ratios (%)					
PAT margin	11.0	31.8	21.9	6.1	4.2
Return on equity	5.3	20.8	15.9	4.0	2.9
Return on asset	4.0	15.8	11.4	2.9	2.1
Cost over revenue	87.2	71.1	79.0	94.8	96.6
Dividend payout ratio	59.0	61.0	51.9	61.3	88.5
Gearing ratio	7.1	6.7	6.8	7.1	8.0
Share information					
Earnings per share (sen)	20	92	79	21	15
Dividend per share (sen)	12	56	41	13	13
Net asset per share (RM)	3.81	4.36	4.88	5.05	4.82
Closing share price (RM)	7.43	8.92	8.60	7.16	5.17
Number of ordinary shares (million)	8,000	8,000	8,000	8,000	8,000
Market capitalisation (RM million)	59,440	71,360	68,800	57,280	41,360

* Certain financial information and its corresponding financial ratios have been restated in line with amendments to MFRS 116 Property, Plant and Equipment

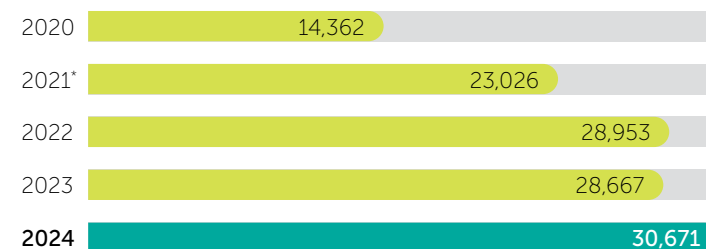
FINANCIAL REVIEW

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

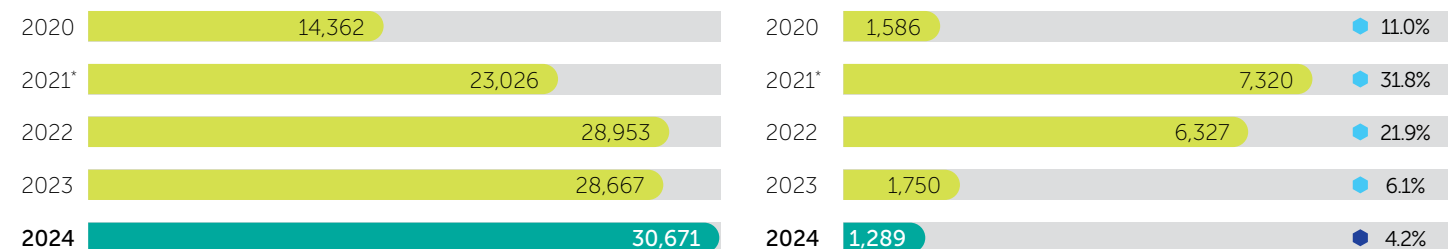
PROFITABILITY

■ PAT ● PAT Margin

REVENUE (RM MILLION)



PROFIT AFTER TAX (RM MILLION)

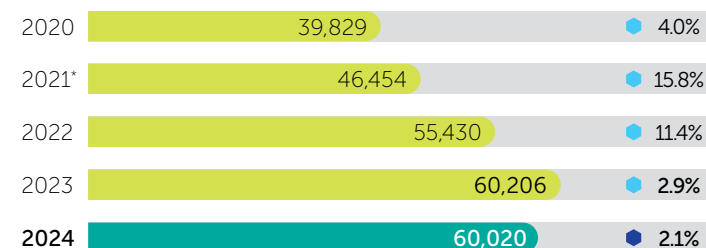


- 2020 was affected by compressed margin, declining crude oil prices, softer demand following global COVID-19 pandemic and higher net share of losses from associates and JVs
- 2021 showed significant improvement as product prices improved driven by global economic recovery and net share of profits from associates and JVs leading to the record-breaking profit generated
- Profit for 2022 decreased following compressed margin and lower share of profits from associates and JVs following lower margins and sales volume
- Profit for 2023 further declined resulted from compressed margin
- Profit for 2024 dropped mainly due to lower product spreads and higher plant operations costs, depreciation and finance cost from joint operation entity, partially offset by higher sales volume and income arising from adjustment of timing of trade payables from a joint operation entity

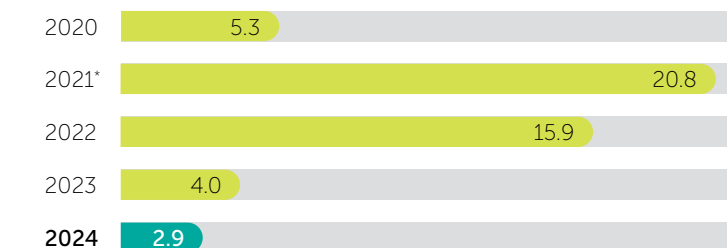
FINANCIAL POSITION

■ Total Assets ● Return on Asset

TOTAL ASSETS (RM MILLION)



RETURN ON EQUITY (%)

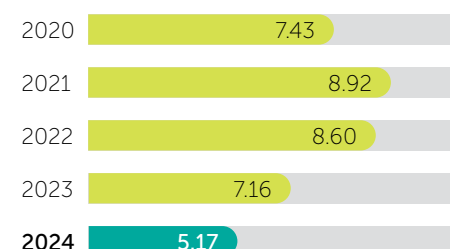


- Total assets in 2020 remained robust mainly due to the increase in cash and cash equivalent from profit generated during the year
- Total assets maintained strong in 2021 mainly driven by higher cash and cash equivalents in line with higher profits generated, property, plant and equipment and investment in associates and JVs
- Total assets in 2022 grew from the acquisition of Perstorp Group
- Total assets in 2023 grew mainly from the capital investment in the petrochemicals projects within PIC and Perstorp Group
- Total assets in 2024 were comparable at RM60.0 billion

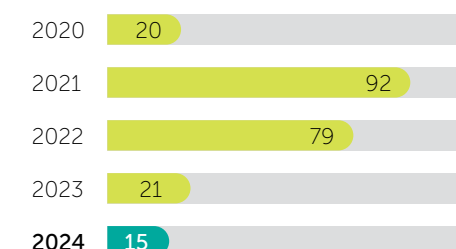
SHARE AND RETURNS TO SHAREHOLDERS

■ Dividend ● Dividend payout ratio

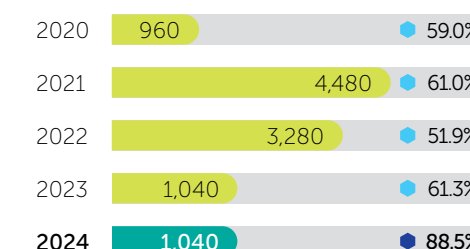
CLOSING SHARE PRICE (RM)



EARNINGS PER SHARE (SEN)



DIVIDEND PAYOUT (RM MILLION)



* Certain financial information and its corresponding financial ratios have been restated in line with amendments to MFRS 116 Property, Plant and Equipment

FINANCIAL REVIEW

STATEMENT ON VALUE ADDED

RM million	2023	2024
Revenue	28,667	30,671
Purchase of goods and services	(22,827)	(24,721)
Value added by the companies	5,840	5,950
Net other income	671	1,021
Financing costs	(139)	(260)
Share of profits/(loss) after tax of equity accounted associates and JVs	93	(107)
Value added available for distribution	6,465	6,604

RM million	2023	2024
DISTRIBUTION		
<i>Distributed to:</i>		
To employees Employee costs	2,376	2,626
To government Taxation	360	401
To shareholders Dividends	1,920	1,200
Non-controlling interest	-	34
Retained for reinvestment and future growth Depreciation & amortisation	1,978	2,288
Net (reduction)/increase in retained profits	(169)	55
Value Distribution	6,465	6,604



SUSTAINABILITY REVIEW

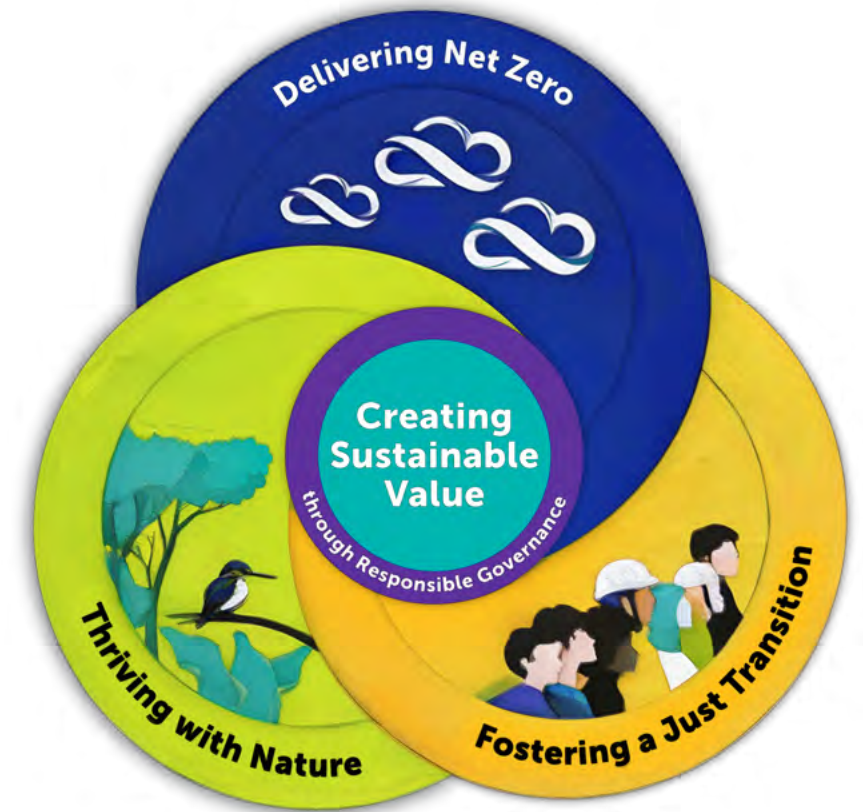
SUSTAINABILITY APPROACH

We are committed to integrating sustainability into the core of our business. PCG is guided by PETRONAS' refreshed Sustainability Approach and drives sustainability efforts focused on creating sustainable value through responsible governance, achieving net zero, protecting nature and ensuring a just transition to sustainability.

Our Sustainability Agenda, rooted in Environmental, Economic, Social and Governance (EESG) principles, is aligned with 13 of the 17 UN Sustainable Development Goals (UN SDGs). In addition, we continuously pursue alignment with internationally recognised best practices and standards, as demonstrated by our inclusion in the Dow Jones Best-in-Class Indices and the ongoing improvement in our FTSE4Good score. We remain committed to facilitating the transition to a low-carbon economy through our Net Zero Carbon Emissions (NZCE) 2050 approach and Circular Economy focus.



Scan the QR code for more details about PETRONAS' refreshed Sustainability Approach.



PETRONAS' Refreshed Sustainability Approach

PCG SUSTAINABILITY AGENDA

SUSTAINABILITY AT THE CORE

ENVIRONMENTAL	ECONOMIC	SOCIAL
Environmental Stewardship & Resources Efficiency	Business Sustenance & Green Initiatives	Social Responsibility
Net Zero Carbon Emissions	Operational Excellence	Human Rights
Environmental Stewardship	Commercial Excellence	Talent Management & Well-Being
Biodiversity Conservation	Growth Delivery Excellence	Social Impact

GOVERNANCE

OPERATING ENVIRONMENT AND OUTLOOK

As an integrated chemicals company, our operations and long-term value are influenced by a range of external factors, including global oil prices, economic conditions, geopolitical events and supply-demand dynamics. By closely monitoring these factors, we can effectively mitigate potential risks and capitalise on emerging opportunities.

MACROECONOMIC UNCERTAINTIES

The 2024 geopolitical landscape, particularly the conflicts in Europe and the Middle East, created economic uncertainty for the global economy. Global inflation and currency devaluations, especially in the first half of 2024, added further complexity and challenges for PCG to navigate. Macroeconomic headwinds such as weaker demand and subdued consumer sentiment, weighed on global economic growth, which expanded by 3.2% in 2024 compared to 3.3% in 2023^[1]. However, the Global Purchasing Manager Index improved slightly, moving above 50 points in the second half of 2024, compared to the first half which was lower than 50 points, ahead of 2025^[2].

The world's second largest economy, China, has also continued to struggle in its economic recovery despite efforts to ease monetary policy to support key sectors like construction and lending. Overcapacity in various industries and weak consumer spending limited the effectiveness of these efforts, leading to a slower than anticipated economic recovery.

In addition, the confluence of higher feedstock costs, lower chemical prices and elevated energy costs significantly impacted profit margins. The competitive landscape, intensified by Chinese suppliers going beyond their domestic markets as a result of the capacity overhang, further compounded the challenges faced by the industry. This necessitated strategic adjustments by companies, including PCG, to maintain profitability.

IMPACT ON STAKEHOLDER GROUPS & OUR RESPONSES




SHAREHOLDERS

Impact

- Profitability Concerns:**
 - Rising feedstock and energy costs, combined with lower chemical prices, pressuring margins
- Investment Uncertainty:**
 - Economic volatility and geopolitical risks may create uncertain growth prospects
- Market Share Risks:**
 - Competitors, particularly from China, are entering new markets, intensifying rivalry

Response

- Operational Excellence & Cost Efficiency:**
 - PCG optimises production processes, implements energy-efficient initiatives and pursues procurement savings to protect margins
- Market Positioning & Diversification:**
 - PCG prioritises core segments and diversifies product offerings, emphasising growth in specialty and exploring new product lines less affected by regional dependencies
- Expanding Market Base:**
 - PCG focuses on market share growth, cross-selling opportunities and exploring new regions, particularly within its specialties portfolio, to strengthen competitiveness and seize emerging opportunities



SUPPLIERS


Impact

- Demand and Pricing Pressures:**
 - Market oversupply and economic slowdown put pressure on supplier pricing
- Supply Chain Risks:**
 - Rising feedstock cost and ensuring optimum availability

Response

- Flexible & Stable Partnerships:**
 - PCG adapts its pricing to the market and explores procurement synergies, fostering collaboration with suppliers to maintain cost-effectiveness and supply stability
- Supply Chain Diversification:**
 - PCG continues to negotiate with feedstock suppliers, explore alternative feedstock and strengthens partnership to ensure resilient supply chain

OPERATING ENVIRONMENT AND OUTLOOK



CUSTOMERS

Impact

- Price Sensitivity:**
 - Inflation and economic downturn reduce consumer purchasing power, especially in consumer goods
- Supply Chain Continuity:**
 - Customers worry about product availability due to supply chain disruptions
- Affordability & Competition:**
 - Higher costs might push customers toward alternative suppliers or materials

Response

- Strategic Pricing & Customer Focus:**
 - PCG adapts pricing strategically to maintain value for customers, leveraging product quality and flexible terms to help customers manage cost sensitivities
- Resilient Supply Chain & Capacity Optimisation:**
 - PCG runs plants at optimum capacity to ensure continuous production and expanded its strategic sourcing efforts, while strengthening our presence around the region to provide uninterrupted supply to customers
- Value-Driven Innovation:**
 - Through Research & Development (R&D) and expanding specialties portfolio, PCG emphasises high-value, cost-efficient solutions to maintain customer loyalty, even in a competitive market

OUTLOOK

The outlook for the chemical industry remains cautious, with thin margins expected from elevated feedstock costs, sluggish demand and a broader economic slowdown. Key geopolitical developments, including the Middle East conflict, have heightened market volatility, particularly in oil and liquefied natural gas (LNG). Oil prices are expected to remain in the USD 60–80^[2] range, influenced by both Organization of the Petroleum Exporting Countries (OPEC)'s production cuts and potential shifts in U.S. policy toward Russian exports. The oversupply of naphtha and limited demand growth add further downward pressure on petrochemical prices, while ongoing disruptions in shipping routes e.g., Middle East–Far East Asia and the Panama Canal congestion continue to elevate supply chain costs.

In addition, recent collaborations between Middle Eastern oil and gas companies as well as China-based petrochemical firms through joint ventures and stake acquisitions will intensify competition, impact global supply chains and could challenge market dynamics for companies like PCG.

PCG also anticipates that sustainability will continue to reshape market dynamics, requiring ongoing innovation in product development, emissions reduction and resource efficiency.


To remain competitive within this challenging environment, PCG must focus on strategic initiatives in operational excellence, energy-efficient practices as well as diversifying our portfolio which will be critical to mitigate rising input costs, maintain competitiveness and ensure business sustainability.

INTENSIFIED SUSTAINABILITY

The chemical industry is at a pivotal juncture, with sustainability emerging as a key driver of innovation and competitiveness. Stakeholders — including policymakers, investors and consumers — are increasingly prioritising environmentally responsible practices, prompting a shift toward sustainable feedstock and low-carbon solutions. This evolution is not only reshaping traditional operations but also opening new avenues for growth and collaboration.

A notable development is the European Union's Carbon Border Adjustment Mechanism (CBAM), designed to prevent carbon leakage by imposing a carbon price on imports of certain goods. This policy incentivises global decarbonisation efforts and promotes international cooperation in addressing climate change. It is one of many measures signalling an increasingly stringent regulatory landscape for sustainability worldwide. In response to these dynamics, companies are investing in green technologies, optimising supply chains for efficiency and exploring innovative materials that align with circular economy principles.

IMPACT ON STAKEHOLDER GROUPS & OUR RESPONSES



CUSTOMERS

Impact

- Low-Carbon, Eco-Friendly Products:**
 - Consumers, especially in developed economies with more stringent environmental regulations and compliance requirements are more likely to need low-carbon, cost-effective and environmentally friendly products

Response

- Product Innovation and Co-Creation:** PCG collaborates with customers to co-create products with a higher Renewable Carbon Index (RCI), shifting from fossil to renewable carbon sources
- ISCC PLUS Certified Products:** Launched Pevalen™ Pro 100, an ISCC PLUS certified non-phthalate plasticiser made of 100% renewable carbon content, to meet the requirements of eco-conscious customers
- PCG Sustainable Portfolio:** Develop enhanced sustainable portfolio focusing on three areas:
 - Low-carbon solutions and Carbon Dioxide utilisation
 - Circular Economy and solutions
 - Bio-based chemicals

^[1] International Monetary Fund's October 2024 Global Outlook: "Policy Pivot, Rising Threats."
^[2] S&P Global: "Global Executive Summary: Turbulence ahead"

OPERATING ENVIRONMENT AND OUTLOOK



COMMUNITIES

Impact

Environmental Responsibility:

- Communities expect companies like PCG to prioritise environmental responsibility, reduce local environmental impacts and contribute positively to socio-economic development

Response

- Low-Carbon Methanol & Circular Solutions:** PCG actively pursues sustainability projects such as low-carbon methanol production and chemical recycling plant. The chemical recycling plant project is expected to produce pyrolysis oil for more sustainable plastics, addressing circular economy needs by utilising plastic waste as feedstock
- Circular Economy Initiatives:** PCG advances its Circular Economy initiatives through its New Plastic Economy Agenda, focusing on four pillars - innovation, infrastructure, education and clean-up – via partnerships with stakeholders like recyclers, technology providers and communities



SHAREHOLDERS / INVESTORS

Impact

Increased Scrutiny on Sustainability Performance:

- Greater number of investors are calling for transparent decarbonisation plans and the integration of sustainable practices into their overall strategies

Response

- GHG Reduction and Net Zero Carbon Emissions (NZCE) 2050 Roadmap:** PCG continues with its GHG reduction efforts, targeting 20% reductions in our overall GHG by 2030 aligned with PCG NZCE 2050 Roadmap. This reinforces PCG's commitment to long-term value creation and profitability through sustainability initiatives

Evolving Regulatory Landscape and EESG Reporting:

- Stricter sustainability reporting standards e.g., EU's CSRD, Bursa Malaysia's Main Market Listing Requirement, IFRS S1 and S2 raise investor expectations for transparent, high-quality EESG reporting

- Enhanced EESG Integration:** Expanded our assessment of sustainability and climate risks to align with new reporting standards. This includes integrating EESG considerations into corporate strategy to meet shareholder expectations for transparency, conducting double materiality assessments for Perstorp and BRB, and bridging the gap in preparation to meet the requirements of Malaysia's National Sustainability Reporting Framework and European Union's Corporate Sustainability Reporting Directives (CSRD)

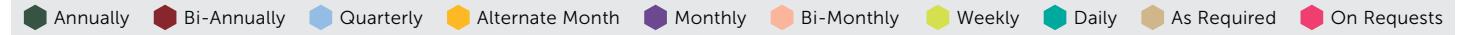
OUTLOOK

Looking ahead, PCG anticipates that sustainability will continue to reshape market dynamics, requiring ongoing innovation in product development, emissions reduction and resource efficiency. By focusing on co-creation with customers, expanding its portfolio of sustainable products and investing in cutting-edge projects like low-carbon methanol production and chemical recycling, PCG is well-positioned to meet evolving stakeholder expectations and capitalise on new growth opportunities within the circular economy. Through these initiatives and a steadfast commitment to its Net Zero Carbon Emissions 2050 Roadmap, PCG is prepared to navigate regulatory changes and lead in sustainability value creation for the long term.

STAKEHOLDER ENGAGEMENT

At PCG, we understand that fostering long-term value relies on building and maintaining strong relationships with our stakeholders. Through consistent and inclusive engagement, we remain attuned to their evolving needs, aligning our strategic decisions with their priorities to deliver tangible and mutually beneficial outcomes.

FREQUENCY OF ENGAGEMENT



EMPLOYEES



Our employees are integral to driving innovation, sustainability and operational excellence. Their skills, dedication and engagement enable us to achieve our strategic priorities and deliver sustainable growth.

Total Employees:

6,728

ENGAGEMENT PLATFORM AND FREQUENCY:

- Townhall
- Talent development programmes
- Leadership training sessions
- Organisational Culture Survey
- Staff engagement and appreciation initiatives
- Knowledge-sharing forums
- Health, Safety and Environment (HSE) campaigns
- Employee Value Proposition (EVP) workshops
- Employee Recognition and Long Service Award
- Wellness events

WHY WE ENGAGE:

To nurture a resilient, engaged and future-ready workforce that thrives in a dynamic environment and supports our goals of operational excellence, business sustainability and growth.

KEY CONCERNS:

- Well-being and mental health
- Health, Safety and Environment (HSE)
- Diversity and Inclusions (D&I)
- Work-life balance
- Human rights
- Cybersecurity

RESPONSE:

- Continued investments in mental health programmes and flexible work policies
- Provided a safe working environment to our employees with stringent HSE policy and procedures
- Enhanced efficiency through targeted interventions addressing gaps in difficult conversations, change management and team empowerment
- D&I data is tracked and monitored at the Board level, ensuring fair representation and opportunities for all employees. Key efforts include promoting women in leadership through targeted development programmes and mentorship initiatives, as well as rolling out awareness campaigns on inclusivity to foster a more equitable workplace culture

VALUE CREATED FOR STAKEHOLDER:

- Fostered a high-performing generative culture through strengthened productivity and engagement frameworks, as well as externally-organised training and conferences
- Recognised employees' long-term contributions
- Enhanced employee well-being and satisfaction, leading to improved retention and workplace harmony
- Ensured a safe, inclusive and empowering environment, aligned with our sustainability goals
- Supported career advancement and leadership development, enabling employees to thrive in their roles

CUSTOMERS



The trust and support of customers is what we seek to maintain and build on at all times. Our ability to deliver innovative products and solutions that meet their evolving needs is key to our sustainable growth.

Total Number of Customers:

2,624

ENGAGEMENT PLATFORM AND FREQUENCY:

- Meetings with customers
- Customer satisfaction surveys
- Feedback management system
- Customer engagement programmes
- Product Stewardship workshops

WHY WE ENGAGE:

Our customers play an integral role in our business growth. In order to deliver quality value-added products, we need to understand their expectations, which will, in turn, build customer loyalty.

KEY CONCERNS:

- Product quality
- Product delivery
- Sustainable products
- Product pricing and credit terms
- Supply reliability

RESPONSE:

- Design distinct value propositions for each customer segment
- Integrate product stewardship into the Research & Development (R&D) process to develop safe and sustainable products
- Collaborate with strategic partners to create high-performance and competitive products
- Strategic sourcing to support volume shortage due to plant interruptions

VALUE CREATED FOR STAKEHOLDER:

- Ensured timely and reliable delivery of products to customers, maintaining our 95% Order Fulfilment Reliability (OFR)
- Launched 18 new products, 6 co-created innovative solutions and 288 technical solutions to aid customer business growth
- Addressed all the 14 complaints received in 2024, sustaining our Customer Feedback performance score
- Engaged customers through 14 Product Stewardship sessions and technical talks for safe chemical handling and product value maximisation
- Provided innovative and diverse product solutions to customers, including sustainable solutions to meet growing expectations

R For more information, please refer to our Sustainability Report on pages 28 to 33.

STAKEHOLDER ENGAGEMENT

FREQUENCY OF ENGAGEMENT

- Annually
- Bi-Annually
- Quarterly
- Alternate Month
- Monthly
- Bi-Monthly
- Weekly
- Daily
- As Required
- On Requests

SUPPLIERS AND VENDORS



A resilient value chain is essential for our continuous operations. Therefore, we create strong relationships with our suppliers and vendors, to uphold good governance that benefits everyone across the supply chain.

WHY WE ENGAGE:

Our suppliers and vendors support us in delivering high-quality materials and services that will enable us to create value for our products. This relationship means we provide suppliers and vendors with the right support to thrive in the market.

KEY CONCERNS:

- HSE
- Human rights
- Ethical business practices
- Sustainability in the supply chain

RESPONSE:

- Implement stringent policies, e.g., HSE to protect the suppliers' and vendors' well-being
- Provide robust grievance mechanisms for suppliers
- Incorporate EESG requirements in our procurement process
- Developed PETRONAS Supplier Support Programme (PSSP) to accelerate sustainability adoption within the supply chain

VALUE CREATED FOR STAKEHOLDER:

- Maintained a reliable supply chain with minimal operational disruptions
- Improved safety performance in terms of lower Total Vehicle Accident Rate and zero fatality involving product transport recorded since 2019

Total Number of Vendors:

5,210*

* Excluding BRB

ENGAGEMENT PLATFORM AND FREQUENCY:

- Performance evaluations
- Day-to-day interactions
- Regular meetings
- Forums
- Site visits

BUSINESS PARTNERS



We form strategic partnerships and joint ventures (JVs) with other industry players to exchange ideas and expertise, as well as further expand our business.

WHY WE ENGAGE:

Our business partnerships - largely created through joint operations, associates and JVs - provide beneficial support to the growth of all respective businesses.

KEY CONCERNS:

- Performance of our JV companies
- Reliability of PCG's feedstock supply
- Good governance, internal controls and compliance
- Aligning the implementation of sustainability initiatives and tracking of GHG emissions from associates and JVs

RESPONSE:

- Maintain high plant reliability to ensure a consistent supply of feedstock to JV operating plants
- Close monitoring of JVs' performance and building upon benefits resulting from partnerships
- Strengthen good governance, internal controls and compliance through improvement of the assurance programme and leverage shareholders' governance practices
- Enhance governance practise through our partners implementation of self-assurance programmes
- Continue verification of GHG reporting for non-operational controlled joint ventures

VALUE CREATED FOR STAKEHOLDER:

- Optimised overall value chain efficiency through integrated operations with JV partners
- Ensured good governance in all JVs' business operations
- Collaborated closely with partners to optimise value creation by prioritising feedstock and utilities allocation, as well as shared cost
- Provided business development opportunities through innovative solutions and collaborative partnerships

Number of Associates and JVs:

12

ENGAGEMENT PLATFORM AND FREQUENCY:

- Periodic meetings
- Day-to-day interactions
- Strategic dialogues
- Conferences and forums

STAKEHOLDER ENGAGEMENT

FREQUENCY OF ENGAGEMENT

- Annually
- Bi-Annually
- Quarterly
- Alternate Month
- Monthly
- Bi-Monthly
- Weekly
- Daily
- As Required
- On Requests

SHAREHOLDERS AND INVESTMENT COMMUNITY



As essential providers of financial capital, we regularly engage with our shareholders and investors so that they can make fair and informed investment decisions.

WHY WE ENGAGE:

With the financial capital from our shareholders and investors enabling our business and sustainable growth, we continuously seek to keep them informed to nurture trust and confidence in our ability to fulfil our commitments and goals.

KEY CONCERNS:

- Sustainable value creation
- Company's operational, commercial and financial performance
- Growth project progress and deliverables
- Sustainability and EESG matters
- Corporate governance

RESPONSE:

- Provide access to board members and senior management
- Regular and frequent communication utilising available communication platforms such as conference calls, virtual and one-on-one meetings
- Transparent, continuous and timely disclosure
- Readily available data and information
- Compliance with corporate disclosure guidelines

VALUE CREATED FOR STAKEHOLDER:

- Delivered shareholder returns via stable dividend payments
- Invested financial resources in growth initiatives
- Provided sufficient disclosure to enable informed investment decisions by existing and future shareholders
- Ensured investors views are taken into account in management and board's decisions
- Committed to transitioning to Net Zero Carbon Emissions (NZCE) by 2050

Number of Shareholders:

31,109

(as at 31 December 2024)

ENGAGEMENT PLATFORM AND FREQUENCY:

- One-to-one and group meetings
- Financial results briefings
- Investment conferences and roadshows
- General meetings
- Plant and office visits
- Knowledge sharing webinars
- Email correspondence and phone calls

GOVERNMENT AND REGULATORS



With a wide international presence, we work closely with relevant authorities to navigate changes and increasing complexity in the regulatory landscape and ensure consistent and continuous compliance.

WHY WE ENGAGE:

Our strong relationship with the government and regulators enables us to effectively manage our operation within legal frameworks and stay abreast of emerging and changing regulations.

KEY CONCERNS:

- Regulatory compliance
- Economic impact
- Safety and environmental management
- Human rights
- Sustainability and EESG matters

RESPONSE:

- Establish transparent communication with relevant bodies
- Collaborate with relevant agencies with common objectives
- Establish frequent scheduled engagement sessions

VALUE CREATED FOR STAKEHOLDER:

- Enhanced regulatory collaborations for improved plant operations by periodically engaging with relevant state and national authorities
- Submitted regular and required reports to authorities
- Ensured plant operations are equipped with appropriate safeguards and monitoring tools
- Guaranteed that commercial operations had adequate safeguards and monitoring tools
- Supported Foreign Direct Investment (FDI) through strategic collaborations with government bodies
- Continues compliance with regulatory framework
- Alignment on sustainability priorities

Number of Engagement Sessions:

192

ENGAGEMENT PLATFORM AND FREQUENCY:

- Regular reporting to relevant agencies
- Joint working committee with state governments
- Regular meetings and briefings with agencies/regulators
- Stakeholder engagement programmes
- Scheduled courtesy call

STAKEHOLDER ENGAGEMENT

FREQUENCY OF ENGAGEMENT

- Annually
- Bi-Annually
- Quarterly
- Alternate Month
- Monthly
- Bi-Monthly
- Weekly
- Daily
- As Required
- On Requests

COMMUNITIES



The long-term health of our business is linked to the health of the communities we serve. We strive to create meaningful and inclusive contributions for everyone impacted by our operations.

WHY WE ENGAGE:

Our operations may directly or indirectly impact communities, therefore community engagement is important for us to understand their concerns. This will also highlight our social citizenship and instil public trust.

KEY CONCERNS:

- Safety of plant operations
- Quality of air and water emissions
- Jobs and other income-generating opportunities

RESPONSE:

- Adopt stringent HSE best practices at PCG manufacturing plants
- Regularly monitor air and water quality surrounding operations
- Local community development and employment
- Invest in social impact community programmes through collaboration with local communities, NGOs nationwide and international

VALUE CREATED FOR STAKEHOLDER:

- Provide assurance to the local communities on the HSE aspects of our operations, which ensure that the surrounding environment and ecosystem are safe and free of industrial contamination, through regular interaction with local communities. This provides the local communities with a broader understanding of our operations and impacts
- Generated employment opportunities for surrounding communities

Number of Reach:
>220,000 people

ENGAGEMENT PLATFORM AND FREQUENCY:

- Social impact programmes
- Briefings and engagement

MEDIA



Our media partners help share essential and transparent information with our other stakeholders, such as the public, investors, regulators and others, protecting our business from misinformation and unfair perceptions.

WHY WE ENGAGE:

The media is an integral communication link between our business and our stakeholders. It is a key player when it comes to distributing significant information about our business and brand reputation.

KEY CONCERNS:

- Company reputation
- Business performance
- Environmental management and sustainability efforts
- New innovation and technology
- Development and progress of key projects

RESPONSE:

- Foster open and transparent communication with the media
- Provide a speedy response to media enquiries on business developments
- Organise rapport-building activities to enhance relationships with the media

VALUE CREATED FOR STAKEHOLDER:

- Garnered readership for key media by strategically sharing PCG's news on media platforms
- Provided accurate and latest updates to the media on key company news and information for public consumption
- Maintained good relationships with media through engagements or festive celebrations

Media Mileage:
RM18.6 million

ENGAGEMENT PLATFORM AND FREQUENCY:

- Press releases
- Media engagements
- Interviews

MATERIAL MATTERS

We undertake materiality assessments to identify key sustainability topics based on evolving trends and stakeholder priorities, ensuring our strategy remains aligned with significant business and stakeholder concerns while enhancing our focus on areas of greatest impact.

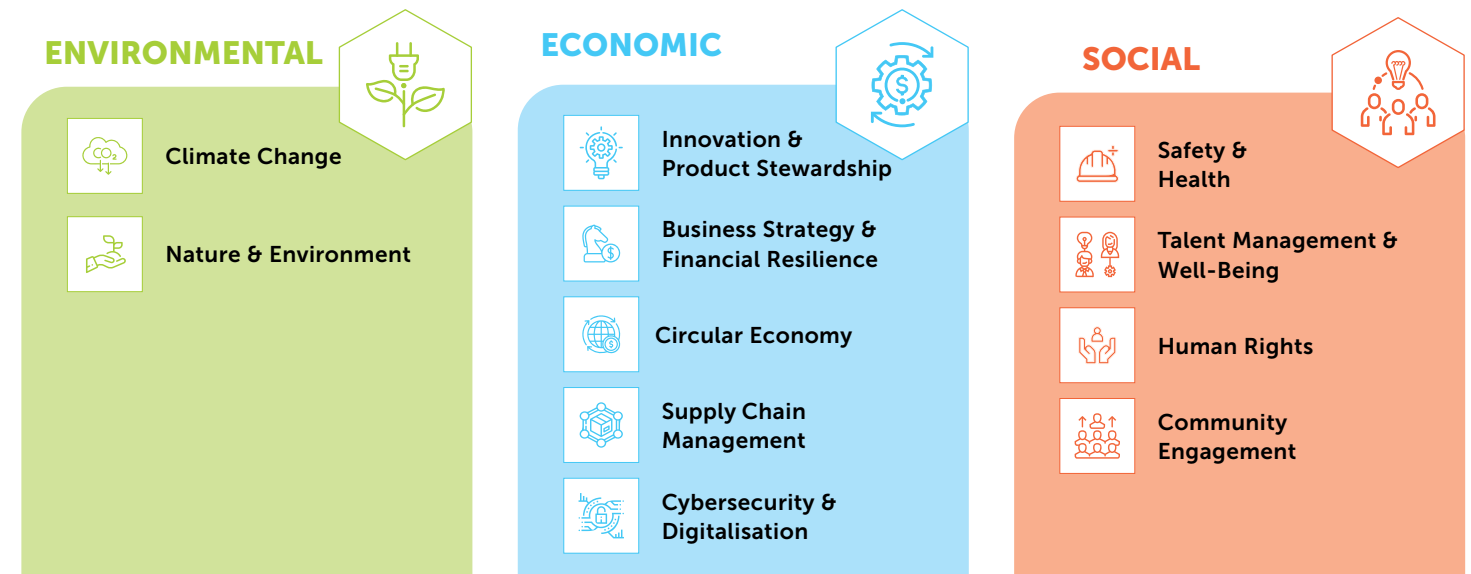
In 2024, we held an internal materiality assessment to address emerging trends, industry developments and key priorities within the Specialty Chemical business. This assessment also accounted for the expanded scope and geographical presence of PCG's operations following the acquisition of Perstorp in 2022.

MATERIALITY REVIEW IN 2024



To ensure comprehensive coverage and relevance of our material matters, we considered key industry factors, including reporting requirements and stakeholder expectations within the chemicals sector. We also referred to leading reporting frameworks such as the Sustainability Accounting Standards Board (SASB) and the European Sustainability Reporting Standards (ESRS), with SASB proving particularly valuable due to its alignment with the new International Sustainability Standards Board (ISSB).

PCG'S MATERIAL MATTERS



GOVERNANCE



For more information on our materiality assessment, please refer to Materiality Assessment on page 14 of the Sustainability Report 2024.

VALUE CREATING BUSINESS MODEL

VALUE CREATING BUSINESS MODEL

OUR CAPITALS

CAPITAL INPUTS

N NATURAL

- Natural gas:
 - Methane: 119 million mmBtu
 - Ethane: 1,148 million tonne
 - Propane: 704 million tonne
 - Butane: 197 million tonne
 - Heavy Naphtha: 870 million tonne

M MANUFACTURED

- 21 manufacturing sites
- Subsidiaries and representative offices in 27 countries

H HUMAN

- 6,728 total number of employees
- RM41.5 million invested in employee training & development

I INTELLECTUAL

- 7 Research and Development (R&D) laboratories
- 8 patented products
- 12 additional proprietary chemicals for Malaysia

S SOCIAL & RELATIONSHIP

- 5,210 suppliers and vendors*
- RM5.29 million contributed to community

* Excluding BRB

F FINANCIAL

- As at 1 January 2024
- RM40.4 billion in shareholders' equity
- RM9.3 billion in cash and cash equivalents
- RM2.6 billion in free cash flow

ENABLE OUR BUSINESS TO CREATE

OPERATING ENVIRONMENT

For more information, please refer to Operating Environment on pages 42 to 44.

BUSINESS ACTIVITIES

COMMODITIES

BUSINESS SEGMENT

SPECIALTY CHEMICALS



SUSTAINABILITY AT THE CORE

MATERIAL MATTERS

ENVIRONMENTAL

- Climate Change
- Nature & Environment

ECONOMIC

- Innovation & Product Stewardship
- Business Strategy & Financial Resilience
- Circular Economy
- Supply Chain Management
- Cybersecurity & Digitalisation

SOCIAL

- Safety & Health
- Talent Management & Well-Being
- Human Rights
- Community Engagement

GOVERNANCE

- Corporate Governance

Read more on page 49 for Material Matters.

Read more on page 6 for Sustaining Value Creation.

PRINCIPAL RISKS

For more information, please refer to Principal Risks on pages 66 to 72.

SUPPORTED BY STRONG GOVERNANCE AND EFFECTIVE BOARD LEADERSHIP

VALUE CREATING BUSINESS MODEL

VALUE CREATING BUSINESS MODEL

VALUE FOR STAKEHOLDERS

OUTPUTS

Production & Sales

- Plant utilisation
 - **91.2%** - O&D
 - **90.3%** - F&M
- 11.2 million tonnes** production volume
- 10.4¹ million tonnes** sales volume
- 0.9 million tonnes** of strategic sourcing volume

¹ Data includes volume from Pengerang Integrated Complex (PIC)

Innovation & Technology

- 18** new products
- 6** co-created solutions
- 288** technical solutions
- Innovation hub in Malaysia

Environmental Footprint

- 0.71 tonne/CO₂e** GHG emissions intensity
- 5.42 m³/tonne** freshwater withdrawal intensity

OUTCOMES

N NATURAL

- PCML re-certified for ISCC PLUS Trader scope
- 100% completion of Life Cycle Assessment for our key products
- More than 329,000 tCO₂e reduced in 2024
- Achieved EcoVadis medals for PCG (Silver), Perstorp (Platinum), and BRB (Silver)

M MANUFACTURED

- RM29.3 billion worth of property, plant, and equipment

H HUMAN

- One fatality and four Loss Time Injuries (LTI)
- 34 average training man-days per employee
- Diverse talent base^{*}
 - Malaysian: 98.8%
 - Non-Malaysian: 1.2%

^{*} Excluding BRB and Perstorp in compliance with the General Data Protection Regulation (GDPR) and local data protection laws in Sweden and the Netherlands

I INTELLECTUAL

- Roll out of customer portal
- 14 Product Stewardship & Technical seminars
- Plant Facing Analytics (PFA) and Advanced Process Control (APC) expanded for better operational predictability

S SOCIAL & RELATIONSHIP

- 67% total local procurement spending^{*}
- Over 220,000 community members reached
- Media mileage amounting to RM18.6 million

^{*} Excluding BRB

F FINANCIAL

- RM3.5 billion in EBITDA
- RM1.0 billion dividend payout

STAKEHOLDER GROUPS AFFECTED



CAPITAL TRADE-OFFS AND MOVEMENT

N NATURAL



PCG has made significant investments in CO₂ reduction initiatives and energy optimisation projects, such as heat recovery systems. We have also introduced high renewable carbon index products to the market through our Specialty Chemicals business. While these projects are capital-intensive, they support the company's long-term goals of advancing sustainability and ensuring regulatory compliance. Such initiatives not only reduce environmental impact but also future-proof PCG's operations in an increasingly sustainability-focused market.

M MANUFACTURED



PCG prioritises maintenance activities to ensure the reliability and performance of its aging plants, which contributed to improved utilisation rates, such as 91.2% in O&D and 90.3% in F&M. However, these activities required substantial capital investments. Additionally, the construction of new facilities like the Sayakha plant and the melamine production plant diverted financial resources from other potential initiatives. These projects, however, are critical to securing future revenue streams and strengthening PCG's chemicals portfolio.

H HUMAN



Investments in training, safety programmes, and digital upskilling initiatives represented immediate cost implications. Programme such as defensive driving training and digital adoption support for tools like the customer portal demanded dedicated resources. Despite these costs, these efforts have significantly strengthened workforce adaptability and safety culture, ensuring long-term organisational resilience and operational efficiency.

I INTELLECTUAL



The expansion of R&D facilities and the establishment of innovation hubs requires substantial financial commitments. These investments, however, are vital to fostering innovation, enabling the development of cutting-edge solutions and supporting customer-centric product advancements. Initiatives like the construction of the new Technology and Innovation Centre in Bangi, Malaysia and global labs for localised solutions reinforce PCG's position as a key player in specialty chemicals and sustainable product innovation.

S SOCIAL & RELATIONSHIP



Enhanced customer engagement initiatives, including expanded co-creation projects with customers, involved considerable operational costs. These efforts, however, have strengthened customer loyalty, expanded PCG's market share and enhanced its ability to address evolving customer needs. By building closer relationships, PCG has successfully positioned itself as a trusted partner in delivering innovative and sustainable solutions.

F FINANCIAL



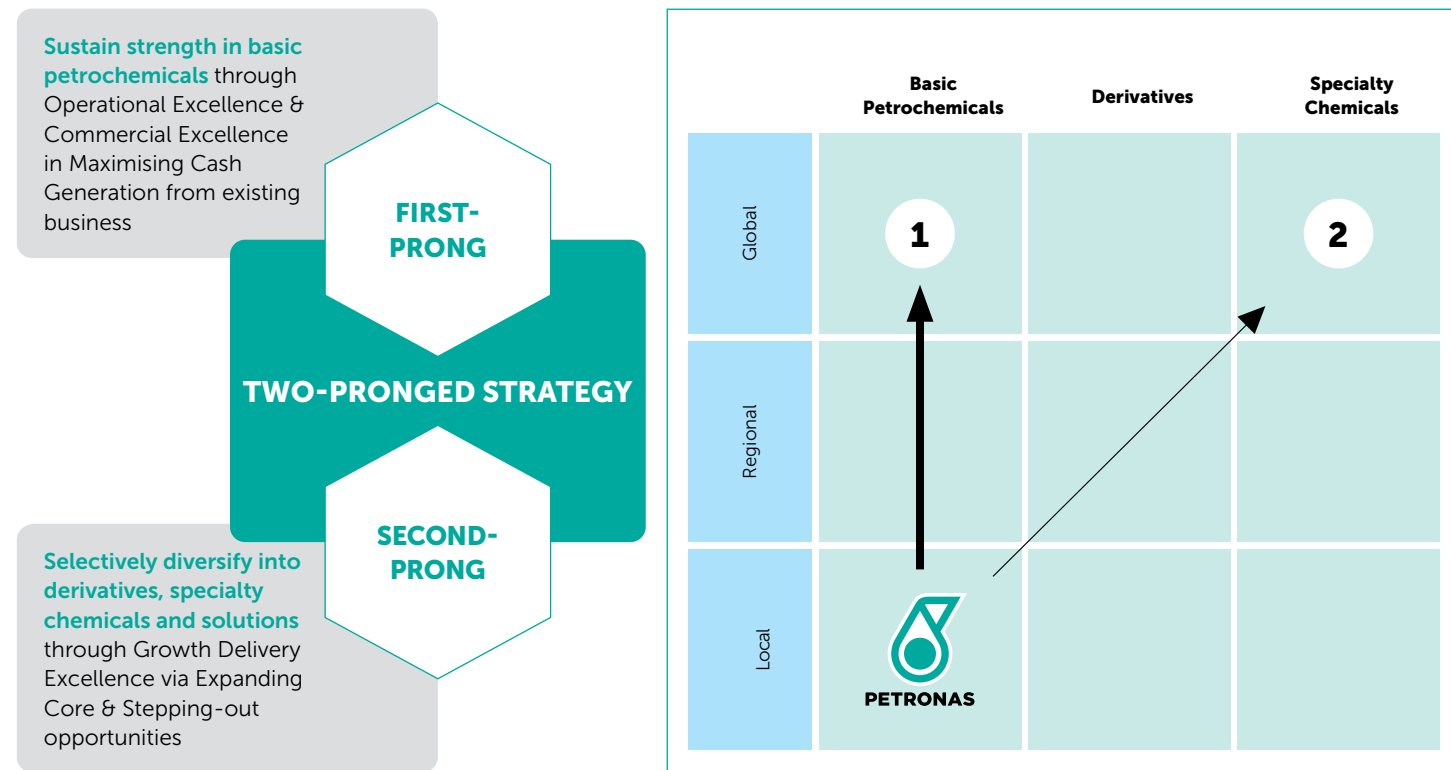
We continue to balance financial capital allocation between immediate operational needs and long-term growth. We also prioritise shareholder value through a stable dividend policy. Cost optimisation and efficient working capital management helped navigate rising costs and market volatility, with targeted procurement savings and strategic sourcing strengthening our ability to protect and create value. This disciplined approach ensured operational excellence and readiness to capture emerging opportunities for sustained growth and value creation.

STRATEGIC REVIEW

In a dynamic and competitive industry, PCG's Two-Pronged Strategy is pivotal for ensuring resilience, adaptability and long-term growth. Designed to navigate shifting market landscapes and emerging global trends, this strategy positions us to capitalise on opportunities while mitigating risks in an increasingly sustainability-driven world. By aligning with stakeholder expectations and focusing on material matters, we remain committed to delivering value through innovation and operational excellence.

TWO-PRONGED STRATEGY

Our strategy propels the Group towards achieving our vision of becoming The Preferred Chemical Company Providing Innovative Customer Solutions.



OUR STRATEGIC THRUSTS

To navigate market volatility and seize emerging opportunities, our strategy extends beyond basic petrochemicals to embrace derivatives, specialty chemicals and innovative solutions. This evolution enhances our resilience and positions us for long-term success. Central to the strategy are three core thrusts that drive its execution, each underpinned by clear performance objectives.

OE OPERATIONAL EXCELLENCE	Achieve sustainable world-class plant performance focusing on: <ul style="list-style-type: none"> HSE Excellence Plant reliability & efficiency Plant turnaround excellence Optimise value chain Digital transformation & solutions
CE COMMERCIAL EXCELLENCE	Increase value by looking through our customers' lens focusing on: <ul style="list-style-type: none"> Customer focus Sustain and enhance market position Marketing and sales capabilities Innovative solutions Innovation culture
GE GROWTH DELIVERY EXCELLENCE	Diversify into higher value-adding products focusing on: <ul style="list-style-type: none"> Extend value chain Build specialty platform Create optionality for growth Sustainability at the core

OPERATIONAL EXCELLENCE

PCG's Operational Excellence initiatives were structured to ensure a resilient safe and sustainable foundation for all operations, guided by pillars that emphasise HSE excellence, reliability, digital transformation and efficient turnarounds. These initiatives are integral to PCG's long-term stability and align with broader sustainability and growth goals.

PCG has reinforced Health, Safety and Environment (HSE) excellence through a proactive safety culture, with leadership engagement empowering employees to take ownership of safety, identify risks and prevent incidents. In response to the fatality incident that occurred in August in Labuan, Malaysia we took immediate corrective measures to ensure the safety and well-being of all our employees. These measures include a company-wide safety stand-down, a comprehensive gap assessment for focused action and consultations with maintenance and subject matter expert teams to enhance our safety practices.

Expanded safety protocols and preventive measures have been introduced to support a secure work environment and protect employee well-being, establishing a robust foundation for long-term safety outcomes. We are committed to fostering a proactive safety culture and will continue to prioritise the health and safety of our workforce. To support plant reliability and performance, structured reliability programmes emphasised predictive maintenance, early issue identification and equipment resilience. Advanced digital tools enhanced operational predictability, enabling efficient maintenance scheduling and reducing environmental impact. Additionally, efforts to enhance turnaround quality were implemented to minimise disruptions, with effective contractor management and quality controls supporting consistent plant readiness across facilities.

8 Golden Rules of Process Safety

	Stay within safe operating limits <i>Pastikan berada dalam had operasi yang selamat</i>		No approval, no bypass <i>Tiada kelulusan, tiada pintasan</i>		Process upset: Stabilise - Slow down - Shut down <i>Gangguan proses: Stabilkan - Perlahankan - Berhentikan</i>		When in doubt, give a shout! <i>Jika dalam keraguan, minta bantuan!</i>
	Comply to 'Management of Change' <i>patuhi 'Pengurusan Perubahan'</i>		Scan for hazards before you start <i>Kenal pasti bahaya sebelum mula</i>		Maintain safety critical elements <i>Selenggara unsur keselamatan yang kritikal</i>		Be trained, be accountable to do it right <i>Jalani latihan, bertanggungjawablah untuk laksanakan dengan betul</i>

HEALTH, SAFETY AND ENVIRONMENT EXCELLENCE

Progress of Key Initiatives

Recorded **one fatality, four Lost Time Injuries (LTI)** and **two major Loss of Primary Containment (LOPC)** in FY2024.

Achieve a reduction of **151 kilotonnes CO₂e** from operational improvement and **178 kilotonnes CO₂e** from the purchase of renewable energy via bundle Renewable Energy Certificate (REC).

Challenges

Heavy turnaround and maintenance activities, resulting in demand for more manpower compared to normal operational days which poses a safety risk

Mitigation/Response:

- **Fatality**
 - Strengthening our "Strive for ZERO, ZERO is Possible" programme for both employees and contractors. This includes establishing initiatives to increase awareness of personal safety and fostering a safe work culture
 - Reinforcing the implementation of surrounding risk assessments prior to conducting any activities at sites
- **Major LOPC**
 - Enhance process safety risk visibility with Dynamic Risk Registers and Process Safety Observations (PSO) for timely mitigation
 - Strengthen Procedure Used Discipline (PUD) for critical operating procedures, especially during Start-up and Shutdown
- **LTI**
 - Promote personnel safety and a safe work culture by emphasising surrounding risk assessments before activities
 - Reinforce constructive measures to address behaviours causing non-compliance and incidents

Other HSE initiatives included strengthening the FELT Leadership Engagement Programme to foster a proactive safety culture, improving contractor HSE management for accountability and enhancing PSO to proactively identify and address potential risks.

OPERATIONAL EXCELLENCE

RELIABLE PLANT PERFORMANCE

Progress of Key Initiatives

Our **operational excellence performance in 2024 has shown significant improvement compared to 2023**. This progress is demonstrated by the improved reliability at most of our facilities and a reduction in planned shutdown activities throughout the year.

Plant Utilisation improved by **5.8% from FY2023**.

Better year-on-year Overall Equipment Effectiveness at ASEAN Bintulu Fertilizer (ABF), PETRONAS Chemicals Methanol (PC Methanol) and PETRONAS Chemicals Fertiliser Kedah (PC Fertiliser Kedah) following our enhanced reliability programme.

Challenges

Unplanned shutdowns and operational challenges mainly at ABF, PC Methanol, PC MTBE, PC Fertiliser Kedah

Mitigation/Response:

- Our reliability programme was enhanced to emphasise structured monitoring which was strengthened by utilising digital tools to ensure early threat identification and timely preventive actions. Key elements included structured reliability conversations, proactive maintenance supported by a structured scorecard and thorough Root Cause Analysis (RCA) to address systemic issues and prevent recurrence
- Our internal challenges became valuable learning opportunities, where we conducted in-depth RCA to pinpoint performance gaps and develop effective solutions. To strengthen this effort, we leveraged our team of technical experts within PCG who enhanced discussions under our Learning in Motion initiative, helping us tackle recurring operational issues more effectively. Through Lesson in Motion, we use digital tools to share key insights across different operational units, ensuring continuous learning and improvement across the organisation
- Continue to drive our GHG reduction initiative through energy efficiency improvements, aligned with the Net Zero Carbon Emissions (NZCE) roadmap

DIGITALISATION JOURNEY

Progress of Key Initiatives

Advancing operational safety and efficiency through electronic permit to work (ePTW) digital solutions at all manufacturing OPUs.

Progressive utilisation of Asset Performance Management, Plant Facing Analytics (PFA) and PIVOT DA applications in supporting plant operation and value creation realisation across PCG OPUs.

5G deployment through **Project Private 5G** to enhance efficiency of plant digital tools.

Challenges

Connectivity issues, such as slow network performance, affected the performance and efficiency of digital tools

Mitigation/Response:

- Collaboration with network providers to address issues and deployed 5G network to improve connectivity speed and performance
- Continuous training and support were provided to users, with specific interventions for those facing persistent issues to further improve the utilisation and value creation from digital tools

RELIABLE FEEDSTOCK AND UTILITIES SUPPLY

Progress of Key Initiatives

Secured higher-than-planned ethane supply of 140 tonnes per hour (tph) which translated into ethylene production being maintained above 1 million TPA, despite turnaround activities at PETRONAS Chemicals Ethylene (PC Ethylene).

External unplanned shutdowns to feedstock and utilities supply disruption was significantly reduced by 57% (2024: 4.4 days vs 2023: 10.2 days) through effective coordination and joint-performance monitoring between PCG and the feedstock and utilities supplier.

Challenges

Feedstock disruption affected operations at PETRONAS Chemicals Fertiliser Sabah (PC Fertiliser Sabah) and PC Methanol

Utilities supply disruptions impacted PC Olefins, PC Aromatics, PC Glycols, PC Ammonia, PC Methanol and PC MTBE

Mitigation/Response:

- Continued to involve all stakeholders in aligning maintenance and shutdown schedule strategies to collectively address reliability concerns
- Strengthened our efforts in driving the reliability of feedstock and utilities supply, particularly in Sabah through the integrity performance of the Sabah Sarawak Gas Pipeline (SSGP) and improvements in utility supply from PETRONAS Gas Berhad (PGB)
- A taskforce was formed in collaboration with PGB to focus on improving utility supply reliability in Kertih and Gebeng sites

TURNAROUND EXCELLENCE

Progress of Key Initiatives

Completed planned turnarounds (TA) in 2024:

PC Fertiliser Kedah

PC Methanol – Plant 1

PC Ethylene

PC Polyethylene

Challenges

Limited skilled resources for TA execution causing delays and inefficiencies

Quality in TA execution resulting in suboptimal plant performance post-TA, **leading to unplanned shutdowns and reliability issues**

Mitigation/Response:

- Strengthening engagement with key contractors to improve resource management, overall quality and timely TA execution. This includes upskilling TA Contractors in ensuring that the right people with the right skills are available for TA execution
- Refinement of TA fact finding for better planning and enhancement on quality control through deployment of focused team and improved quality checklists to ensure that all tasks are performed correctly and efficiently during TA execution
- Implementing a Plant Safe Smooth Start-up strategy ensures seamless transitions post-TA

OUTLOOK

In our efforts to achieve reliable plant utilisation, we are committed to implementing a range of initiatives designed to strengthen our foundations and improve operational performance moving forward. These initiatives include:

- Focus towards achieving HSE generative culture - a culture where employees are encouraged to take ownership of safety and health issues and empowered to identify and report potential hazards and risks. It is a culture of continuous improvement where everyone is responsible for promoting and maintaining a safe and healthy work environment
- Managing integrated turnaround and maintenance activities which requires close coordination, resource planning and stringent supervision of contractors
- Improving plant performance through strict adherence to fundamental of operation including the rigorous compliance with Operating Procedure and work processes
- Continue to enhance the management of plant issues and Plant Reliability Threats (PRT) to improve our asset reliability
- Initiating and executing sustainability projects that are aligned with PETRONAS' sustainability agenda. This includes plant efficiency improvement and flare reduction programme, which include recovery and utilisation of hydrogen rich off-gas (H2RG) at our Gebeng facilities, realisation of the Kertih Site-wide Energy Review (SER) and continued implementation of Advanced Process Control (APC)

COMMERCIAL EXCELLENCE

PCG's Commercial Excellence centred on deepening customer engagement, enhancing portfolio value and advancing digital capabilities to meet evolving customer needs. Prioritising a customer-centric approach, PCG worked to understand and address specific customer pain points, particularly in response to rising demand for sustainable solutions.

To ensure reliable order fulfilment amid market fluctuations, PCG leveraged strategic sourcing to secure additional product volumes from trusted partners, safeguarding a consistent supply for clients. This proactive approach, alongside optimised pricing strategies, allowed PCG to meet high fulfilment rates while remaining competitive. Digital advancements, such as the customer portal, played a key role in enhancing service responsiveness by providing customers with real-time access to transaction details, order status and product information.

Collectively, these initiatives demonstrated PCG's dedication to delivering consistent value, navigating competitive pressures and supporting sustainable growth.

SALES PERFORMANCE

Progress of Key Initiatives

Total Sales Volume:	Order Fulfilment Reliability (OFR):	Customer Feedback:	Customer Satisfaction Survey (CSS) Score:
2024: 10.4 mil MT	2024: 95%	2024: 5.3 sigma	2024: 3.5
2023: 9.6 mil MT	2023: 95%	2023: 5.5 sigma	2023: 3.5

Challenges

Internal reliability issues and **external disruptions** resulting in multiple unplanned plant shutdowns affecting sales volume availability

Oversight of customer relationships may result in loss of customer loyalty

Bearish market sentiment on slow global economic growth amid threat of additional supply from new capacity/expansion

Tight vessel availability across the chemical segment, leading to higher vessel time charter rate

Intensified competition especially from Chinese suppliers that offer cost competitive options

High energy cost that affects our production and profit margin

Mitigation/Response:

- Planned and secured strategic sourcing volume with identified partners to fulfil order commitments
- Optimised sales portfolio mix and maintained high pricing excellence against market benchmark to maximise value
- Collaborated on product co-creation opportunities with selected customers
- Delivered customer-centric value propositions that meet customer needs
- Ensured close engagement with vendors/service providers to minimise operational disruptions and maintain reliable supply chain
- Sought co-loading opportunities to ensure timely delivery to customers
- Launched targeted initiatives to recapture lost market share and solidify our competitive position
- Streamlined operations and sales processes by optimising lifting schedules, pre-approving customer credit profiles and maintaining strong receivables performance
- Implemented procurement savings to achieve cost reduction target

PROMOTE SAFE HANDLING OF CHEMICALS & REDUCE OUR CARBON FOOTPRINT

Progress of Key Initiatives

Streamlined and improved processes to **enhance regulatory compliance and sustainability efforts**.

Challenges

Growing volume of requests for **carbon footprint studies**

Ensuring we maintain high standards of traceability and the chain of custody for sustainability efforts across the supply chain

Mitigation/Response:

- Procured Life Cycle Assessment Tool (GaBI) and upskilled the Product Stewardship team to use Life Cycle Assessment (LCA) tools effectively and accommodate stakeholder demands
- Automated data verification through Raw Material Information Request (RAWMIR), with notifications for missing documents and supplier follow-ups
- Completed a comprehensive product portfolio for PETRONAS Chemicals Olefins, PETRONAS Chemicals Glycols and PETRONAS Chemicals Derivatives (PC Olefins, PC Glycols and PC Derivatives) and ongoing efforts for other business units, aiding in regulatory and commercial decision-making

COMMERCIAL EXCELLENCE

PROMOTE SAFE HANDLING OF CHEMICALS & REDUCE OUR CARBON FOOTPRINT

Progress of Key Initiatives

Conducted 14 engagement and training sessions with key stakeholders to share knowledge on hazard classification and Personal Protective Equipment (PPE) requirements.

Challenges

Stakeholders often neglect compliance aspects, focusing solely on the product, leading to inadequate hazard and emergency communication

Mitigation/Response:

- Engagement sessions enabled clear communication of hazards, exposures and PPE requirements specific to products

Progress of Key Initiatives

Published 15 Product Regulatory Information Sheets (PRIS) for enhanced compliance visibility, including new regulations such as Chemicals of High Concern to Children (CHCC), Endocrine Disruptors (EDs), Persistent Organic Pollutants (POPs), Mineral Oil Saturated Hydrocarbons/Mineral Oil Aromatic Hydrocarbons (MOSH/MOAH), and Per- and Polyfluoroalkyl Substances (PFASs).

Challenges

Growing customer demand for **regulatory compliance information** and **HSE declarations creates resource strain**

Mitigation/Response:

- Developed new templates to handle 400 HSE requests and 45 customer questionnaires efficiently

Progress of Key Initiatives

Renewed **ISCC PLUS certification** for PETRONAS Chemicals Marketing (Labuan) Ltd. (PCML) to continue its role in trading recycled and bio-based materials.

Obtained **Bureau of Indian Standards (BIS) Certification** for PC Glycols (Ethylene Glycol).

Challenges

Aligning team understanding of **ISCC Plus certification, accurate material inventory tracking** and **managing external consultant relationships**

Significant delays in obtaining **BIS certification** approvals for PETRONAS Chemicals Ethylene and PETRONAS Chemicals Polyethylene (PC Ethylene and PC Polyethylene) as well as PETRONAS Chemicals LDPE (PC LDPE)

Mitigation/Response:

- Appointed ISCC PLUS focal personnel, trained in updated certifications and supply chain management, to strengthen operational readiness
- Following up closely with the authorities until the certification is obtained



COMMERCIAL EXCELLENCE

COMMERCIAL EXCELLENCE

SUSTAIN LAND TRANSPORT SAFETY

Progress of Key Initiatives

Implementation of assurance programme for road transporters, which include **empowerment so that HSE practices can be sustained and self-regulated by transporters.**

Conducted **12 FELT Leadership sessions with transporters**, in addition to a Leadership Conversation session.

Conducted **6 Defensive Driving Training (DDT) sessions** for sales personnel.

Implemented **e-learning DDT module** for the rest of commercial staff to inculcate awareness on road safety.

Challenges

The assurance programme has about 10 different elements, making it a massive undertaking to ensure **effective implementation without compromising HSE performance**

Maintaining good practice among transporters and ensuring **programmes conducted are effective**

Creating awareness on the importance of DDT to the target group

Mitigation/Response:

- Rolled out the programme on pilot basis to a small group of transporters to ensure any gaps/improvements required will be immediately addressed without adversely affecting the day-to-day operations. All five transporters scored above 90% in terms of compliance
- Ensured meaningful engagement with transporters with the presence of top management during FELT Leadership sessions
- Secured leadership commitment for staff enrolment in DDT
 - Inclusion of Product Stewardship sharing on product safety for each transport safety session enabling transporters to understand the requirements on product classification, handling, storage, incident management and PPE requirements

ADDRESS CUSTOMERS PAIN POINTS & OPTIMISE VALUE

Progress of Key Initiatives

PCML launched 1 new product (HL701) with high Renewable Carbon Index Surfactant.

288 technical solutions to aid customer business growth.

6 co-created innovative solutions.

BRB launched 12 new products which include products aimed at advancing performance and sustainability across automotive, lubricant, paints, construction and personal care applications.

Perstorp launched 5 new products which include a thermal management fluid for data centres, a true non-phthalate plasticiser based on **100% renewable** and/or recycled mass balance content and completed its **C8-C10 Oxo Alcohols offerings.**

Challenges

Customer requires **longer trial period for product evaluation prior** to acceptance

Shifting customer preference towards sustainable products take time. In certain regions like Asia, the demand is still limited due to the preference for lower cost products

Lack of awareness about how to apply the new products

Customers require samples and more test results before they can be convinced to switch

Mitigation/Response:

- Continued reaching out to potential customers in targeted markets and developing co-created application solutions to address customer's pain points e.g., glove manufacturers find it difficult to source for additives because it is not produced in Malaysia
- Continued promotion of Pro-Environment solutions to help customers meet their sustainability targets
- Offer constant support to customers to educate, create awareness and provide technical support about our products

DIGITALISATION JOURNEY

Progress of Key Initiatives

Implementation of CDEx Digital Slot booking platform improved logistics efficiency at PETRONAS Chemicals Fertiliser Kedah (PC Fertiliser Kedah) by enabling vehicle slot booking which helped to reduce traffic congestion issues and truck idling times.

Started roll out of our customer portal with 230 customers, both local and international, now able to check on their order and delivery status, log feedback instantly, download product regulatory sheets. They can even indicate their interest in other products within the Downstream business and be automatically connected to the relevant business be it PCML, PETRONAS Dagangan Berhad (PDB) or PETRONAS Trading Corporation Sdn. Bhd. (PETCO). This enables better information, transparency and control to our customers who can access all this through their mobile phones.

Challenges

To ensure seamless integration between our various systems as well as successful data migration and accuracy

Adoption of new features rollout which has changed how employees conduct sales

Mitigation/Response:

- Project teams from all stakeholders involved worked together to ensure a smooth integration. Extensive testing that included System Integration Testing (SIT) followed by Business Validation Testing (BVT) was conducted to ensure system readiness before going live
- Implemented change management activities that included group training, one-on-one training, system support clinics, gamification and rewards

OUTLOOK

In the coming year, PCG will strengthen its commercial capabilities by expanding our strategic sourcing initiatives as we seek to counter the effects of thinning margins amid an evolving market landscape. By turning some of the volumes obtained from strategic sourcing into trading opportunities, we will be able to generate additional revenue, while maintaining the original intent of mitigating disruptions to internal volume supply. These efforts are designed to bring greater value to both PCG and its customers, ensuring a more resilient and responsive supply chain while diversifying our income stream.

Amid growing competition, PCG remains committed to optimising product distribution through overseas subsidiaries. Initiatives like China Domestic Distribution (CDD) Pro will create additional value by facilitating methanol shipments via tankages at key locations, including Taicang, Fujian and Taizhou. Additionally, PCG will maximise transportation efficiency by optimising our Time Charter (TC) backhaul with strategic sourcing volumes from China, enabling more effective use of transportation capacity and further enhancing the supply chain.

With new production capacities coming online, such as the melamine plant in Gurun, Malaysia, PCG's commercial team will focus on expanding market reach. Efforts will target new geographical markets and untapped customer segments, ensuring the company is well-positioned to capture emerging opportunities and drive sustainable growth in a dynamic market environment.

For Specialty Chemicals, we will reinforce our presence in Europe and America and expand into the APAC market, while prioritising sustainability and customer-centric innovation to drive its transformative strategy and become a global leader in the specialty chemicals market. We will execute our transformation strategy by driving growth through a combination of organic and inorganic strategies, enabling us to broaden our portfolio and reach new markets.



GROWTH DELIVERY EXCELLENCE

PCG progressed its Growth Delivery Excellence initiatives. Key achievements included the commercialisation of four of our growth investments, targeted expansions in high-demand markets, the addition of new products to our portfolio and taking our first steps towards creating a global innovation network. These initiatives have positioned PCG to drive high-value growth in diverse sectors such as automotive, healthcare and personal care. Additionally, PCG remains committed to our circular economy initiatives and embedding sustainability in our day-to-day operation and business decisions. As we move forward, PCG remains focused on delivering innovative, customer-centric and resilient solutions that align with market demands and our sustainability goals.

Progress of Key Initiatives

EXTEND VALUE CHAIN

Commercial Operation achieved for:

Pengerang Petrochemical Complex

Commercial operations began in November 2024. The complex will produce petrochemical products that include polymers and glycols with a total production capacity of 2,450 KTPA. These products serve as key ingredients in millions of end-consumer products that are used on a daily basis.

Specialty Ethoxylates and Polyether Polyols in Kertih, Malaysia

Through our JV with PCC SE, commercial operations began at the Kertih Integrated Petrochemical Complex (KIPC), meeting demand in high-growth sectors like automotive, cleaning and personal care, and reinforcing PCG's position in specialty chemicals. The plant can produce specialty polyether-polyols and specialty surfactants and has a capacity of up to 70 KTPA.

Nitrile Butadiene Latex (NBL) in Pengerang, Malaysia

Our NBL plant, in collaboration with LG Chem, reached commercial operations in September 2024, supporting Malaysia's global leadership in glove manufacturing. With a 200 KTPA capacity, it caters to the growing healthcare industry worldwide.

2-Ethylhexanoic Acid (2-EHA) in Gebeng, Malaysia

This joint venture plant has doubled its capacity to 60 KTPA and will address regional demand for 2-EHA applications, including synthetic lubricants and PVB plasticisers, supporting key industries such as automotive and construction.

Plant Commissioning

Isononanol (INA) in Pengerang, Malaysia

This plant is in its commissioning stage and has achieved its on-spec product in February 2024. The plant will gradually ramp up to full commercial operations in 2025. The INA facility will produce 250 KTPA of isononanol annually, used for the production of higher molecular weight plasticisers applied in automotive and building industries.

Execution in Progress

Melamine in Gurun, Malaysia

The development of Southeast Asia's sole melamine plant, set for completion in 2025, will meet regional demand in construction and household goods, reducing reliance on imports and supporting regional economic resilience.

Maleic Anhydride (MAAn) in Gebeng, Malaysia

The upgraded MAAn plant aligns with our strategy to meet rising demand across Asia-Pacific and beyond. This facility enables the future integration with our subsidiaries Perstorp and BRB, supporting downstream applications and innovative solutions for multiple industries such as food and beverage production, coatings, pharmaceuticals and textiles.

GROWTH DELIVERY EXCELLENCE

Progress of Key Initiatives

BUILD SPECIALTY PLATFORM

Expanding Market Presence Across Asia

Perstorp's new ISCC PLUS Certified Pentaerythritol and Calcium Formate plant in Bharuch, India, supports regional demand for certified, high-quality specialty chemicals - the building blocks for Alkyd resins, radiation curing monomers, polyurethanes, rosin esters and synthetic lubricants. The plant has a capacity to produce 40,000 TPA of Pentaerythritol and 26,000 TPA of calcium formate.

The establishment of new Perstorp offices in Malaysia, Turkey, Taiwan, reinforces our presence in Southeast Asia and Europe, while leveraging Taiwan's strategic position within the semiconductor supply chain.

Full ownership of Perstorp's Zibo polyol facility in China will enable Perstorp to expand and strengthen its presence in China, reinforcing its strategic focus on the Asian market while creating opportunities for future expansion and site diversification in Asia.

Growing Our Product Portfolio

Perstorp now offers C8-C10 oxo alcohols, leveraging synergies from PCG's INA plant in Pengerang, Malaysia, which enriches our common intermediate feedstock portfolio and strengthens market position.

Perstorp acquired OQ Chemicals Nederland B.V. now renamed as Perstorp Amsterdam B.V. which will further support our growth strategy and enhance our presence in the Engineered Fluids segment.

Strengthening Operational Excellence

BRB's sites in the Netherlands and Malaysia achieved ISO 45001 for health and safety, and ISO 14001 for environmental management, affirming our commitment to sustainable and safe production standards.

CREATE OPTIONALITY FOR GROWTH

Expanding Bio-based Offerings

A new pilot plant enables us to expand into the personal care sector, with bio-based emollients set to be marketed under BRB's Emfinity® brand.

Through BRB's Emfinity®, we deliver sustainable, diverse solutions for skincare and cosmetics, addressing the demand for eco-friendly personal care products.

Building Innovation Capacity

The construction of Technology and Innovation Centre (TIC) in Bangi, Malaysia alongside with BRB and Perstorp labs, we have established a robust network for localised and sophisticated solutions across key markets.

Driving Strategic Growth and Partnerships

Actively assessing and evaluating potential disruptive technologies from start-up companies with PETRONAS Corporate Ventures.

Exploring feedstock options outside Malaysia to enhance value creations by bringing feedstock supplies closer to demand centres.

Continuously exploring growth opportunities with our existing strategic partners at PCG and PETRONAS. Our aim is to offer innovative product solutions and expand our market reach.

GROWTH DELIVERY EXCELLENCE

Progress of Key Initiatives

SUSTAINABILITY AT THE CORE

Advanced Recycling and Circular Economy

PCG continues to evaluate project and market pathways for this project with the key objective to deliver immediate and sustainable returns for stakeholders. Globally, sustainability initiatives in the oil and gas and petrochemical industries often face a range of challenges especially when implementing new technology. In the context of the circular economy for plastics, difficulties include limited recycling infrastructure, consumer and ecosystem readiness, cost competitiveness and shifting market demands.

PCG's Sustainable Portfolio and Net Zero Carbon Emissions (NZCE)

Developed a sustainable portfolio centred around three key pillars:

- Low-Carbon solutions and Carbon Dioxide utilisation** - Low-Carbon solutions and turning Carbon Dioxide into value added products
- Circular Economy and solutions** - Utilisation of plastic waste to produce recycled polymers
- Bio-based chemicals** - Bio-based chemicals as viable alternative to fossil-based products

At the same time, we will explore investments in decarbonisation and the carbon-reducing initiatives to achieve NZCE by 2050.

Perstorp and BRB Environmental Initiatives

Perstorp's Stenungsund wastewater facility, inaugurated in April 2024 in Sweden, is expected to save up to 1.1 billion litres of freshwater annually. Moreover, Perstorp's Waspik site became the first Perstorp facility to achieve net zero emissions for both Scope 1 and Scope 2. This accomplishment was made possible through the replacement of natural gas with biogas, a full transition to 100% renewable energy and the implementation of additional sustainability initiatives, including the substitution of diesel trucks with electric vehicles.

BRB is partnering with Bullfrog Power on green electricity and gas supply at its Canadian plant and adopting the Return on Society and Environment (ROSE) Framework to track Environmental, Economic, Social and Governance (EESG) goals. BRB has also switched to new packaging labels using recyclable PET liners to further reduce carbon footprint.

Challenges

STRATEGIC INVESTMENT

Growth projects and new business ventures inherently carry risks, including the potential for low returns and the loss of business opportunities. As we expand our value chain into specialty chemicals, these risks become increasingly significant.

We face risks such as diminishing financial capital and shareholder returns, failure to achieve planned margins, missed business opportunities and customer loss.

BUSINESS PARTNERS' PRIORITIES

Disruptions and challenges faced by business partners impact the management and prioritisation of investment portfolio.

PROJECT FEASIBILITY

Hyperinflation, rising costs, volatility of product prices and climate action pressure can hinder a project's feasibility.

Mitigation/Response:

We scan emerging technologies to enhance existing molecules and access new feedstocks. Our investment portfolio targets short-, medium-, and long-term goals.

We have expanded into specialty chemicals for higher, stable margins. We realigned our product portfolio for long-term growth, assessing investments for returns and viability, while considering risks.

Extend Value Chain:

- Scan projects and technologies
- Evaluate integrated value chain models

Build Specialty Platform:

- Implement Post-Acquisition & Integration Plan

Create Opportunity Growth:

- Collaborate with PETRONAS Capital Ventures
- Screen venture capital start-ups and assess strategic fit
- Invest in research and technology projects, leveraging past experiences and expertise from BRB and Perstorp. Assess new opportunities with defined criteria to improve success

- Strengthen relationships** across the value chain through a close and collaborative relationship with business partners
- Find alternative business partners** to continue with investments
- Strengthen specialties portfolio** via continuous innovation, strategic organic and inorganic growth

- Ensured strong project economics** by conducting comprehensive evaluations and forecasts
- Leveraged our business intelligence to benchmark** against the market and other key industry players
- Attracted appropriate business partners and technology providers** that offer the best competitive advantages
- Integrated sustainability as a fundamental requirement** from the feasibility stage to commercialisation

GROWTH DELIVERY EXCELLENCE

Challenges

PROJECT EXECUTION

Project delivery issues that impact the commercialisation or stabilisation of new plants may impact our ability to maximise value at pace.

SUSTAINABILITY

Global awareness of climate change and the need for circular economy is increasingly shaping customer demands for sustainable products and solutions. This shift in consumer preferences may significantly impact our business performance, reputation, and long-term growth prospects.

INNOVATION

Venturing into new technologies may necessitate an extended innovation period for business and technology validation, accompanied by a high uncertainty of success.

Mitigation/Response:

- Effectively driven project execution**, ensuring business and operational readiness for sanctioned projects
- Ensured a comprehensive scope for the Engineering, Procurement, Construction, and Commissioning (EPCC) contract**
- Developed a clear route-to-market strategy and secured customers** before project commercialisation
- Actively pursued sustainability-related projects**, guided by PCG's Sustainable Portfolio
- Conducted feasibility assessments, incorporating sustainability dimensions** for all growth projects
- Integrated a robust carbon abatement plan as a **key component of the project Final Investment Decision (FID) package**
- Collaborated with cutting-edge technology solution providers** to develop a sustainable and innovative portfolio
- Utilise advanced tools and technologies to track** and report on sustainability metrics.
- Communicate the benefits of sustainable solutions** clearly and effectively
- Applied a standardised approach to validate and identify the right opportunity space for disruptive products and services** where we focus on customers first rather than focusing on solution in the initial stage
- Collaborated with research centres and universities** to incubate and validate our innovations

OUTLOOK

PCG remains focused on unlocking value from growth projects, enhancing our specialty platform and driving sustainability across our operations.

Extend Value Chain

- Achieve full commercial operation for Melamine plant in Gurun and Isononanol plant in Pengerang in 2025
- Achieve Ready For Start-Up (RFSU) for MAN plant in Gebeng, Malaysia in 2026
- Continue to mature opportunities in our project pipeline at various feasibility stages, while prioritising strategic projects and monitoring high-potential mid-term prospects

Build Specialties Platform

- Commercialise the Sayakha plant in Bharuch, India to strengthen the polyol business in APAC
- Drive specialty chemical growth through organic and inorganic initiatives
- Leverage synergies with Perstorp to replicate technologies in Malaysia, catering to APAC market demands

Create Optionality for Growth

- Establish a global innovation network, including the Technology & Innovation Centre in Bangi, alongside BRB and Perstorp's labs, to deliver localised and sophisticated solutions
- Allocated funds in research and technology to accelerate innovations to meet demand for sustainable products

Sustainability at the Core

- Pursue sustainability growth projects in the PCG's Sustainable Portfolio which involves developing low-carbon solutions, bio-based chemicals, and recycled polymers from plastic waste under our Circular Economy strategy
- Implementation of comprehensive carbon reduction efforts under our NZCE 2050 plan
- Expand Perstorp's Pro-Environment Solutions, ensuring renewable or recycled materials match the quality of fossil-based counterparts



RISKS OVERVIEW

As a globally integrated chemicals company, PCG faces various dynamic challenges, including market volatility, supply chain disruptions, geopolitical issues, technological advancements and evolving regulatory changes, particularly concerning sustainability standards. Internally, plant reliability and operational complexities further compound these pressures. These challenges present both risks and opportunities. Our robust risk management framework, encompassing Enterprise Risk Management (ERM), Crisis Management (CM) and Business Continuity Management (BCM), helps us manage risks effectively. Successfully navigating both the current and coming year will require enhanced agility, innovation and commitment to good governance, positioning the company for sustained growth and long-term success.

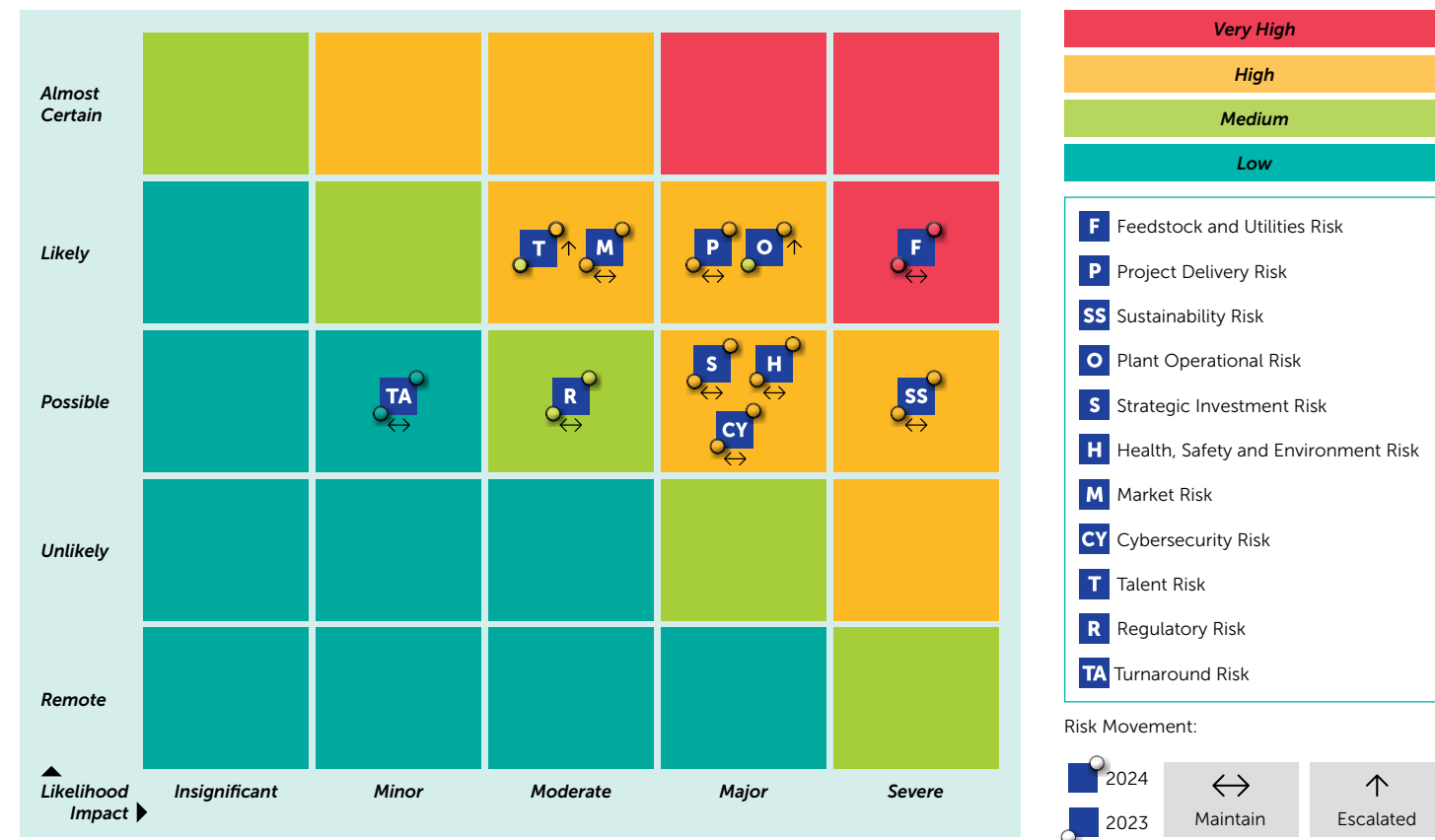
R Details of our risk management frameworks, oversight structure and risk profile process can be referred on pages 121 to 131, under the Statement on Risk Management and Internal Control (SORMIC).

PRINCIPAL RISKS 2024

The principal risks are continuously reviewed and aligned with our business strategies and material matters, ensuring value is delivered prudently and sustainably, supported by strong governance practices.

During the year, the PCG Board approved the escalation of Plant Operational Risk and Talent Risk from Medium to High Risk. The escalation of Plant Operational Risk is primarily due to several factors, including equipment reliability issues and disruptions to feedstock and utilities, leading to plant slowdowns and shutdowns. This exposure has significantly impacted production volume, thereby affecting PCG's financial performance. As for Talent Risk, the escalation of the risk was to provide focus on addressing challenges in hiring, developing and retaining critical talents and capabilities required for achieving PCG's business objectives.

We have reviewed and enhanced our approach for Sustainability Risk to include Climate Change, Circular Economy, Nature & Environment and Human Rights, aligning with PCG's material matters. Additionally, we have enhanced and strengthened mitigation plans to address changes in market and business dynamics, ensuring the sustainability and resilience of PCG's future operations. The tables below provide an overview of these principal risks, their potential impacts, corresponding mitigation strategies and the associated opportunities.



RISKS OVERVIEW

F Feedstock and Utilities Risk

Description:
Our production plants depend on a consistent supply of feedstock and utilities to operate efficiently. Unreliable feedstock supply, coupled with rising costs for feedstock and utilities, can jeopardise the sustainability of PCG's operations.

Risk Movement: Maintain

The risk is rated as very high due to our operations' dependence on the reliability and cost of feedstock and utilities. Therefore, PCG focuses all efforts and resources to ensure the effective implementation of mitigation strategies, allowing us to manage the risks efficiently and ensure the continuity of our operations and business.

Impact to PCG:

- i. Higher feedstock and utilities cost reducing PCG's profitability
- ii. Unplanned and prolonged shutdown of PCG plants
- iii. Lower production volumes and an inability to fulfil contractual obligations to customers.
- iv. Deterioration of public perception impacting PCG's value as a public listed company

Key Mitigation Strategies:

- i. Renew feedstock and utilities contracts to ensure supply reliability and competitive pricing
- ii. Focus on interventions to enhance feedstock and utilities supply availability and reliability
- iii. Implement Enterprise Optimisation (EO) analysis to support value-driven decision-making
- iv. Participate in feedstock and product planning integration and coordination platforms
- v. Monitor project execution to improve the efficiency of feedstock and utilities consumption
- vi. Implement action items from Root Cause Failure Analysis (RCFA) based on previous incidents with utility providers

Opportunities:

- Build strong partnerships and strategic collaboration with feedstock and utilities suppliers in addressing challenges for reliable feedstock and utility supplies
- Explore energy efficiency and practices to lower consumption and cost optimisation

Strategic Thrusts: OE, CE

Material Matters: [Icons]

Key Capitals: N, H, M, I, S, F

Key Stakeholder Groups: [Icons]

P Project Delivery Risk

Description:
Project delivery challenges, including the inability to effectively manage issues arising from internal and external factors throughout the project lifecycle, can hinder the construction, operation, commercialisation and stabilisation of new plants, ultimately impacting our value capture.

Risk Movement: Maintain

The successful delivery of growth and sustainability projects are crucial for PCG to achieve its objectives and maintain sustainable operations. While the risk remains high, our robust mitigation strategies, which include adherence to PETRONAS Project Management Standards and focused responses to business challenges, ensure effective project delivery.

Impact to PCG:

- i. Missed business opportunity and inability to implement commercial activities as per plan
- ii. Lower returns to shareholders and investors
- iii. Reputational damage due to poor project delivery and not realising the project return

Key Mitigation Strategies:

- i. Implement a robust selection process for contractors to perform awarded contracts
- ii. Closely monitor project execution, including contractors' performance and operational readiness
- iii. Introduce contract provisions to address unexpected price escalations due to external factors and regulatory requirements
- iv. Reassess sourcing strategy upon contract awards in response to external challenges e.g., war, calamity
- v. Establish interfacing coordination platforms as early as possible at both the sponsor/management and working levels

Opportunities:

- Enhance project delivery excellence while managing market volatility, supply chain disruptions and leveraging lessons learned from past projects
- Propagate project delivery signpost to encapsulate more refined schedule and cost deviation levers to enable effective project progress monitoring and earlier intervention

Strategic Thrusts: OE, CE, GE

Material Matters: [Icons]

Key Capitals: N, H, M, I, S, F

Key Stakeholder Groups: [Icons]

RISKS OVERVIEW

RISKS OVERVIEW

SS Sustainability Risk

Description:

Inability to effectively manage heightened sustainability material matters and expectation including transitioning PCG to a climate-resilient company, leading to higher cost of operation, loss of competitive edge, asset damages and tarnished reputation affecting business sustainability.

Risk Movement: Maintain

Continued heightened expectations from investors, customers and regulators have increased scrutiny on PCG to demonstrate tangible emission reductions and improvements in other sustainability areas. Throughout the year, we have remained committed to implementing sustainability efforts, including greenhouse gas reduction projects, to meet our short-term targets. Additionally, we have strengthened our internal governance processes and capabilities to pursue our sustainability efforts and targets.

Impact to PCG:

- i. Higher operational costs due to the development of costly low-carbon technology and increased cost of borrowing
- ii. Asset damage due to physical risks such as extreme weather and flooding
- iii. Exposure to litigation, penalties and fines
- iv. Loss of market share due to shifts in customer preferences
- v. Diminishing interest from investors and other financiers
- vi. Reputational damage and loss of stakeholder trust

Key Mitigation Strategies:

- i. Climate Change**
 - Sustain the implementation of greenhouse gas (GHG) reduction opportunities and enhance renewable energy use
 - Continue applying Internal Carbon Pricing to growth projects and expand the low-carbon emissions portfolio
 - Undertake physical risk site validation and develop adaptation strategies
 - Monitor climate transition developments, including policy changes, incentives, competitor shifts and customer demand for low-carbon products
 - Enhance climate-related disclosure and reporting in line with IFRS S2 standards
- ii. Circular Economy**
 - Review and implement strategy and approach to drive the shift toward a circular portfolio and address Extended Producer Responsibility (EPR) expectations
 - Continuously evaluate cost-effective recycling technologies that reduce costs and provide flexibility in feedstock
 - Screen and assess the viability of renewable feedstock for the PCG polymer mix
 - Innovate to create products that promote circularity and recyclability, such as mono-material polymers
 - Monitor circular plastics development, including policy changes, incentives, competitor shifts and customer demand
- iii. Nature & Environment**
 - Reduce freshwater withdrawal in water-stressed areas through efficient water management and feasible technology solutions
 - Improve water and waste stewardship by implementing best practices across PCG
 - Sustain compliance with established regulations and control frameworks to ensure chemical safety and environmental protection
 - Maintain and improve facilities to preserve and enhance process and equipment integrity
 - Review and implement Biodiversity and Ecosystem Service Risk Assessment (BESRA) across PCG operations
- iv. Human Rights**
 - Drive internal improvement, including roadmap development, target setting, process enhancement, governance, talent development and capability building
 - Increase human rights awareness and capability development for staff, suppliers and contractors
 - Adopt and implement Supply Chain Human Rights programmes and practices e.g., supplier code of conduct, due diligence, reporting
 - Enhance grievance mechanism management and tracking of human rights performance
 - Conduct Social Risk Assessments for all operation sites

Opportunities:

- Accelerate the transition towards a sustainable and climate-resilient organisation by fortifying sustainability governance, strategies and implementation
- Embrace innovative solutions to minimise environmental impact and optimise resource efficiency
- Align and enhance sustainability reporting to effectively demonstrate progress and accountability

R For more information on how PCG manages Sustainability Risk, refer to pages 24 to 27 of the Sustainability Report 2024.

Strategic Thrusts **Material Matters** **Key Capitals** **Key Stakeholder Groups**

O Plant Operational Risk

Description:

Our highly integrated operations expose our plants to an array of risks, as the plants are highly dependent on each other. The effective planning and execution of operational and maintenance activities are crucial for maintaining the value chain's integrity. A failure in one or more plants can trigger a cascading effect, impacting the entire value chain.

Risk Movement: Escalated

The risk continues to evolve and remains uncertain, having escalated to a high level due to ongoing disruptions caused by reliability and operational issues. We managed this risk through the implementation of our operational, maintenance, and reliability strategies, supported by a comprehensive business continuity and recovery plan.

Impact to PCG:

- i. Loss of production volume
- ii. Increase in maintenance costs, reducing PCG's profitability
- iii. Inability to meet customers' demands
- iv. Reputational damage and loss of stakeholder trust

Key Mitigation Strategies:

- i. Implement operation management, asset life studies, management of equipment issues and plant reliability threat programmes to optimise asset reliability and equipment performance
- ii. Conduct regular maintenance and inspection programmes to minimise the risk of equipment failure and unplanned shutdowns
- iii. Activate the Business Recovery Plan (BRP) and Business Continuity Plan (BCP) for cases of prolonged interruption

Opportunities:

- Bolster resilience and business continuity by streamlining processes, enhance reliability and optimise costs, while also driving innovation

Strategic Thrusts **Material Matters** **Key Capitals** **Key Stakeholder Groups**

S Strategic Investment Risk

Description:

Growth projects and new business ventures carry risks such as low returns and loss of business opportunities. As we extend our value chain into specialty chemicals, these risks become more prominent.

Risk Movement: Maintain

The risk remains classified as high, reflecting its significant implications for PCG's growth and future business viability. Our mitigation strategies and tailored approaches are specifically designed to address the challenges posed by the dynamic business environment, ensuring the success of PCG's strategic investments that align with our long-term goals and market conditions.

Impact to PCG:

- i. Diminishing financial capital and shareholder returns
- ii. Inability to obtain margins as planned
- iii. Missed business opportunities and loss of customers
- iv. Inability to realise our business strategy to grow in specialty chemicals

Key Mitigation Strategies:

- i. Extend Value Chain**
 - Continuous scanning of robust project and technology pool through:
 - Expanding growth with existing partnerships or replicating technology acquired from mergers and acquisitions (M&A)
 - Evaluating business model that provides best integrated value chain
 - Executing project implementation in line with project management systems and plans for business and operational readiness (B&OR)
- ii. Build Specialty Platform**
 - Perform due diligence and implement a robust post-acquisition and integration planning process
- iii. Create Opportunity For Growth**
 - Continuing collaboration with PETRONAS Ventures and PETRONAS Research Sdn. Bhd. (PRSB) for R&D related projects
 - Robust opportunity screening assessment of Venture Capital start-up and Strategic Fit Assessment

Opportunities:

- Strengthen our strategies and competitive advantage to ensure long-term success
- Expanding specialty chemicals and commodity business by exploring new markets, diversifying product applications, pursuing strategic mergers and acquisitions, investing in cutting-edge technologies and fostering a culture of innovation

Strategic Thrusts **Material Matters** **Key Capitals** **Key Stakeholder Groups**

RISKS OVERVIEW

RISKS OVERVIEW

H Health, Safety and Environment Risk

Description: Exposure to Health, Safety and Environment (HSE) incidents is an inherent risk in chemical manufacturing. Major HSE breaches in our plants can have significant consequences for our people, environment, assets and business reputation, with the most severe impacts stemming from process safety incidents like chemical spills and fires.

Risk Movement: Maintain

HSE Risk remains an inherent part of our business and continues to be classified as high risk. However, we manage this risk through ongoing improvements in our efforts, processes and approaches aimed at mitigating major incidents and ensuring compliance with legal requirements.

Impact to PCG:

- i. Physical harm to employees, contractors and/or nearby communities
- ii. Pollution and environmental degradation surrounding operations
- iii. Asset damage that leads to plant slowdown or shutdown
- iv. Litigation and stop-work orders by regulatory bodies
- v. High recovery costs from injuries and accidents
- vi. Impact on PCG's reputation as a public listed company

Key Mitigation Strategies:

- i. Implement and follow through on HSE strategies and programmes to achieve ZERO major HSE cases and process safety incidents, leveraging the "Strive for ZERO, ZERO is Possible" (SFZZIP) framework
- ii. Strengthen the implementation of focused learning programmes, emphasising compliance with procedures, standards and requirements
- iii. Prioritise the prevention of fire and loss of primary containment (LOPC) incidents through focused interventions and the Brilliant at Basic commitment to excellence in fundamental safety practices and principles
- iv. Strengthen Contractor's HSE Management by enhancing competency and accountability
- v. Implement structured monitoring and reporting on HSE performance
- vi. Implement the Product Stewardship programme to ensure the safe use transport, and disposal of products throughout their lifecycle

Opportunities:

- Strengthen health, safety and environment practices by enhancing capability, fostering a strong culture, and ensuring compliance, while maintaining agility in adapting to new or changing regulatory requirements
- Advocacy of rigorous HSE practices including plant and facilities in new business territories vis-à-vis specialty chemicals

R For more information, refer to Safety and Health from pages 64 to 69 in the Sustainability Report 2024.

Strategic Thrusts: OE, CE
 Material Matters:
 Key Capitals: N, H, M, I, S, F
 Key Stakeholder Groups:

M Market Risk

Description: Adverse market conditions leading to thinning margin, posing challenges to business sustainability.

Risk Movement: Maintain

The slowdown and slow recovery of economic activities, coupled with escalating geopolitical tensions, have created uncertainties in the value chain and impacted the supply and demand for our products. These factors are expected to continue evolving, and any significant events will directly affect our business. As the risk remains high, we will continue to manage it and closely monitor Key Risk Indicators (KRIs) for early intervention.

Impact to PCG:

- i. Loss of market share, demand and customer
- ii. Potential plant slowdown/shutdown due to high inventory or negative margin
- iii. Business portfolio rationalisation leads to business divestment
- iv. Reduction in margin due to high operating cost
- v. Lower shareholders return due to poor financial performance

Key Mitigation Strategies:

- i. Maximise netback through optimised geographical sales mix, sales channels mix and sales contract mix
- ii. Add value by enhancing product development, co-creating innovative solutions and providing technical support
- iii. Improve the value proposition for local distribution in overseas subsidiaries
- iv. Optimise cost to serve by increasing co-loadings and expanding tankage capacity to enhance responsiveness to customers
- v. Review cost position and build competitiveness through product diversification
- vi. Expand the specialties portfolio through continuous innovation, organic growth and strategic acquisitions

Opportunities:

- Reevaluate PCG's competitive position and explore potential partnerships, acquisitions and diversify products applications to expand market reach
- To enhance competitiveness and resilience through proven ability to navigate uncertain markets

Strategic Thrusts: OE, CE, GE
 Material Matters:
 Key Capitals: N, H, I, S, F
 Key Stakeholder Groups:

CY Cybersecurity Risk

Description: Increased reliance on digitalisation and the vulnerability of Operational Technology (OT) environment has significantly elevated exposure to cybersecurity threats. A major infrastructure failure or cyber breach could result in substantial business losses, reputational damage and missed opportunities.

Risk Movement: Maintain

The risk is ever evolving and remains uncertain, mirroring the dynamic nature of our operating landscape. In response to the growing sophistication of technological threats, we are consistently enhancing our ICT management, cyber resilience and information security. We mitigate this risk through vigilant and innovative application of our controls and defense mechanisms, adopting the latest technology and leveraging AI-based solutions to stay ahead of emerging threats and innovations.

Impact to PCG:

- i. Breaches in stakeholders' information/data
- ii. Loss of critical business data
- iii. Business disruption from critical system shutdowns
- iv. Reputational damage and loss of stakeholder trust

Key Mitigation Strategies:

- i. Strengthen cyber resilience through the deployment of:
 - A new data leakage protection tool
 - Continuous monitoring of the cyber security programme to detect alerts, threats, vulnerabilities and attacks
- ii. Implement Privileged Access Management (PAM) to ensure only authorised access to the system
- iii. Reinforce cyber defense through the Enterprise-wide Incident Response Procedure (IRP), Security Operations Centre (SOC), Vulnerability Management, Data Leakage Protection, Forward Proxy and Network Access Control (NAC)
- iv. Deploy Real-Time OT (RTOT) and OT Asset Management (OTAM) across all PCG facilities
- v. Structure change management, learning and awareness programmes, including the Human Firewall campaign, periodic testing/assessments and engagement through digital platforms such as myLearningX

Opportunities:

- Spearhead digitalisation initiatives in operational and commercial excellence
- Enhance control and management of cybersecurity governance and compliance to safeguard business operations

R For more information, refer to Cybersecurity and Digitalisation from pages 60 to 63 in the Sustainability Report 2024.

Strategic Thrusts: OE, CE, GE
 Material Matters:
 Key Capitals: F, M, I
 Key Stakeholder Groups:

T Talent Risk

Description: Inadequate pool of right talents, and succession planning for critical and niche positions can hinder knowledge transfer and internal capability development, potentially jeopardising PCG's growth agenda.

Risk Movement: Escalated

Talent Risk has escalated to a high risk. Despite this increase, our risk indicators remain stable amidst the challenges in acquiring, retaining and developing talents, particularly in areas critical to our core and new business ventures. Addressing these challenges requires dedicated efforts, including enhancing our appeal to prospective talent, improving talent retention and developing capabilities which are essential for driving our business transition and strategies.

Impact to PCG:

- i. Business disruption due to lower productivity, morale and higher turnover
- ii. Inability to transition "know-how" into PCG talent
- iii. Unrealised business opportunities
- iv. Value leakages due to negligence/ineffective decision-making

Key Mitigation Strategies:

- i. Promote a working culture that supports creativity, innovation and overall employee morale through open communication, autonomy and recognition
- ii. Facilitate strategic conversations to actively model and reinforce the Employee Value Proposition (EVP) through visible actions that enhance the employee experience, attracting and retaining talent
- iii. Implement capability development programmes and knowledge transfer initiatives, encompassing both functional and leadership qualities, to equip talent with the skills and knowledge needed to drive business growth

Opportunities:

- Champion diversity, equity and inclusion to attract and retain top talent, while investing in upskilling and reskilling initiatives
- Foster the development of future-ready talents equipped with agile, innovative mindsets to drive organisational success

R For more information, refer to Talent Management and Well-Being from pages 70 to 75 in the Sustainability Report 2024.

Strategic Thrusts: OE, CE, GE
 Material Matters:
 Key Capitals: N, H, M, I, S, F
 Key Stakeholder Groups:



RISKS OVERVIEW

RISKS OVERVIEW

R Regulatory Risk

Description:
Breach of five critical legal areas – Sanction, Competition, Ethics and Integrity, Export Control, Data Privacy – resulting in reputation damage and significant financial loss.

Risk Movement: Maintain

Regulatory Risk remains inherent to our business but is managed effectively through executing and monitoring the Legal Compliance Framework and Integrity Management System. Furthermore, we consistently review the relevant legal compliance controls to ensure adherence to current laws and regulations.

Impact to PCG:

- i. Non-compliance costs arising from penalties, summons and/or imprisonment
- ii. Legal action from affected stakeholders
- iii. Reputational damage and loss of stakeholder trust
- iv. Reduced profit and loss of business or market share

Key Mitigation Strategies:

- i. Implement the PETRONAS Legal Compliance Framework
- ii. Strengthen Anti-Bribery and Integrity practices through ISO 37001:2016 Anti-Bribery Management System (ABMS) certification by SIRIM
- iii. Implement Guidelines on Adequate Procedures based on T.R.U.S.T. principles for Corporate Liability
- iv. Adhere to PETRONAS' Human Rights Commitment, aligned with the United Nations' Guiding Principles on Business and Human Rights
- v. Conduct periodic engagements with local authorities, service providers and customers on legal and regulatory updates
- vi. Update the legal register to reflect new regulatory requirements
- vii. Ensure regular communication on business activities to maintain continuous compliance
- viii. Drive proactive interventions through assurance programmes and compliance monitoring to uphold legal, regulatory and anti-corruption commitments

Opportunities:

- Enhance controls to ensure compliance and promote ethical business practices
- Effective management of regulatory risks by proactively identifying potential risks and adapting to regulatory changes, fostering a more sustainable business environment

Strategic Thrusts **Material Matters** **Key Capitals** **Key Stakeholder Groups**

TA Plant Turnaround Risk

Description:
Ineffective execution of plant turnarounds (TA) leads to HSE, schedule, cost and quality issues, affecting plant operations as well as the overall integrated product value chain and delivery to customers.

Risk Movement: Maintain

The TA Risk, associated with the operational and strategic changes necessary to enhance our business performance, remains at a low risk. This stability can be attributed to a few key factors such as effective TA planning, execution and monitoring as well as robust risk management strategies in place that were developed to address potential TA challenges.

Impact to PCG:

- i. HSE incidents including Lost Time Injury (LTI) and process safety
- ii. Inability to meet customers' demands
- iii. Loss of production volume
- iv. Increase in turnaround costs
- v. Reputational damage and loss of stakeholder trust

Key Mitigation Strategies:

- i. Review TA scoping and equipment criticality to optimise manpower and resource allocation
- ii. Execute TA intervention strategies, develop contingency plans and expedite material delivery
- iii. Intensify and conduct compliance monitoring on TA governance requirements
- iv. Recruit experienced manpower to ensure effective TA execution
- v. Implement the HSE standardisation programme, supported by alternative technologies to minimise HSE exposure and enhance work quality

Opportunities:

- Boost PCG's operational efficiency by implementing optimised TA planning and efficient resource allocation, extending asset reliability and preventing unexpected shutdowns

Strategic Thrusts **Material Matters** **Key Capitals** **Key Stakeholder Groups**

EMERGING RISKS

PCG proactively identifies emerging risks and develops strategies to mitigate adverse effects or capitalise on potential opportunities. The Board and management team diligently evaluate and monitor these emerging risks, along with corresponding signposts and mitigation strategies. This approach fosters strategic discussions between the Board and management, enabling early responses, agile decision-making, and proactive measures to anticipate, adapt to, and mitigate emerging risks, thereby protecting value, safeguarding the business, and ensuring long-term sustainability.

ENVIRONMENTAL

Disorderly low carbon and circular economy transitions.

The risk associated with decarbonisation presents challenges for PCG arising from a misalignment between stakeholders' expectations and actual implementation, spanning policies and investment affordability. The challenge also includes inadequacies in the Malaysian ecosystem for decarbonisation, economic viability and technological maturity.

IMPACTS:

- i. Failure to keep up with industry decarbonisation trends
- ii. Loss of trust from stakeholders and investors
- iii. Competing funds for decarbonisation vs new investments
- iv. High cost in doing business

SIGNPOST:

- i. Policies imposed by countries and international organisations
- ii. Financial incentives from private financial institutions on sustainability and green projects
- iii. Stakeholders' expectation on return from sustainability investment

RESPONSES:

- i. Establish a low-carbon growth strategy with allocation of funding
- ii. Conduct carbon footprint assessment for PCG current and new products including M&A
- iii. Drive readiness for transition including processes, governance and capability
- iv. Advocacy and continuous collaboration with regulators and stakeholders
- v. Continuous internal engagement to communicate PCG's sustainability progress and compliance

OPPORTUNITY:

Develop long-term bio-feed opportunities, acquiring strategic assets with broader market for sustainable feedstock and products including potential collaboration with key stakeholders to drive PCG's sustainability journey.

TECHNOLOGICAL

Inability to capitalise on the unprecedented growth in Generative AI (GAI) technologies amidst our digitalisation journey resulting in opportunity cost.

PCG faces the risk of failing to harness the growth in GAI technologies resulting in missed opportunities. Embracing digitalisation is pivotal for enhancing business competitiveness and efficiency. Deeper integration of AI with IT, OT and Industrial Internet of Things (IIoT) can bring value, it also concurrently raises cybersecurity concerns with regards to the integrity of company and personal data.

IMPACTS:

- i. More sophisticated cyber security attacks and social media scams
- ii. Sensitive information leakage and exposure to Personal Data Protection Act (PDPA) and Intellectual Property breaches
- iii. Business disruption arising from cyber attack

SIGNPOST:

- i. AI quarterly report
- ii. PETRONAS and PCG compliance to requirements for AI

RESPONSES:

- i. Implement stringent measures and strengthen data leakage protection controls
- ii. Develop integrated digital platforms to support end-to-end supply chains as part of our customer-centric initiatives
- iii. Raise awareness and implement best practices in AI usage
- iv. Monitor cyber security controls for data privacy

OPPORTUNITY:

Enhancement of process efficiency in plant operations and commercial excellence leading to increased value creation, elevating customer experiences, mitigate safety risks and ensure adherence to regulatory requirements. This will not only strengthen PCG's competitive position but also contribute to a more sustainable and resilient business.

GEOPOLITICAL

Constant global geopolitics uncertainty may pose challenges to PCG's business sustainability.

The constant uncertainty in global geopolitics poses significant challenges to PCG's business sustainability, impacting both profitability and operational continuity. This uncertainty manifests through factors such as commodity price volatility, alterations in energy prices and trade flows, softened demand for petrochemical products and a surge in business costs.

IMPACTS:

- i. High cost in doing business due to price volatility in commodities and raw materials
- ii. Market access restrictions from trade sanctions or protectionist policies
- iii. Operational and supply chain disruptions

SIGNPOST:

- i. Election results and policy directions of newly formed governments
- ii. Social activist movements
- iii. The state of domestic politics and interstate-federal affairs

RESPONSES:

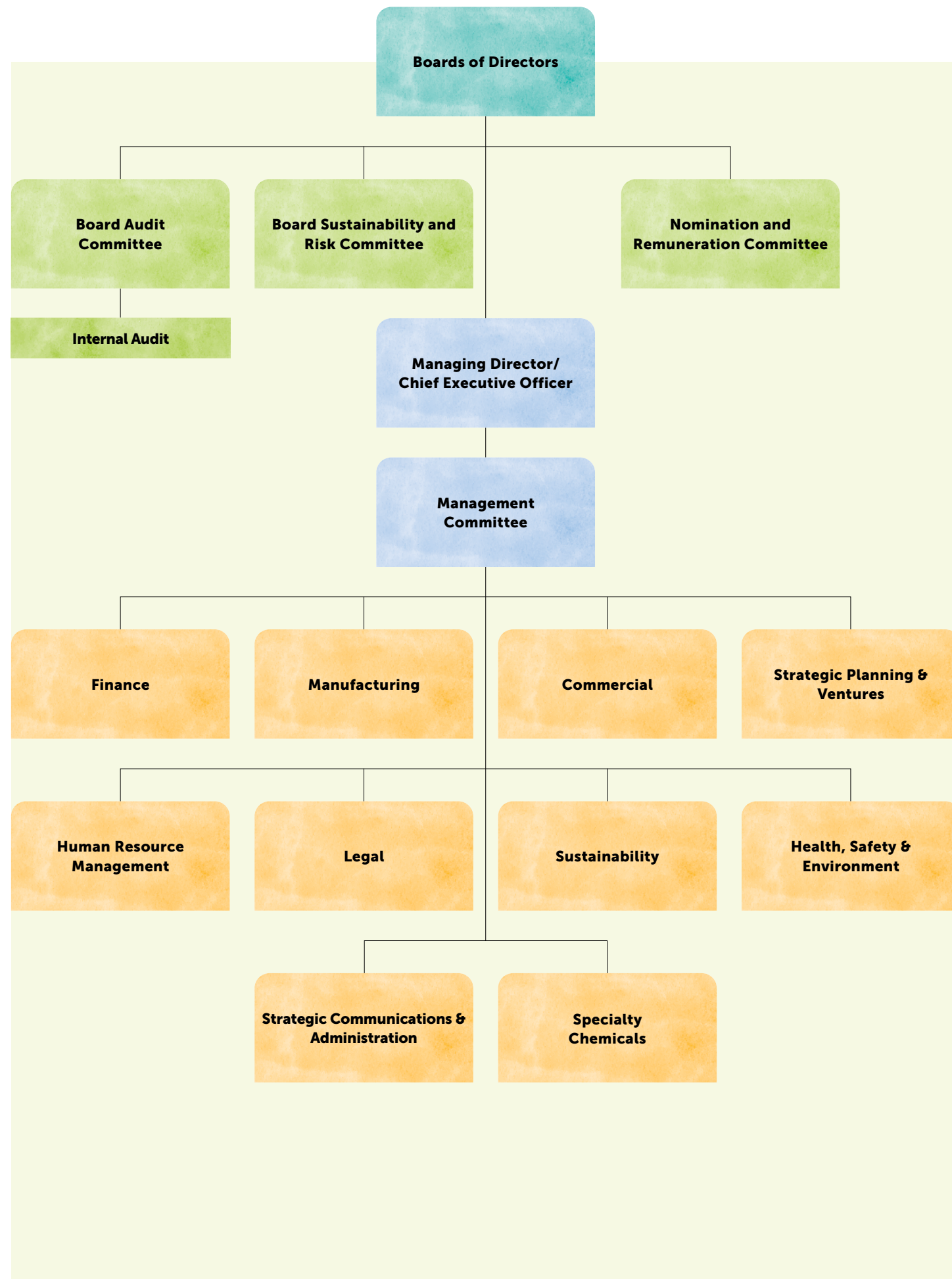
- i. Cost optimisation efforts across energy, production, procurement, logistics arrangements and prioritisation of planning and delivery for key market
- ii. Rigorous monitoring of macroeconomic indicators
- iii. Revisit business strategy and explore opportunity to gain higher commercial value

OPPORTUNITY:

Increase market share in Southeast Asia and Asia Pacific by leveraging on PCG's strategic location and diversified products offering within commodity and specialty portfolios. This strategic approach will not only attract increased investment from major corporations in this region but also stimulate greater demand for PCG products.



ORGANISATIONAL STRUCTURE



CORPORATE INFORMATION

AS AT 28 FEBRUARY 2025

BOARD OF DIRECTORS

DATUK SAZALI HAMZAH
Chairman
Non-Independent Non-Executive Director

MAZUIN ISMAIL
Managing Director / Chief Executive Officer (MD/CEO)

YEOH SIEW MING
Senior Independent Non-Executive Director

WARREN WILLIAM WILDER
Independent Non-Executive Director

DR. ZAFAR ABDULMAJID MOMIN
Independent Non-Executive Director

DATIN SERI SUNITA MEI-LIN RAJAKUMAR
Independent Non-Executive Director

FAREHANA HANAPIAH
Non-Independent Non-Executive Director

ABANG YUSUF ABANG PUTEH
Non-Independent Non-Executive Director

SENIOR INDEPENDENT DIRECTOR

Yeoh Siew Ming
Email: petchem.sid@petronas.com

NOMINATION AND REMUNERATION COMMITTEE

Dr. Zafar Abdulmajid Momin (Chairman)
Yeoh Siew Ming
Warren William Wilder
Farehana Hanapiah

BOARD AUDIT COMMITTEE

Yeoh Siew Ming (Chairperson)
Dr. Zafar Abdulmajid Momin
Datin Seri Sunita Mei-Lin Rajakumar

BOARD SUSTAINABILITY AND RISK COMMITTEE

Warren William Wilder (Chairman)
Yeoh Siew Ming
Dr. Zafar Abdulmajid Momin
Datin Seri Sunita Mei-Lin Rajakumar

COMPANY SECRETARIES

Azira Marini Ab Rahim
(SSM Practising Certificate No. 201908001107) (LS0008959)

Mek Yam @ Mariam Hassan
(SSM Practising Certificate No. 201908000788) (MAICSA 7030578)

REGISTERED OFFICE

Tower 1, PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur, Malaysia
Tel: +603 2051 5000

BUSINESS ADDRESS

Tower 1, PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur, Malaysia
Tel: +603 2051 5000

STOCK EXCHANGE LISTING

Listed on Main Market of Bursa Malaysia Securities Berhad since 26 November 2010
Stock Name: PCHEM
Stock Code: 5183
Sector: Industrial Products & Services

REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia
Tel: +603 7890 4700
Fax: +603 7890 4670
Email: bsr.helpdesk@boardroomlimited.com

AUDITORS

KPMG PLT (LLP0010081-LCA & AF 0758)
Chartered Accountants
10th Floor, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya, Selangor, Malaysia
Tel: +603 7721 3388
Fax: +603 7721 3399
Website: <https://home.kpmg/my/en/home.html>

INVESTOR RELATIONS

Zaida Alia Shaari
(Head of Investor Relations)
Level 45, Tower 1
PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur, Malaysia
Tel: +603 2392 3699
Email: petronaschemicals_ir@petronas.com

BANKING SERVICES PROVIDER

PETRONAS Integrated Financial Shared Service Centre (IFSSC)

WEBSITE

www.petronas.com/pcg



To view the full list of our Corporate Directory, please scan the QR code.

BOARD OF DIRECTORS' PROFILE



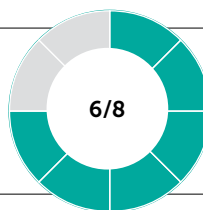
DATUK SAZALI HAMZAH

Chairman/Non-Independent Non-Executive Director



Nationality: Malaysian
Age : 58
Gender : Male

Attendance of board meetings during the financial year



Date Appointed to the Board
8 May 2014

Length of Service
10 years and 9 months

Academic/Professional Qualification:

- Chartered Fellow of the Institute of Chemical Engineers (ICChemE)
- Advanced Management Programme, the Wharton School, University of Pennsylvania, United States of America (USA)
- Senior Management Program, London Business School, London, United Kingdom
- Bachelor of Chemical Engineering, Lamar University, USA

Present Directorships:

Listed entities:

- PETRONAS Chemicals Group Berhad (PCG)
- PETRONAS Dagangan Berhad (PDB)

Other public company:

Nil

Present Appointments:

- Chairman of PCG
- Executive Vice President and Chief Executive Officer, Downstream Business, PETRONAS
- Member of Executive Leadership Team, PETRONAS
- Non-Independent Non-Executive Director, PDB
- Member of Board Sustainability and Risk Committee, PDB
- Director of various companies within PETRONAS Group

Past Experience:

- Senior Vice President and MD/CEO of PCG
- Board member of Institution of Chemical Engineers United Kingdom, Malaysian Branch
- MD/CEO of Malaysia Refining Company Sdn. Bhd.
- MD/CEO of PETRONAS Technical Sdn. Bhd.
- MD/CEO of PETRONAS Penapisan (Melaka) Sdn. Bhd.
- Senior General Manager of Group Technology Solutions, PETRONAS
- Head of Project Management and Delivery, PETRONAS
- Various senior management positions through roles in the refinery and petrochemical business within PETRONAS



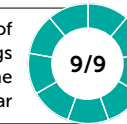
MAZUIN ISMAIL

Managing Director / Chief Executive Officer



Nationality: Malaysian
Age : 56
Gender : Male

Attendance of board meetings during the financial year



Date Appointed to the Board
1 January 2024

Length of Service
1 year 2 months

Academic/Professional Qualification:

- Master of Business Administration (Advance), University of Adelaide, Australia
- Bachelor of Science (Civil and Structural Engineering), University of Bradford, United Kingdom

Present Directorships:

Listed entities:

- PETRONAS Chemicals Group Berhad (PCG)

Other public company:

Nil

Present Appointments:

- MD/CEO of PCG
- Director of various companies within PETRONAS Group

Past Experience:

- Senior Vice President of Corporate Strategy, PETRONAS
- Senior Vice President of Project Delivery and Technology, PETRONAS
- Vice President of Technical Global, PETRONAS
- Chairman, PETRONAS Digital Sdn. Bhd.
- Chairman, Petroleum Research Fund
- Chairman, International Conference and Exhibition Professionals (iCEP)
- Director, Malaysian Industry – Government Group for High Technology (MIGHT)
- Various directorships in PETRONAS

BOARD OF DIRECTORS' PROFILE



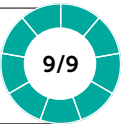
YEOH SIEW MING

Senior Independent Non-Executive Director



Nationality: Malaysian
Age : 57
Gender : Female

Attendance of board meetings during the financial year



Date Appointed to the Board
15 May 2019

Length of Service
5 years and 9 months

Academic/Professional Qualification:

- Fellow Member of Association of Chartered Certified Accountants
- Member of the Malaysian Institute of Accountants
- Member of Malaysian Institute of Certified Public Accountants

Present Directorships:

Listed entities:

- PETRONAS Chemicals Group Berhad (PCG)

Other public company:

Nil

Present Appointments:

- Chairperson of Board Audit Committee, PCG
- Member of Nomination and Remuneration Committee, PCG
- Member of Board Sustainability and Risk Committee, PCG
- Training Faculty of Deloitte University Asia Pacific
- Member of Sunway College Academic and Industry Advisory Board

Past Experience:

- Partner of Deloitte South East Asia
- License liquidator for voluntary and court appointed liquidations and conflict resolutions
- Served in the following committees in Deloitte South East Asia:
 - Partners' Admission Committee
 - Board Nomination Committee
 - Compensation Committee for South East Asia CEO and Chairman of the Board
 - Operational Excellence Committee
- Facilitator of Unleash Global Innovation Lab for United Nation's Sustainable Development Goals
- Council Member of Malaysian Institute of Certified Public Accountants
- Held various management positions throughout her career with Deloitte

BOARD SKILLS AND EXPERIENCE MATRIX

Industry Background:

- Oil and Gas
- Petrochemical

International Experience:

- Global
- Regional

Functional Experience:

- Engineering
- Logistics
- Legal/Regulatory
- Operations

- Commercial/Marketing
- Economics

- Finance
- Audit

- Risk Management
- Sustainability

- Corporate Strategy
- Technology

- Human Resource
- Project Management

BOARD OF DIRECTORS' PROFILE



WARREN WILLIAM WILDER

Independent Non-Executive Director



Nationality: American
Age: 67
Gender: Male

Attendance of board meetings during the financial year: **9/9**

Date Appointed to the Board:
1 July 2018

Length of Service:
6 years and 8 months

Academic/Professional Qualification:

- Master of Business Administration (MBA) Finance, University of Chicago, USA
- Bachelor of Chemical Engineering (Honours), University of Washington, Seattle, USA

Present Directorships:

- Listed entities:**
- PETRONAS Chemicals Group Berhad (PCG)

Other public company:

- Nil

Present Appointments:

- Chairman of Board Sustainability and Risk Committee, PCG
- Member of Nomination and Remuneration Committee, PCG

Past Experience:

- Board Member of Texas Petrochemical Company
- Vice President of Chemicals, Saudi Aramco
- President and Chief Executive Officer, Polymer, Crackers of Reliance Industries Ltd.
- Managing Director and Chief Executive Director of Titan Chemicals
- Senior Vice President of Olefins, Polyethylene of Westlake Chemical
- Vice President of Koch Industries
- Manager of Planning and Analysis of Union Pacific Corporation
- Refinery Process Engineer, Marine Fuels and Marine Lubricant Sales Coordination, Ship Chartering, Crude Oil Coordinator in Exxon Corporation



DR. ZAFAR ABDULMAJID MOMIN

Independent Non-Executive Director



Nationality: Singaporean
Age: 66
Gender: Male

Attendance of board meetings during the financial year: **9/9**

Date Appointed to the Board:
1 July 2018

Length of Service:
6 years and 8 months

Academic/Professional Qualification:

- Doctorate of Philosophy in Business (General Management), Singapore Management University, Singapore
- Master of Business Administration, Kellogg School of Management, Northwestern University, Chicago, USA
- Master of Science in Mechanical Engineering, Purdue University, USA
- Bachelor of Mechanical Engineering, College of Engineering, Pune University, India

Present Directorships:

- Listed entities:**
- PETRONAS Chemicals Group Berhad (PCG)

Other public company:

- Nil

Present Appointments:

- Chairman of Nomination and Remuneration Committee, PCG
- Member of Board Audit Committee, PCG
- Member of Board Sustainability and Risk Committee, PCG
- Director, Ezal Healthcare Pte. Ltd.
- Adjunct Professor, Department of Strategy & Policy, NUS Business School, National University of Singapore
- School Advisory Committee, Opera Estate Primary School, Singapore

Past Experience:

- Independent Non-Executive Director, Mapletree Logistics Trust (Singapore)
- Board Director, Center for Non-Profit Leadership (Singapore)
- Partner and Managing Director, The Boston Consulting Group (Singapore, Dubai); Head of Asia Pacific Industrial Goods Practice, Pioneering Partner of Dubai/Abu Dhabi Offices.
- Partner & Managing Director, Kearney (Singapore); Head of Asia Pacific Automotive Practice
- Senior Partner & MD of L.E.K Consulting (Singapore); Head of Southeast Asia
- Executive Vice President, Alghanim Industries (Kuwait); CXO and board director roles across functions and business units
- Various general management positions at United Technologies Corporation, Otis Asia Pacific Operations (Singapore)
- Various technical management positions at General Motors (USA)
- Adjunct Associate Professor, Nanyang Business School, Nanyang Technological University, Singapore
- Adjunct Associate Professor, Malaysia Institute for Supply Chain Innovation (MIT/MISI Initiative), Malaysia



DATIN SERI SUNITA MEI-LIN RAJAKUMAR

Independent Non-Executive Director



Nationality: Malaysian
Age: 56
Gender: Female

Attendance of board meetings during the financial year: **9/9**

Date Appointed to the Board:
1 July 2022

Length of Service:
2 years 8 months

Academic/Professional Qualification:

- Degree of Law (LLB Hons), University of Bristol, United Kingdom
- Chartered Accountants, Institute of Chartered Accountants of England and Wales

Present Directorships:

- Listed entities:**
- PETRONAS Chemicals Group Berhad (PCG)
 - Dutch Lady Milk Industries Berhad

Other public company:

- MCIS Insurance Berhad
- Zurich General Insurance Malaysia Berhad
- Climate Governance Malaysia Berhad
- HSBC Bank Malaysia Berhad

Present Appointments:

- Member of Board Audit Committee, PCG
- Member of Board Sustainability and Risk Committee, PCG
- Chairperson, Independent Non-Executive Director, Dutch Lady Milk Industries
- Independent Non-Executive Director, Chairperson of Audit Committee, Member of Risk Management Committee and Nomination and Remuneration Committee, Zurich General Insurance Malaysia Berhad
- Independent Non-Executive Director, Member of Nomination Committee and Remuneration Committee and Strategic Capability Committee, MCIS Insurance Berhad
- Member, Board of Directors of Climate Governance Malaysia Berhad
- Independent Non-Executive Director, Chairperson of Audit Committee, Member of Nomination and Remuneration Committee and Risk Management Committee, HSBC Bank Malaysia Berhad
- Adjunct Professor, Climate Governance and Sustainability, UNITAR International University

Past Experience:

- Chairperson (Audit Committee and Board Risk Management Committee and Nomination Committee and Remuneration Committee), MCIS Insurance Berhad
- Independent Non-Executive Director, Berjaya Corporation Berhad
- Chairperson (Board of Directors), Independent Non-Executive Director, Caring Pharmacy
- Chairperson (Audit Committee), Independent Non-Executive Director, Hai-O Enterprise
- Chairperson (Board of Directors), Independent Non-Executive Director, Turiya
- Chairperson (Audit Committee), Independent Non-Executive Director, Hibiscus Petroleum Berhad

BOARD OF DIRECTORS' PROFILE



FAREHANA HANAPIAH

Non-Independent Non-Executive Director



Nationality: Malaysian
Age: 56
Gender: Female

Attendance of board meetings during the financial year: **9/9**

Date Appointed to the Board:
1 June 2022

Length of Service:
2 years 9 months

Academic/Professional Qualification:

- Bachelor of Commerce and Administration (Accounting), Victoria University of Wellington, New Zealand
- Advanced Management Program, Harvard Business School

Present Directorships:

- Listed entities:**
- PETRONAS Chemicals Group Berhad (PCG)

Other public company:

- Nil

Present Appointments:

- Member of Nomination and Remuneration Committee, PCG
- Director of various companies within PETRONAS Group
- Advisor, PETRONAS

Past Experience:

- Senior Vice President, Group Human Resource Management, PETRONAS
- General Manager of Corporate Planning
- Head of Commercial and Joint Venture Development for PETRONAS' megaproject RAPID
- Chief Executive Officer of PETRONAS Leadership Centre
- Head of Human Capital Expertise
- Head of Human Capital Strategy

BOARD SKILLS AND EXPERIENCE MATRIX

Industry Background:

- Oil and Gas
- Petrochemical

International Experience:

- Global
- Regional

Functional Experience:

- Engineering
- Logistics
- Legal/Regulatory
- Operations

- Commercial/Marketing
- Economics

- Finance
- Audit

- Risk Management
- Sustainability

- Corporate Strategy
- Technology

- Human Resource
- Project Management

BOARD OF DIRECTORS' PROFILE



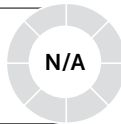
ABANG YUSUF ABANG PUTEH

Non-Independent Non-Executive Director



Nationality : Malaysian
Age : 50
Gender : Male

Attendance of board meetings during the financial year



Date Appointed to the Board
1 January 2025

Length of Service
2 months

Academic/Professional Qualification:

- Bachelor's Degree in Chemical Engineering, Universiti Kebangsaan Malaysia
- Advanced Management Program, Harvard Business School

Present Directorships:

Listed entities:

- PETRONAS Chemicals Group Berhad (PCG)

Other public company:

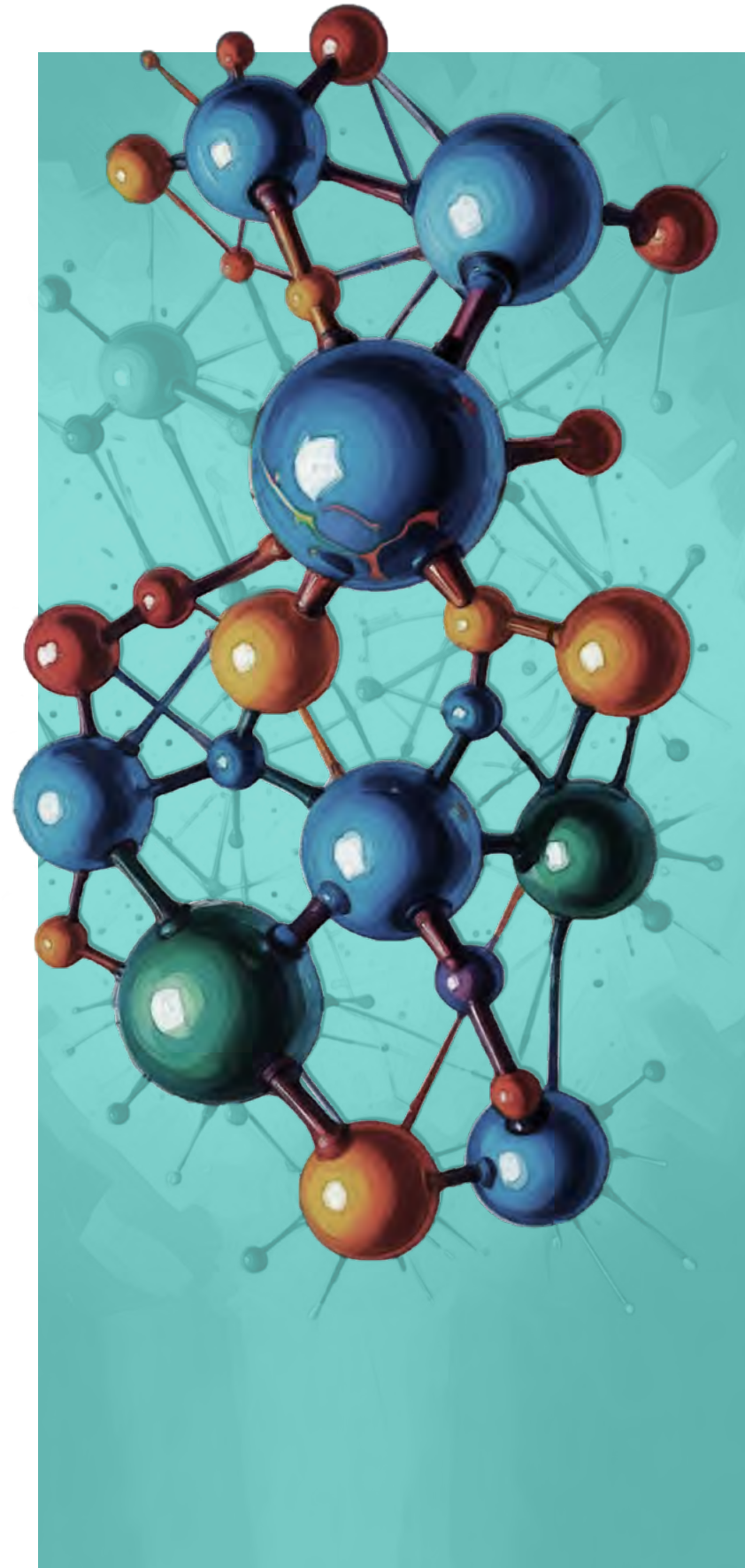
- Nil

Present Appointments:

- Senior Vice President of LNG Assets, Gas and Maritime Business, PETRONAS
- Director of various companies within PETRONAS Group

Past Experience:

- Vice President of LNG Assets, PETRONAS
- Head of Plant Development for Pacific NorthWest LNG
- Chief Executive Officer, PETRONAS Floating Liquefied Natural Gas (PFLNG) Satu



COMPANY SECRETARIES

AZIRA MARINI AB RAHIM

Company Secretary



Nationality : Malaysian
Age : 46
Gender : Female

Academic/Professional Qualification:

- Degree in Corporate Administration (Company Secretarial Practices), UiTM, Shah Alam, Malaysia
- Degree in Legal Studies, UiTM, Shah Alam, Malaysia

Description of Roles:

- She has been the Company Secretary of PCG since August 2021 and acts as an advisor to the Board, particularly with regards to corporate governance & compliance to the regulatory requirements
- Responsible for provision of secretarial and governance advisory services to PCG and its Group of companies and ensuring the interest and reputation of PCG is protected

MEK YAM @ MARIAM HASSAN

Company Secretary



Nationality : Malaysian
Age : 51
Gender : Female

Academic/Professional Qualification:

- Chartered Company Secretary from the Institute of Chartered Secretaries and Administrators, United Kingdom
- Fellow of Malaysian Institute of Chartered Secretaries and Administrators

Description of Roles:

- She has been the Company Secretary of PCG since June 2023 and acts as an advisor to the Board, particularly with regards to corporate governance & compliance to the regulatory requirements
- Responsible for provision of secretarial and governance advisory services to PCG and its Group of companies and ensuring the interest and reputation of PCG is protected

ADDITIONAL INFORMATION OF THE BOARD OF DIRECTORS:

- Family Relationship** : None of the Directors has any family relationship with any Director and/or major shareholder of PCG
- Conviction for Offences** : None of the Directors has any conviction for offences, other than traffic offences, if any, for the past five years
- Public Sanction or Penalty** : None of the Directors has any sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2024
- Directorship Appointment** : None of the Directors has more than five directorships in listed issuers
- Conflict of Interest** : Save as disclosed below, none of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business, with PCG or its subsidiaries:
 - Petroleum Nasional Berhad (PETRONAS) is a major shareholder of PCG. Due to the nature of business of PCG, transactions* and potential transactions with other entities within the PETRONAS Group of which situations of conflict of interest could arise for the following Directors in their various capacities:
 - Datuk Sazali Hamzah and Abang Yusuf Abang Puteh, as employees of PETRONAS as stated in their respective profiles under "Present Appointments".
 - Mazuin Ismail is an employee of PETRONAS and has been seconded to PCG as the MD/CEO. He is also a Director of various companies within PETRONAS Group.
 - Farehana Hanapiah is an Advisor for PETRONAS. She is also a Director of various companies within PETRONAS Group.

* Related Party Transactions as disclosed in Note 32 of the Audited Financial Statements for the year ended 31 December 2024

BOARD SKILLS AND EXPERIENCE MATRIX

Industry Background:

- Oil and Gas
- Petrochemical

International Experience:

- Global
- Regional

Functional Experience:

- Engineering
- Logistics
- Legal/Regulatory
- Operations

- Commercial/Marketing
- Economics

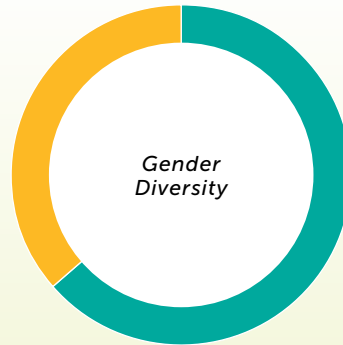
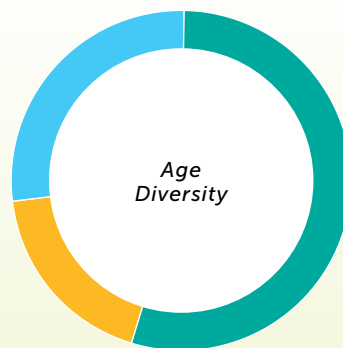
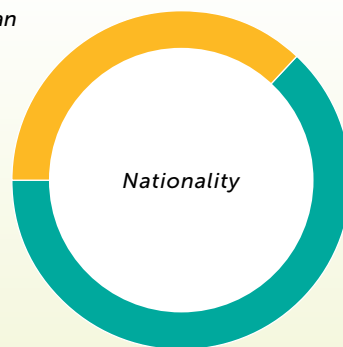
- Finance
- Audit

- Risk Management
- Sustainability

- Corporate Strategy
- Technology

- Human Resource
- Project Management

MANAGEMENT COMMITTEE PROFILE

Female
36.4%Male
63.6%40-49
years old
27.3%50-59
years old
54.5%> 60
years old
18.2%Non-Malaysian
18.2%Malaysian
81.8%

NOTES:

None of the MC members have any family relationship with any director and/or major shareholder of PCG, nor any conflict of interest with the Group including any interest in any competing business with PCG or its subsidiaries. They have not been convicted for any offence within the past five years, other than traffic offences, if any, nor had any public sanctions or penalty imposed by any regulatory body during the financial year.

MAZUIN ISMAIL
Managing Director/Chief Executive Officer

Nationality: Malaysian
Age: 56
Gender: Male

Date of Appointment
1 January 2024

Description of Roles

- Responsible for the overall operational, commercial, financial and sustainable management of PCG and its subsidiaries
- Sits on the Board of PCG and several PETRONAS companies

Qualifications

- Master of Business Admin (Advance), University of Adelaide, Australia
- Bachelor of Science in Civil & Structural, Engineering, University of Bradford, England, UK

Experience Matrix**1991**

- Joined PETRONAS Carigali Sdn. Bhd. as an Executive Quality Assurance and progressed through various projects and engineering roles in PETRONAS Carigali Sdn. Bhd.

1999

- Appointed as Executive (E&P Audit), PETRONAS

2002

- Appointed as Manager (Business Development), OGP Technical Services Sdn. Bhd.

2004

- Appointed as Senior Manager (Small Field), PETRONAS

2006

- Appointed as General Manager (Strategic Planning), PETRONAS

2008

- Appointed as Head (SCA- Associates - Value Creation) and progressed through various roles as Head (Shaping Carigali Coordinator), Head (Field Development), Head (Project) and Head (Development) in PETRONAS Carigali Sdn. Bhd.

2014

- Appointed as VP Technical Global, PETRONAS Carigali Sdn. Bhd.

2016

- Appointed as Senior Vice President, Project Delivery & Technology, PETRONAS

2019

- Appointed as Senior Vice President, Corporate Strategy, PETRONAS

2024

- Appointed as Senior Vice President and MD/CEO, PCG, and as a member of PETRONAS Downstream Executive Leadership Team

MOHD AZLI ISHAK

Chief Financial Officer



Nationality: Malaysian
Age: 46
Gender: Male

Date of Appointment
1 January 2021

Description of Roles

- Responsible for the management of all financial and fiscal aspects of PCG and its subsidiaries as well as risk management, supply chain management, investor relations and information systems
- Sits on the Board of several PETRONAS companies

Qualifications

- Member of the Malaysian Institute of Accountants
- Fellow of the Chartered Accountants Australia and New Zealand
- Business Sustainability Management program, Institute for Sustainability Leadership, University of Cambridge
- Business Immersion and Leadership Development program, Stanford University Graduate School of Business
- Bachelor of Commerce in Accounting and Finance, Monash University, Melbourne, Australia

Experience Matrix**2000**

- Joined KPMG in Audit & Advisory

2003

- Joined Group Finance, PETRONAS and held various roles in financial due diligence, project financing, debt restructuring and corporate bond issuance

2007

- Appointed as Manager (JV Management), Vice President Office – Petrochemical Business, PETRONAS, and jointly led the initial public offering of PCG in 2010

2011

- Joined Merger & Acquisition, PETRONAS and held several senior managerial roles in acquisition, divestment and corporate strategy projects within PETRONAS Group
- Appointed as Head (Merger & Acquisition) in 2018. Assumed additional role as Head of PETRONAS Ventures in 2020, managing PETRONAS' USD350 million corporate venture capital fund and investments in start-ups

2021

- Appointed as Chief Financial Officer, PCG

MANAGEMENT COMMITTEE PROFILE

AHMAD RIZAL ABDUL RAHIM

Chief Manufacturing Officer



Nationality: Malaysian
Age: 53
Gender: Male

Date of Appointment
1 February 2025

Description of Roles

- Responsible for PCG's overall Operational Excellence
- Sits on the Board of several PETRONAS companies

Qualifications

- Master of Engineering in Chemicals Process Engineering and Fuel Technology, University of Sheffield, United Kingdom

Experience Matrix**1996**

- Joined PETRONAS as a Project Engineer for the 2nd Ethylene Cracker, which included assignments to project offices in Germany and South Korea, as well as a job attachment with a Union Carbide site in USA

2006

- Held various roles, including managerial positions across technical and operational functions

2017

- Appointed as Head of Special Project in PETRONAS Downstream EVP Office

2018

- Appointed as the Head of OE R2 Technology Centre within PETRONAS Downstream Business Excellence

2021

- Appointed as the Chief Executive Officer of PETRONAS Chemicals Olefins, PETRONAS Chemicals Glycols and PETRONAS Chemicals Derivatives (PC Olefins, PC Glycols and PC Derivatives)

2025

- Appointed as Chief Manufacturing Officer, PCG

MANAGEMENT COMMITTEE PROFILE

BAHRIN ASMAWI

Chief Commercial Officer



Nationality: Malaysian
Age: 51
Gender: Male

Date of Appointment

1 September 2024

Description of Roles

- Responsible for PCG's overall Commercial Excellence. He is the CEO of PETRONAS Chemicals International Holdings Sdn. Bhd. and PETRONAS Chemicals Marketing (Labuan) Ltd.

Qualifications

- Senior Management Development Program, Duke Corporate Education
- Bachelor of Petroleum Engineering, University of Texas at Austin, USA

Experience Matrix

1996

- Joined Polyethylene (M) Sdn. Bhd. (now known as PETRONAS Chemicals Polyethylene Sdn. Bhd.) and Malaysia International Trading Corporation (MITCO) (now known as PETRONAS Chemicals International Holdings Sdn. Bhd.) in Sales and Trading

2009

- Appointed as Head of MITCO Indonesia Representative Office

2014

- Appointed as the CEO of PETRONAS Marketing (Thailand) Co. Ltd. (PCMT)

2018

- Served as a Director for the Malaysia - Thailand Chamber of Commerce during the 2018/2019 term

2019

- Appointed as Head of CEO & EVP Downstream Office, PETRONAS

2023

- Appointed as Head of Strategic Planning & Ventures (SPV), Refining, Marketing & Trading (RMT)

2024

- Appointed as Head of Special Project, PETRONAS Chemicals Group Berhad (PCG)
- Appointed as Chief Commercial Officer, PCG

IR. YAACOB SALIM

Head of Strategic Planning & Ventures



Nationality: Malaysian
Age: 58
Gender: Male

Date of Appointment

16 August 2021

Description of Roles

- Responsible for PCG's overall strategic planning, business & project development and ventures management
- Sits on the Board of several PETRONAS and PCG Group of Companies

Qualifications

- Registered Professional Engineer with the Board of Engineers, Malaysia
- Master of Business Administration, Heriot-Watt University
- Bachelor of Mechanical Engineering, University of Texas at El Paso, USA

Experience Matrix

1988

- Various technical and managerial positions in multinational companies in the chemical and petrochemical industry

2006

- Joined Group Technology Solution, PETRONAS as Senior Manager Technical Assurance, later held various senior managerial positions including, Front-End Management and Project Management within PETRONAS Group of Companies

2011

- Appointed as Chief Executive Officer, PTSSB JLT (Dubai), a subsidiary of PETRONAS Technical Services Sdn. Bhd.

2012

- Appointed as Chief Executive Officer, Primesourcing International Sendirian Berhad

2015

- Appointed as Deputy Project Director, PETRONAS Refinery & Petrochemical Corporation

2020

- Appointed as Head of Strategic Planning, Business Planning & Development, PETRONAS Refinery & Petrochemical Corporation

2021

- Appointed as Head of Strategic Planning and Ventures, PCG

MANAGEMENT COMMITTEE PROFILE

DR. YUEN YUEN DEBBIE CHIU

Chief Operating Officer
(Specialty Chemicals)



Nationality: American
Age: 60
Gender: Female

Date of Appointment

16 June 2023

Description of Roles

- Responsible for PCG's overall specialty chemicals business
- Sits on the Board of several PETRONAS companies

Qualifications

- Doctor of Philosophy (Ph.D.) in Chemical Engineering, The Ohio State University, Ohio, USA
- MBA majoring in Marketing, Rutgers University, New Jersey
- Master of Science in Chemical Engineering and Statistics, The Ohio State University, Ohio, USA
- Bachelor of Science in Chemical Engineering, National Taiwan University, Taipei, Taiwan

Experience Matrix

1994

- Joined Union Carbide Corporation as Technical Support Leader and Flexible Packaging Technology Manager, Project Scientist

2001

- Appointed as Product Manager and Client Interfacing, Licensing Business at Univation Technologies (JV of Dow and ExxonMobil)

2003

- Appointed as Associate Director, Process Fundamental R&D and New business Development

2006

- Appointed as R&D/TS&D Director, Dow Fiber Solutions

2009

- Appointed as Global R&D Director, Energy Storage Device Materials

2011

- Joined as Vice President, Performance Plastics at LCY Chemical, Taipei, Taiwan

2016

- Joined as APAC CTO and Managing Director of EPS Business at Sherwin-Williams, Shanghai, China

2022

- Appointed as Chief Operating Officer (Specialty Chemicals), PCG

GRETCHEN GOVONI

Chief Sustainability Officer



Nationality: American
Age: 62
Gender: Female

Date of Appointment

4 June 2024

Description of Roles

- Responsible for PCG's overall sustainability agenda, strategies and plans

Qualifications

- Bachelor of Science (BS), Chemical Engineering, University of Wisconsin

Experience Matrix

1995

- Joined Ashland Inc. as a Manager for Corporate Compliance

1997

- Appointed as Director of Environmental & Health Compliance, Ashland Petroleum

2001

- Appointed as Environmental Manager, General Electric (GE) Silicones

2002

- Appointed as Global Environmental Water Programs Leader, GE Plastics

2007

- Appointed as Global Sustainability Leader, GE Plastics

2010

- Appointed as Manager of Corporate Sustainability, Saudi Basic Industries Corporation (SABIC)

2013

- Appointed as Sustainability Fellow, SABIC

2016

- Appointed as Director of Corporate Sustainability, SABIC

2020

- Appointed as Global Head Environmental Sustainability/Climate Strategy, Takeda Pharmaceuticals

2024

- Appointed as Chief Sustainability Officer, PCG

MANAGEMENT COMMITTEE PROFILE



ALFA ABDUL RAZAK
Head of Health, Safety & Environment

Nationality: Malaysian
Age: 47
Gender: Male

Date of Appointment

1 November 2023

Description of Roles

- Responsible for PCG's overall HSE performance, process safety and sustainable development

Qualifications

- Bachelor in Chemical Engineering, Universiti Teknologi PETRONAS (UTP)

Experience Matrix**2001**

- Joined PETRONAS Chemicals MTBE Sdn. Bhd. (PC MTBE) as Process Engineer

2004

- Appointed as Executive (Shift - MTBE/Butamer & n-Butane), PC MTBE

2008

- Appointed as Manager (Shift - Operation), PC MTBE

2011

- Appointed as Manager (Operation - Engineering PDH), PC MTBE

2014

- Appointed as Senior Manager (Technical Services), PC MTBE

2017


- Appointed as Senior Manager (Production PDH), PC MTBE

2019

- Appointed as Senior Manager (Production MTBE), PC MTBE

2023

- Appointed as Head of Health, Safety & Environment, PCG



NUR NADIA MOHD NORDIN
Head of Legal

Nationality: Malaysian
Age: 50
Gender: Female

Date of Appointment

1 July 2022

Description of Roles

- Responsible for PCG's legal affairs
- Sits on the Board of several PETRONAS companies

Qualifications

- Admitted as Advocate & Solicitor of the High Court of Malaya
- Bachelor of Laws, University of Kent, United Kingdom

Experience Matrix**2001**

- Advocate & Solicitor at Messrs. Michael Chen, Gan, Muzafar & Azwar

2002

- Joined PETRONAS NGV Sdn. Bhd. as Legal Advisor

2005

- Appointed as Executive, Senior Legal Officer for PETRONAS (Gas Business)

2008

- Appointed as Manager, Legal Counsel for PETRONAS (Gas Business)

2010

- Appointed as Manager, Legal Counsel for Malaysia LNG Sdn. Bhd

2011

- Returned to PETRONAS as Senior Legal Counsel in Corporate Services

2013

- Appointed as Senior Legal Counsel in PETRONAS (Downstream Marketing & Special Project)

2018

- Appointed as Head, Legal and Company Secretary of PETRONAS Dagangan Berhad

2020

- Appointed as General Counsel for Special Venture & Corporate under Legal Petrochemical

2022

- Appointed as Head of Legal, PCG

MANAGEMENT COMMITTEE PROFILE



ADI SURIA ISHAK
Head of Human Resource Management

Nationality: Malaysian
Age: 43
Gender: Male

Date of Appointment

1 February 2024

Description of Roles

- Responsible for PCG's talent strategy, drive the solutioning of organisational HR matters and deliver integrated HR solutions

Qualifications

- Bachelor in Software Engineering, University of Melbourne, Australia

Experience Matrix**2004**

- Joined PETRONAS as Executive HRM and progressed through various roles in Human Resource with focus on Talent Sourcing, International HR and Remuneration areas

2009

- Appointed as Executive HRM & Administration, as part of setting up of PETRONAS Australia Ltd. Pty office in Brisbane, Australia in view of PETRONAS' investment in the Gladstone LNG Project

2011

- Returned to Malaysia to serve PETRONAS' Gas & Power Business to manage all International HR & Services matters that span across 10 different countries and 11 business operating units

2012

- Appointed as Manager (Talent Management), Malaysia LNG Group of Companies overseeing Talent Sourcing, People Development, Talent Management and Employee Performance, based in Bintulu, Sarawak

2016

- Appointed as Executive Assistant to PETRONAS Chairman with exposure to other business entities such as Universiti Teknologi PETRONAS, Malaysia Digital Economy Corporation (MDEC) and KLCC Property Stapled Group

2018

- Appointed as Head (Industry Intelligence), Malaysia Petroleum Management (MPM), PETRONAS

2021


- Appointed as Head (Strategic Advisory), Malaysia Petroleum Management (MPM), PETRONAS

2023

- After more than 6 years of business exposure, returned to HRM and appointed as Head (People Strategy & Planning), HRM Downstream, PETRONAS

2024

- Appointed as Head of Human Resource Management, PCG



NORFAILA HASSAN
Head of Strategic Communications & Administration

Nationality: Malaysian
Age: 52
Gender: Female

Date of Appointment

1 February 2020

Description of Roles

- Responsible for strategising, planning, development and implementation of all PCG's corporate and product branding, stakeholder and media management, communication and reputation management as well as administration

Qualifications

- Bachelor of Mass Communication (Advertising), Institut Teknologi Mara

Experience Matrix**1997**

- Joined Leo Burnett Advertising as an Executive Client Servicing for various industries ranging from FMCG, automotive to retail, etc including PETRONAS

2000

- Joined PETRONAS Dagangan Berhad and held various positions in advertising and promotion unit and e-business project implementation

2006

- Appointed as Head of Brand Communication at PETRONAS and held various managerial positions in the areas of Brand Strategy, Brand Performance and Brand Management for the Downstream Marketing operating units

2015

- Appointed as Head of Group Strategic Communications for PETRONAS Lubricants International Group

2016

- Returned to PETRONAS as Head of Brand Management, Downstream Business

2020

- Appointed as Head of Strategic Communications & Administration, PCG

CORPORATE GOVERNANCE OVERVIEW STATEMENT



Dear Stakeholders,

This Corporate Governance Overview Statement for the financial year ended 31 December 2024 provides an overview of the Group's approach to corporate governance, highlighting the key areas of focus and activities undertaken by the Board during the year to support the delivery of sustainable long-term value for stakeholders.

In anticipation of a cautious global market outlook for FY2025, the Group remains focused on expediting new growth areas, preserving competitiveness and cost optimisation efforts as part of its strategy to enhance shareholder value, while maintaining its commitment to high standards of governance and fostering a culture of integrity throughout the organisation.

AWARD-WINNING JOURNEY

2024 AUSTRALASIAN REPORTING AWARDS
- Governance Reporting Private Sector

THE EDGE ESG AWARDS 2024
Silver Award
- Industrial Products and Services



Principal A

Board Leadership and Effectiveness

Pages 90 to 99

Principal B

Effective Audit and Risk Management

Pages 100 to 101

Principal C

Integrity in Corporate Reporting and Relationship with Stakeholders

Pages 102 to 107

GOVERNANCE AND THE DELIVERY OF STRATEGY

Pages between 94 and 120 describe the Board and Board Committees key activities during the year.

In line with the Board's reserved matters, the Board considered and approved key strategic acquisitions and developments. When debating these transactions, the Board considered the sustainability aspects of the transactions or projects and the potential impacts on the Company's stakeholders including job creation in the local communities, how they fit within the Company's two-pronged strategy, and sustainable returns for investors in line with the Company's Sustainability Agenda.

Maintaining a robust corporate governance framework remains a key priority, ensuring the Company operate with the utmost integrity and accountability, in full consideration of its stakeholders' best interests.

Demonstrating this commitment, the Board:

- Embraced a zero-tolerance stance on bribery and corruption by signing the PCG Integrity Pledge
- Strengthened alignment with shared goals and objectives through a collaborative workshop with management on the core pillars of corporate governance
- Proactively shaped the Group's future through three Board Strategic Conversations focused on talent, branding, sustainability and growth for PCG

SUSTAINABILITY

During the year under review, the Board received updates and engaged in discussions regarding several important matters relating to sustainability. This included the adoption of PETRONAS Human Rights Policy as well as a comprehensive overview of the sustainability agenda, encompassing goals, priorities, and targets.

Additionally, the Board reviewed ongoing sustainability programmes and discussed the resources required to support these initiatives effectively. There were deliberations on integrating sustainability considerations into key business decisions, ensuring that environmental and social factors were adequately addressed in strategic planning.

The Board also examined the Company's sustainability performance against established targets on a quarterly basis, emphasising the importance of monitoring progress and identifying areas for improvement.

SUCCESSION PLAN

On 1 January 2025, Datuk Sazali Hamzah was appointed as the Company's Chairman in place of Datuk Ir. (Dr.) Abdul Rahim Hashim. On the same day, Abang Yusuf Abang Puteh, was appointed as a Non-Independent Non-Executive Director (NINED) of the Company. The profile of Abang Yusuf Abang Puteh is disclosed in the Board of Directors' Profile on page 80.

The Board wishes to express its sincere gratitude and appreciation to Datuk Ir. (Dr.) Abdul Rahim Hashim for his invaluable services as Chairman of the Board and welcome Abang Yusuf Abang Puteh to the Board.

SPECIALTY CHEMICALS ADVISORY PANEL

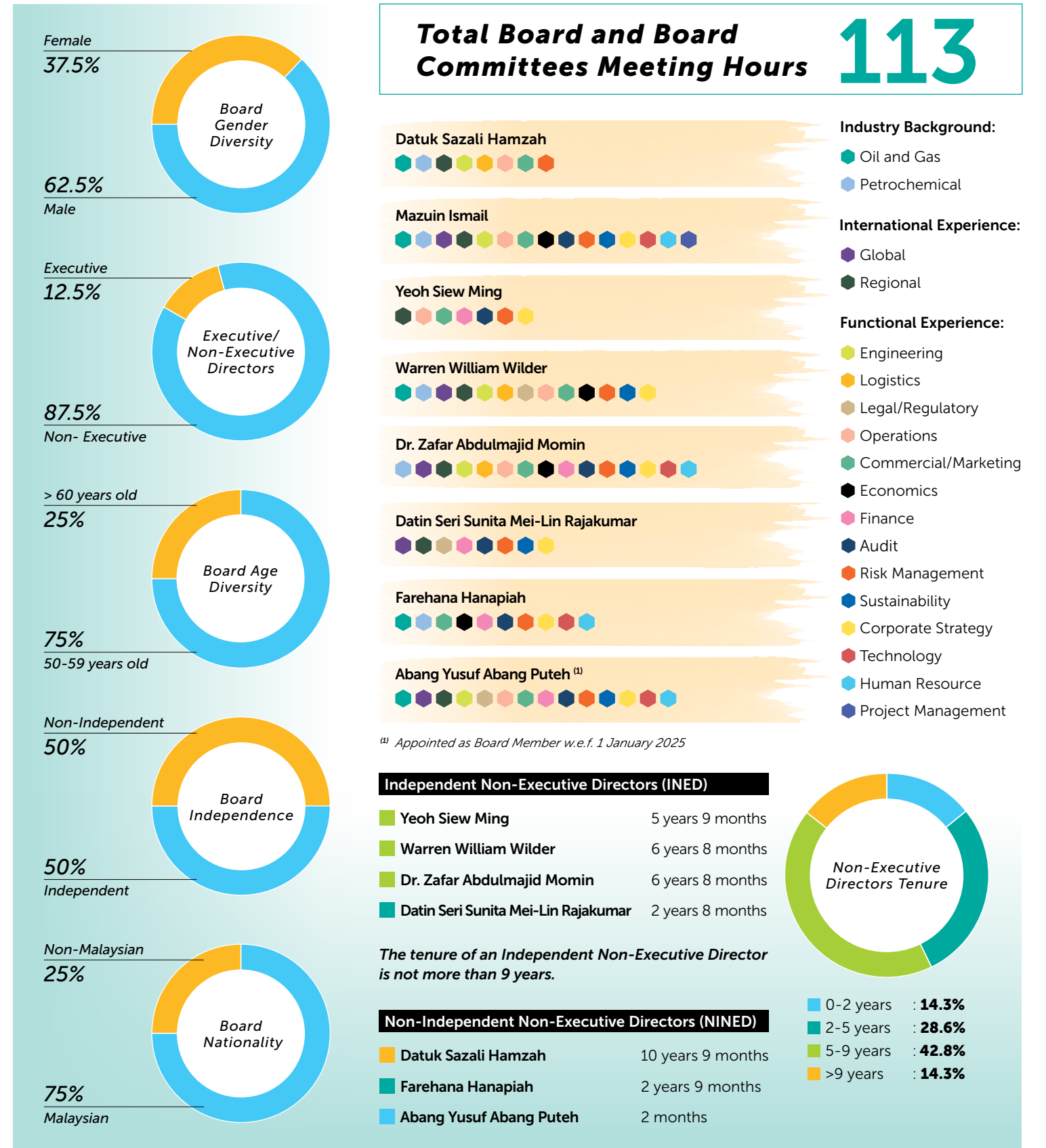
In light of the Company's growth aspiration in specialty chemicals, the Board had approved the establishment of Specialty Chemicals Advisory Panel to leverage their expertise on the market and growth strategies related to specialty chemicals.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD AT A GLANCE

The Board remains vigilant of the evolving corporate governance landscape and is steadfast in its commitment to delivering effective leadership.

The Board is confident that it possesses the right blend of skills, experience, independence, and knowledge to drive forward its strategic growth agenda.



⁽¹⁾ Appointed as Board Member w.e.f. 1 January 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: Board Leadership and Effectiveness

BOARD LEADERSHIP

The Group's long-term sustainable success is underpinned by a well-structured and strategically focused Board, dedicated to creating value for shareholders and contributing positively to a broad range of stakeholders. As of the date of this Statement, the Board comprises a Non-Independent Non-Executive Chairman, four INEDs, two NINEDs, and the Managing Director/ Chief Executive Officer (MD/CEO).

With the balanced Board composition reflecting a diverse range of skills, knowledge, and expertise, the Board is equipped to address the complexities of the Group's business environment. This diversity encourages rigorous debate and comprehensive analysis, enabling the Board to provide effective oversight of the Group's strategic direction and performance.

The core of the Board's role is the responsibility to guide and oversee the development and implementation of the Group's strategies. The Board actively reviews operational and financial performance against set objectives, ensuring robust risk management frameworks are in place and that the necessary financial and human capital resources are available to achieve the Group's strategic goals.

The Non-Executive Directors (NEDs) bring a wealth of expertise across business, financial, and international domains, forming a strong foundation that supports the Group's continued growth. To further enhance governance and independent oversight, the NEDs held a private session during the year without the presence of the MD/CEO or Management, providing an opportunity to discuss key matters that they may wish to raise.

Detailed profiles of the Directors, outlining their professional backgrounds and areas of expertise, are available on pages 76 to 80 of this report.

BOARD MEETINGS

The governance of the Board is firmly rooted in a structured framework guided by the Company's Constitution, the Companies Act 2016 (CA 2016), the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia), and other prevailing regulatory guidelines and standards. The Board's principal responsibilities encompass strategic formulation, policy-making, monitoring and supervising the activities of executives, and providing clear accountability to stakeholders.

Key strategic matters are exclusively reserved for the Board's approval, reflecting its central role in steering the Group's direction. These include decisions on the Group's overall strategy and budget, material corporate transactions, capital expenditure authorisations beyond delegated authority limits, risk management, dividend declarations, appointment of new director, the sustainability agenda, and communications to shareholders. During the year, all matters requiring Board approval were unanimously endorsed, underlining the cohesive and robust governance structure. Directors' attendance at Board meetings averaged at 96%, reinforcing their commitment to effective oversight.

To facilitate efficient planning and execution, meeting dates for the Board and its Committees are pre-scheduled and communicated to Directors and Management at the start of the year. Agendas are prepared in collaboration with the Chairman and the MD/CEO, ensuring transparency and thorough preparation. Supporting materials are distributed at least five business days before each meeting, allowing ample time for Directors to review and informed deliberations. These materials are securely uploaded to a dedicated portal, accessible via tablet devices provided to Directors, ensuring confidentiality and ease of access.

While Board decisions are structured to allow for majority voting, the Board predominantly operates on a consensus basis. In the rare event of a tied vote, the Chairman holds a casting vote; however, this option was not exercised during the year under review, reflecting the strong alignment of perspectives among Board members.

Transparency and integrity underpin the Board's operations. Declaration of interest is embedded as a permanent agenda where Directors are required to declare any conflict of interest (COI), perceived or potential COI related to agenda items. Those with vested interests disclose the extent and nature of their involvement and abstain from participating in deliberations or voting on the relevant matters, ensuring impartiality in decision-making.

For a detailed overview of the matters within the Board's remit, stakeholders can refer to the Board Charter, which is available on the Company's corporate website at <https://www.petronas.com/pcg/about-us/governance>.

DIVISION OF RESPONSIBILITIES BETWEEN THE BOARD AND MANAGEMENT

The Board operates through a balanced approach, combining its direct engagement with delegated responsibilities to its Committees to ensure effective governance. The responsibility for executing the Company's strategy and overseeing day-to-day operations is entrusted to the MD/CEO, supported by the senior leadership team. While operational duties are delegated, the Board retains ultimate accountability, providing oversight, offering strategic guidance, and ensuring that management remains aligned with the Company's objectives and governance principles.

SUPPLY AND ACCESS TO INFORMATION

Directors have full and timely access to all necessary information to effectively fulfill their responsibilities. In line with the Board Charter, they may seek advice and support from the Company Secretaries, the MD/CEO, the Chief Financial Officer, senior management, or external advisers as needed. The Company Secretaries, working closely with the Chairman, ensure smooth communication within the Board and its Committees and between Management and NEDs.

To deepen their understanding of the Group's operations, Directors had the opportunities to visit operating plants and engaged with senior management and employees of the plants for additional explanations, briefings, or informal discussions on key business matters. They also have the option to seek independent professional advice, individually or collectively, with the associated costs covered by the Company.

The Company subscribes to an electronic platform for the secure and efficient delivery of Board documents and materials. This system ensures Directors have prompt access to high-quality information, facilitating well-informed discussions and effective decision-making.

BOARD DIVERSITY, SKILLS AND EXPERIENCE

The adoption of the PETRONAS Diversity & Inclusion (D&I) statement, together with the Board's Diversity Policy, reflects a strong commitment to fostering meaningful diversity across the organisation. These frameworks provide baseline and long-term targets to guide the Group's initiatives, with a particular focus on areas such as gender representation and multinationalism. Recruitment and selection processes for new Board members are aligned with these principles, ensuring that diversity considerations remain integral to decision-making.

To sustain and enhance diversity, the Board conducts regular reviews of succession plans, identifying key factors for recruitment and implementing inclusive sourcing practices to ensure a broad and diverse pool of candidates. Special emphasis is placed on gender diversity, with a clear commitment to include women in any director search. Additionally, the Board evaluates the mix of skills, age, experience, and expertise, enabling it to address any gaps effectively.

Currently, the Board includes three women directors, meeting the Board Diversity Policy's requirement of at least 30% female representation.

Details of the Board Diversity Policy are available on the Company's corporate website at <https://www.petronas.com/pcg/about-us/governance>.

CONFLICT OF INTEREST

The Board through its Board Audit Committee (BAC), employs a rigorous and systematic process for the regular review and oversight of COI situations including perceived, potential and actual COIs that may arise within the Group and the Company. Each candidate for the role of a Director and each retiring Director who offers themselves for re-appointment should declare to the BAC whether they face any actual, perceived or potential COI by becoming, or continuing to be a Director. Directors with significant external commitments are required to disclose these obligations prior to their appointment and provide timely updates in the event of any changes. A comprehensive register of both actual and potential COI is maintained by the Company Secretary and undergoes an annual review by BAC to ensure it complies with the relevant regulatory requirements and internal policy.

In addition to this register, all Directors are required to declare their interests on a quarterly basis. These declarations are presented to the Board for notation, ensuring transparency and accountability. The Group operates under well-defined guideline and procedures for managing Related Party Transactions (RPTs), Recurrent Related Party Transactions (RRPTs), and COI situations. This guideline establish clear principles and processes for identifying, evaluating, and managing these transactions across the Group, ensuring full compliance with the MMLR and other applicable regulations.

ROLES AND RESPONSIBILITIES

Division of Responsibility

The roles of Chairman and MD/CEO are distinct and separate, ensuring a clear division of responsibilities and fostering balanced governance. Effective 1 January 2025, Datuk Sazali Hamzah is the Chairman, while Mazuini Ismail remains as MD/CEO. This delineation of roles enhances accountability and supports independent decision-making across the Group's governance framework.

Guided by the Board Charter, well-defined guideline outline the respective responsibilities of the Chairman and MD/CEO. This structured approach ensures an equitable distribution of authority, promotes operational efficiency, and facilitates prompt and well-informed decision-making processes. By maintaining a clear and transparent hierarchy, the Group upholds its commitment to sound governance principles.

Further details regarding the specific responsibilities of the Chairman and MD/CEO can be accessed in the Board Charter, available on the Company's corporate website at <https://www.petronas.com/pcg/about-us/governance>.

Chairman

Responsible for the orderly conduct and function of the Board.

NINEDs

Provide in-depth knowledge and insight from PETRONAS' perspective.

INEDs

Provide independent judgement and views.

MD/CEO

Responsible for the overall operations of the business, organisational effectiveness and implementation of the Group's strategies and policies.

Senior Independent Director (SID)

Yeoh Siew Ming, as the SID, acts as a vital conduit between the INEDs and the Chairman, particularly in addressing sensitive matters. She is available for confidential discussions with other NEDs who may have concerns that are not fully addressed by the Board as a whole, ensuring their perspectives are heard and considered. She also serves as a designated point of contact for shareholders, providing an alternative channel to raise their concerns or queries. Shareholders requiring her attention may contact her via email at petchem.sid@petronas.com.

Through her influence and active engagement, Yeoh Siew Ming effectively fulfils her responsibilities as SID of PCG, ensuring balanced dialogue and robust governance practices.

QUALIFIED AND COMPETENT COMPANY SECRETARIES

Azira Marini Ab Rahim and Mek Yam @ Mariam Hassan serve as the Company Secretaries, fully qualified under Section 235 of the CA 2016. As governance professionals, they provide vital advisory services to the Board on a range of matters, in line with the Company's Constitution, governance policies, and procedural requirements. Their role extends to ensuring compliance with applicable regulations, codes, and legislation, reflecting their integral contribution to the Group's governance framework.

In addition to their advisory responsibilities, the Company Secretaries meticulously record discussions, decisions, and action items during Board and Board Committees meetings. These are tracked as matters arising within the meeting minutes, ensuring all follow-up actions are resolved in a timely manner.

Keeping abreast with regulatory developments and evolving corporate governance standards is a priority for the Company Secretaries. Through continuous professional development, they enhance their capabilities and ensure the Group's governance practices align with industry best practices. The trainings attended by the Company Secretaries during FY2024 are disclosed in the Corporate Governance Report 2024, which is available on the Company's corporate website at <https://www.petronas.com/pcg/media/reports>.

The Board is satisfied with the competence and performance of both Company Secretaries in fulfilling their roles effectively and providing support to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: Board Leadership and Effectiveness

GOVERNANCE STRUCTURE

Oversight of the Group's governance and strategic initiatives is carried out through three key Board Committees namely, Nomination and Remuneration Committee (NRC), BAC, and Board Sustainability and Risk Committee (BSRC). Each Board Committee operates under their specific Terms of Reference (TOR), which are publicly available at <https://www.petronas.com/pcg/about-us/governance>. Comprising solely NEDs, these Board Committees provide independent perspectives and ensure accountability across their respective areas of focus.

BOARD

The Board, as a collective entity, bears the responsibility for ensuring effective oversight of the Company. This includes steering the Company's strategic direction, defining objectives, formulating business plans, assessing viability, and establishing a governance structure conducive to achieve strategic growth and deliver sustainable shareholder value.

BOARD COMMITTEE

BAC

The Committee oversees and assesses the Company's financial and narrative reporting, internal controls, and risk management. This includes the evaluation of internal and external audit activities, along with finance, internal control, and compliance-related programmes.

No of Meeting:

8

Attendance:

100%

Chairperson
Yeoh Siew Ming

Members
Dr. Zafar Abdulmajid Momin
Datin Seri Sunita Mei-Lin Rajakumar

BSRC

The Committee is responsible for ensuring that the Group maintains effective frameworks for sustainability, integrity, and risk management. It provides oversight and guidance on the implementation, performance, and compliance of activities related to these areas.

No of Meeting:

4

Attendance:

100%

Chairman
Warren William Wilder

Members
Yeoh Siew Ming
Dr. Zafar Abdulmajid Momin
Datin Seri Sunita Mei-Lin Rajakumar

NRC

The Committee ensures the Board comprises individuals with the necessary skills, knowledge and experience to effectively discharge its responsibilities and to oversee all aspects of succession planning, remuneration and performance of Directors and Senior Management.

No of Meeting:

5

Attendance:

100%

Chairman
Dr. Zafar Abdulmajid Momin

Members
Yeoh Siew Ming
Farehana Hanapiah
Warren William Wilder⁽¹⁾



Scan the QR code to view the TOR.

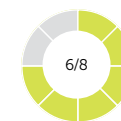
INTERNAL AUDIT DEPARTMENT (IAD)

Board Meeting Attendance for 2024

Board of Directors

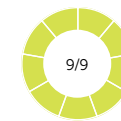
Datuk Sazali Hamzah⁽²⁾

Chairman/
Non-Independent Non-Executive Director



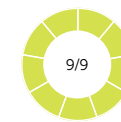
Mazuin Ismail

Managing Director/
Chief Executive Officer



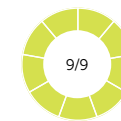
Yeoh Siew Ming

Senior Independent
Non-Executive Director



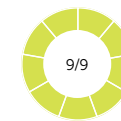
Warren William Wilder

Independent
Non-Executive Director



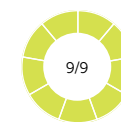
Dr. Zafar Abdulmajid Momin

Independent
Non-Executive Director



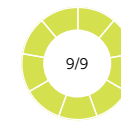
Datin Seri Sunita Mei-Lin Rajakumar

Independent
Non-Executive Director



Farehana Hanapiah

Non-Independent
Non-Executive Director



Abang Yusuf Abang Puteh⁽³⁾

Non-Independent
Non-Executive Director



All Directors complied with the minimum attendance requirement, of not less than 50% of the Board meetings held during the financial year as stipulated in the MMLR.

96%

Sustainability Governance

Sustainability governance within the Group is built on a foundation of accountability and transparency, ensuring that sustainability strategies are effectively implemented and monitored. The Board takes overall responsibility for the Group's sustainability practices, recognising the integration of sustainability risks and opportunities as a core fiduciary duty. The BSRC plays a critical role in overseeing sustainability commitments, goals, and opportunities.

At the operational level, the SRMC, led by the MD/CEO, provides guidance on managing risks and addressing sustainability issues that impact the business. During the year, the BSRC TOR was updated to enhance its oversight role, incorporating risk mitigation and opportunities into decision-making processes, as well as ensuring effective target-setting, monitoring, and controls.

To further strengthen its focus on sustainability, the Group restructured the Sustainable Development Working Committee, elevating it to the SDSC. Reporting directly to the SRMC, the SDSC is chaired by the Group's Chief Sustainability Officer (CSO) and operates under the direct oversight of the MD/CEO. This enhanced structure enables more effective steering and strategic oversight of sustainability risks and opportunities.

The SDSC has established three dedicated taskforces namely, Net Zero Carbon Emissions (NZCE), Reporting & Disclosure, and Circularity, to execute targeted sustainability initiatives aligned with the Group's broader objectives. These taskforces ensure that sustainability programmes are implemented with focus and precision, contributing to the Group's long-term strategic goals.

By implementing these governance enhancements, the Group remains committed to embedding sustainability into its operational and strategic decision-making processes, ensuring responsible business practices and foster sustainable growth.

MD/CEO - Responsible for the overall operations of the business, organisational effectiveness and implementation of the Group's strategies and policies.

Management Committees

Regular reporting/progress updates

Management Committee

People Development Committee

Project Steering Committee

Sustainability and Risk Management Committee (SRMC)

Digital Steering Committee

Tender Committee

Working Group

Business Leadership Team

Manufacturing Leadership Team

Specialty Chemicals Leadership Team

Sustainable Development Steering Committee (SDSC)

⁽¹⁾ Appointed as NRC Member w.e.f 1 March 2024

⁽²⁾ Appointed as Chairman w.e.f 1 January 2025

⁽³⁾ Appointed as Board Member w.e.f 1 January 2025

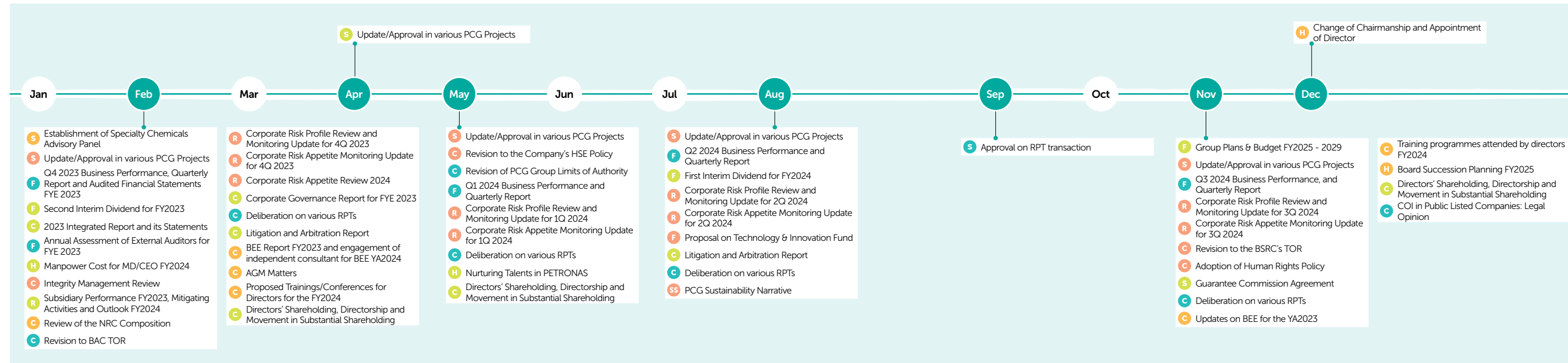
CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: Board Leadership and Effectiveness

FOCUS AREAS FOR THE BOARD DURING 2024

FY2024 BOARD AGENDA ● Months the Board met



BOARD FOCUS AREAS FOR FY2025

- Strengthen Core Business**
 - Sustain Operational Excellence: Asset reliability & integrity
 - Deliver Commercial Excellence: Value maximisation
- New Business**
 - Achieve milestone for growth projects
 - Build strong specialty chemicals business
 - Complement with sustainable product portfolio (bio-based and circular)
- NZCE**
 - Drive climate action
- Strive for ZERO and enhance cyber resiliency**
- Implement structured and focused talent solutioning to drive PCG's core and growth levers**
- Continue prudent spending and effective capital allocation**

S Strategy

The Board deliberated on strategic priorities across key focus areas:

CORE BUSINESS
The Group remains committed to its "Strive for ZERO, ZERO is Possible" initiative, targeting zero harm, zero incidents, and zero compromises. Efforts to enhance cyber resiliency were also a key consideration, alongside sustaining operational excellence through a focus on asset reliability and integrity. Additionally, the Group continues to prioritise the delivery of commercial excellence by maximising value through strategic initiatives.

NEW BUSINESS
The Board reviewed progress on achieving milestones for growth projects, with a particular emphasis on building a strong specialty chemicals business. These initiatives are complemented by the development of a sustainable product portfolio to align with the Group's broader sustainability objectives.

NZCE
Discussions centred on driving emissions reduction across operation assets via identified decarbonisation levers. These included reviewing the emissions profile of existing assets and the pipeline of emissions reduction projects and initiatives. To support this, the Group is prioritising decarbonisation projects that are value accretive, while working on expanding the current NZCE pipeline. In addition, the embedding of a NZCE mindset within the organisation remain a priority to support the realisation of PCG's 2030 emissions reduction goals and beyond.

TALENT MANAGEMENT
At PCG, the Talent Management strategy focuses on structured and targeted talent solutions that align with the Company's core business and growth ambitions. It is built on three key pillars:

- (i) Fortifying the Foundation by strengthening technical competencies and leadership development.
- (ii) Advancing the Talent Engine by attracting, developing, and retaining talent to meet evolving business needs, and
- (iii) Elevating the Employee Value Proposition (EVP) by fostering a dynamic, inclusive work culture rooted in D&I and Sustainability. By executing a focused talent strategy that directly supports business priorities, ensuring a strong pipeline of skilled talent, driving operational excellence, commercial excellence, and long-term sustainable growth.

TECHNOLOGY AND DIGITAL
Digitalisation enables to increase operational efficiency, effectiveness, enhance business performance, enabling data-driven decision making and facilitating better collaboration.

With the standardised digital tools and effective utilisation of the systems, it is to facilitate better collaboration and to realise value digitalisation.

GROWTH
The Board provided oversight on key growth initiatives across core business areas, including the execution progress of melamine plant in Gurun, Malaysia, Maleic Anhydride (MAN) plant in Gebeng, Malaysia and the advanced chemicals recycling facility in Pengerang, Malaysia. These projects aim to meet regional and global demand, enhance supply chain resilience, and support sustainability efforts.

Key milestones achieved include:

Pengerang Petrochemical Complex: Achieved commercial operation in November 2024 with annual capacity of around 2.4 million TPA of petrochemical products.

Specialty Ethoxylates and Polyether Polyols (Kertih): Commercial operation began in May 2024, targeting demand in automotive foam and personal care products.

Nitrile Butadiene Latex (Pengerang): Commercial operations started in September 2024, with an annual capacity of 200,000 TPA, supporting the glove market.

2-Ethylhexanoic Acid (Gebeng): Commercial operation started in October 2024. This joint venture plant has doubled its capacity to 60,000 TPA and will address regional demand for synthetic lubricants and PVB plasticisers.

Isononanol (INA): This plant is in its commissioning stage and will gradually ramp up to full commercial operations in 2025. The INA facility will produce 250,000 TPA, used for the production of higher molecular weight plasticisers.

In specialty chemicals, the establishment of offices in Malaysia and Taiwan enhances regional reach, while acquiring full ownership of Perstorp's Zibo polyol facility strengthens market presence and customer proximity in Asia.

Perstorp acquired OQ Chemicals Nederland B.V.: This will advance Specialty Chemicals growth strategy and strengthen PCG presence in the Engineered Fluids segment.

BOARD STRATEGIC CONVERSATION

During the year under review, the Board held three Strategic Conversation sessions to deliberate on key focus areas and align strategies:

Session 1: Specialty Chemicals 1+1
- Focused on advancing the Group's capabilities and growth in the specialty chemicals segment.

Session 2: PCG Portfolio Review and PCG Joint Venture Companies Portfolio Review
- Examined the performance and strategic alignment of the Group's portfolio, including joint venture companies.

Session 3: Connecting the Dots to Deliver the Company's Sustainability Promise
- Explored initiatives and synergies to strengthen the Group's commitment to sustainability objectives.

F Financial

GROUP'S PERFORMANCE ON QUARTERLY BASIS

The Board received quarterly updates on the Group's performance related to the business plan targets, which is measured, monitored and evaluated against the approved Key Performance Indicators (KPIs). The MD/CEO and Key Management's KPIs, along with their performance outcomes, were presented to the Board for monitoring and evaluation. This process ensured that performance remained aligned with the approved KPI targets for the year with the aim to achieve the Group's strategic objectives and aspirations.

SS Sustainability

ADVANCING SUSTAINABILITY AGENDA

The Board addressed key priorities aligned with the Group's governance and strategic focus.

Sustainability Implementation
Discussions centred on the Group's comprehensive sustainability agenda, encompassing established goals, prioritised objectives, and measurable targets.

Performance Monitoring and Improvement
The Board through its BSRC reviewed the implementation of a framework for quarterly monitoring of sustainability performance against defined targets.

Human Rights Protection
The PETRONAS Human Rights Policy was adopted to further strengthen the Group's efforts in human rights management through a consistent and structured risk management approach.

R Risk

MANAGEMENT OF PRINCIPAL RISKS

Deliberations by the Board included the identification and approval of principal risks deemed to have a material impact on the achievement of the Group's business objectives. These risks, along with agreed mitigation strategies, are continuously monitored to manage their likelihood and potential impact. Regular updates on key risk indicators, which serve as early warnings for potential risk developments, are provided to the Board for review.

The complex and dynamic nature of the internal and external environment necessitates the identification of emerging risks and opportunities. The Board evaluates these developments to determine whether they warrant inclusion in the PCG Corporate Risk Profile as principal risks, ensuring that the Group's risk management remains comprehensive and responsive.

In alignment with the Company's defined risk appetite, the Board assesses new and ongoing business initiatives to ensure that risks undertaken are within acceptable limits. The risk appetite establishes critical operational boundaries, recognising that exceeding these limits could pose challenges to business sustainability.

Further, the Board closely examines risks associated with high-impact business matters, including Final Investment Decisions, project financing, and joint venture arrangements. These assessments provide a robust evaluation of the feasibility and commercial soundness of proposed projects and investments, reinforcing disciplined and informed decision-making.

C Corporate Governance and Compliance

During the year, the Board reviewed its composition, diversity, tenure, retirement of Directors at the AGM, appointment of NINED including the COI assessment and the Board skills and experience matrix.

IMPLEMENTATION AND MONITORING OF SUCCESSION PLANNING

The Board ensures that there is an appropriate succession plan for members of the Board and Senior Management.

For more information, please refer to Nomination and Remuneration Committee Report on pages 108 to 109.

REVIEWED AND MONITORED THE PERFORMANCE OF RELATED PARTY VENDORS

The Board through its BAC reviewed the performance of the related party vendors in respect of the work or services performed during the period from 1 January 2024 until 31 December 2024, a total of 68 assessments were conducted.

Performances were evaluated based on the vendors' capability, responsiveness, reliability and HSE criteria.

RPT AND RRPT

The Board through its BAC reviewed the RPT and RRPT within the PCG Group, in accordance with the PCG's Guideline and Procedures on RPT and COI Situations, to ensure all transactions are at arm's length and were carried out on normal commercial terms and not to the detriment of the minority shareholders. During the period from 1 January 2024 until 31 December 2024, there were 1 RPT contract, and 5 RRPT contracts entered into by the Company and its subsidiaries.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: Board Leadership and Effectiveness

BOARD RE-ELECTION

In compliance with the Malaysian Code on Corporate Governance (MCCG), the MMLR, and Article 107 of the Company's Constitution, one-third of the incumbent Directors to retire by rotation at each Annual General Meeting (AGM) provided always that each director shall retire from office at least once in every three years. This process underscores the mandate that each Director vacates their position at least once within a three-year interval but remains eligible for re-election at the AGM. Subsequently, Directors retiring at the AGM continue to serve until the conclusion of the meeting, whether adjourned or not.

The NRC meticulously reviewed the Directors' rotation list to ensure alignment with governance and regulatory frameworks and made its recommendation to the Board. Directors due for re-election formally confirm their consent before deliberations at the Board meeting.

The NRC's evaluation of candidates for re-election includes an in-depth review of their competencies, commitment, contributions, and ability to act in the best interests of the Group. This assessment is supported by data from the Board Effectiveness Evaluation (BEE), fit and proper declarations, COI assessment and the demonstrated ability to act in the best interest of PCG.

In February 2025, the Board endorsed the NRC's recommendations for the re-election of the following Directors at the upcoming 27th AGM in accordance with the relevant provisions of the Company's Constitution.

Article 107 (Retirement by Rotation):

- Farehana Hanapiah

Article 100 (Casual Vacancy):

- Abang Yusuf Abang Puteh

Datin Seri Sunita Mei-Lin Rajakumar, who is due for retirement by rotation expressed her intention not to seek for re-election. Hence, she will retire from office upon the conclusion of the 27th AGM of the Company.

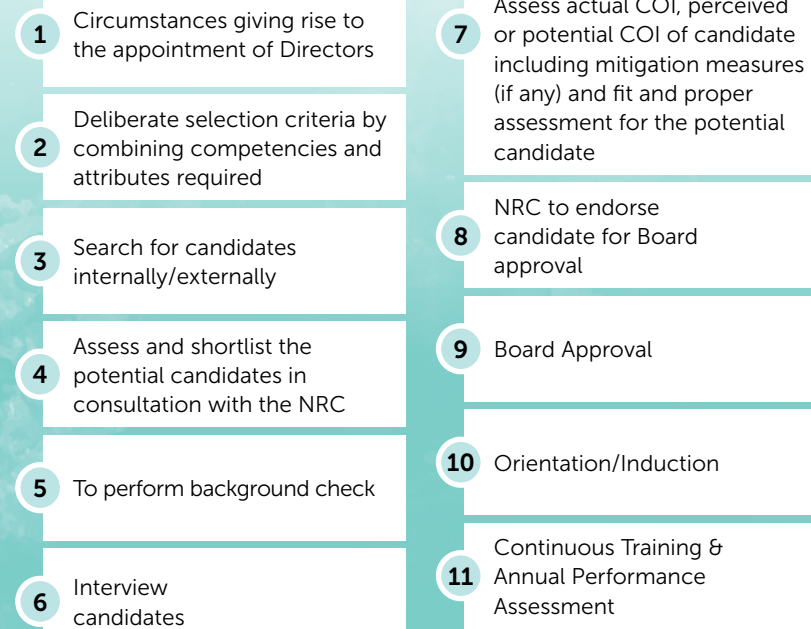
Appointment of Non-Executive Directors

The process for Board appointments is conducted with feedback from the NRC after considering the assessment of COI by the BAC. The selection follows a merit-based approach aligned with the Group's corporate strategy and Fit and Proper Policy, with a focus on ensuring an appropriate mix of skills, personalities, and experience.

The NRC begins by preparing a detailed specification outlining the qualifications, expertise, and experience required for the role. External recruitment consultants may be engaged to identify and shortlist suitable candidates. The NRC then interviews shortlisted candidates to evaluate their suitability.

Following this evaluation, the NRC submits its recommendations to the Board for consideration and appointment to fill any existing vacancies.

BOARD APPOINTMENT PROCESS BASED ON BOARD SUCCESSION PLANNING FRAMEWORK



Board Independence

The pivotal role of INEDs in ensuring effective corporate governance is firmly acknowledged by the Board. Directors, regardless of their independence, are entrusted with the responsibility to act in the Company's best interests and to contribute independent and objective judgment in all deliberations.

In line with the BEE process, the NRC and the Board undertook a comprehensive review of the independence of INEDs. This assessment confirmed that INEDs consistently provided independent, sound, and objective perspectives during Board discussions, with active engagement demonstrating their commitment to the Group's interests.

Yeoh Siew Ming serves as the SID, facilitating effective oversight and acting as a key intermediary when required. The Board currently comprises four INEDs, constituting 50% of its membership, in compliance with Paragraph 15.02 of the MMLR, which requires at least one-third of the Board to be independent. While the Board has not adopted the majority independent composition suggested by Practice 5.2 of the MCCG, measures have been established to ensure the presence of independent views in all deliberations:

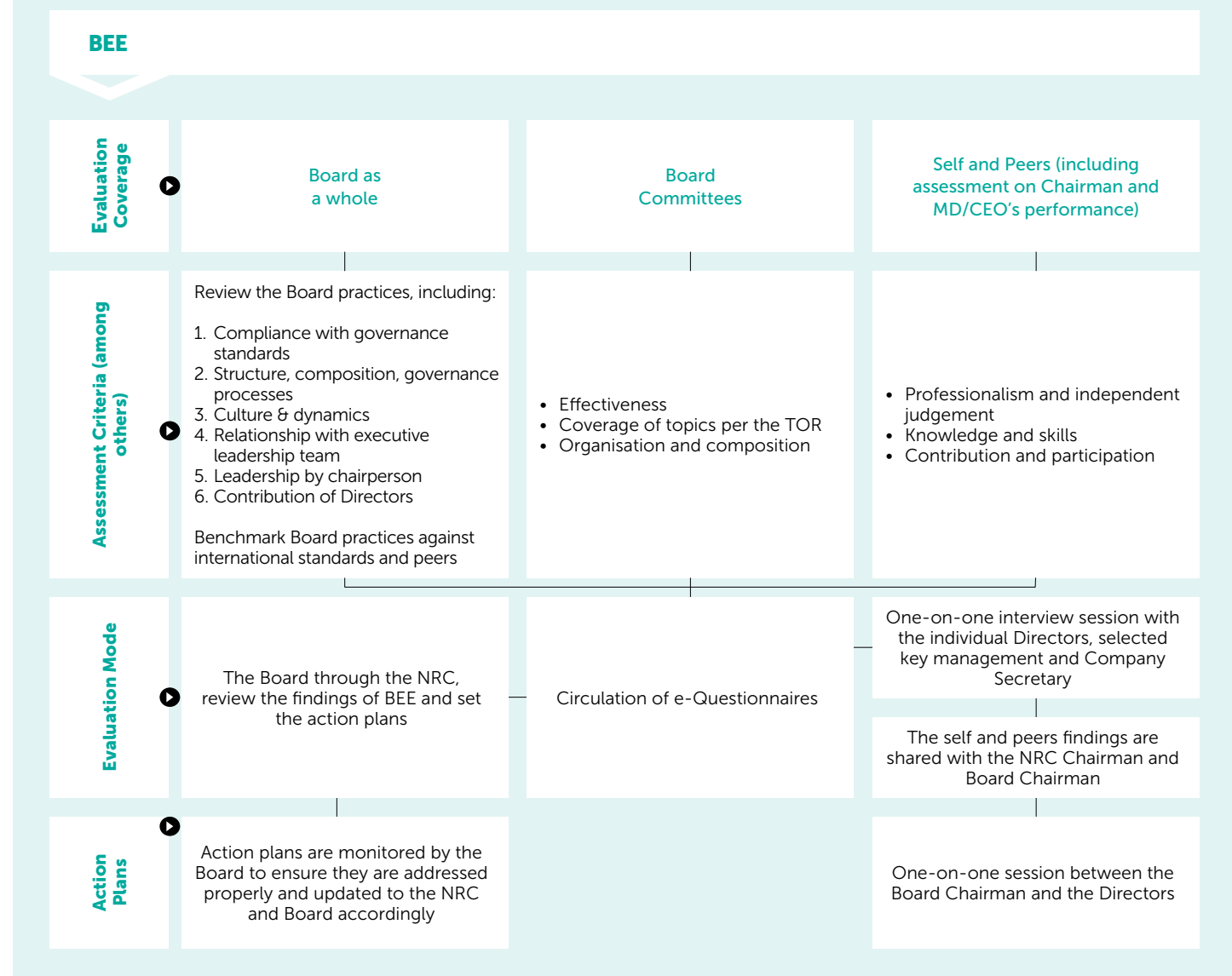
- (1) The SID provides guidance to the Chairman and represents INEDs, fostering effective communication within the Board when necessary.
- (2) All Board Committees are chaired by INED.
- (3) Save for the NRC, all Board Committees are comprised of INEDs.
- (4) The BAC reviews all RPTs, COI, perceived or potential COI before Board deliberations, ensuring transparency. Directors with vested interests abstain from participation in discussions and voting on such matters.

To ensure alignment with governance best practices, none of the INEDs have served for more than nine years, in compliance with Practice 5.3 of the MCCG. The Board also undertakes annual independence declarations from INEDs to reinforce their ability to provide unbiased and effective oversight.

BOARD EFFECTIVENESS EVALUATION 2024

To assess the performance of the Board, its Committees, and individual Directors, a BEE is conducted to identify strengths and areas requiring improvement. For the year of assessment (YA) 2024, an external independent consultant, facilitated the evaluation in compliance with Practice 6.1 of the MCCG, which recommends periodic engagement of independent experts at least once every 3 years. The last independent BEE was completed for YA2021.

The BEE for YA2024 process included a Board Assessment Questionnaire, Peer Reviews, and one-on-one interviews with Board Members, selected key Management Committee members, and the Company Secretary. To gain deeper insights into individual and collective dynamics, the evaluation also involved analysing Directors' behavioural traits and interpersonal dynamics.



Board's Effectiveness Review and Performance

The outcome of the BEE for YA2024 indicated that the Board's strategy aligns with PETRONAS Group, while protecting minority shareholders and ensuring thorough review processes through efficient Board Committees. The diverse expertise of Board members promotes healthy debates and effective decision-making. Areas for improvement include enhancing Board-management dynamics, acquiring additional skills for future strategies focused on specialty chemicals and merger and acquisition, and streamlining succession management for critical executive roles.

The overall results of the BEE for YA2024 were generally positive, whereby the Board expressed satisfaction with the performance of both the Board and its Committees. The assessment indicates that the Board and its Committees are effective and function well within established guidelines. Any identified areas for improvement will be addressed through the consultant's development suggestions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: Board Leadership and Effectiveness

Continuing Development And Training

All new Directors appointed to the Board are given a comprehensive onboarding programme led by members of the Management Committee and the Company Secretary. This programme provided an in-depth understanding of key aspects of the business, including among others, the Group's financial risk management processes, internal audit function, technology and innovation strategies, critical legal considerations and corporate governance framework. Directors are also briefed on the Group's on-going and prospective projects to enhance their understanding of the business and its operations. Abang Yusuf Abang Puteh, the newly appointed NINED had undergone comprehensive onboarding programmes which covered all aspects of the Group's business as well as law and governance including the duties and responsibilities of Directors, and the critical legal areas.

In addition, the Company leverages on the PETRONAS Board Excellence (PBE) programmes, a suite of Directors' development programme tailor-made to the requirements of Directors across PETRONAS Group and specifically designed to provide a structured development for directors through knowledge exchange, sharing of experiences and harnessing of skills for board effectiveness. The Company Directors' are offered to attend the PETRONAS Advance programmes modules under the PBE. The Advance programmes are made up of best practices for Board excellence and effective strategy and stakeholders' management. The Company's Directors also attended the quarterly PETRONAS Board Conversation Series that focuses on sustainability and economic, environment, social and governance (EESG) matters.

In line with Paragraph 15.08 of the MMLR, the Directors acknowledge the importance of continuous professional development. They have actively attended conferences, training programmes and seminars to keep themselves abreast of the industry developments, regulatory changes and statutory requirements. The Company Secretary reports on the status of the trainings attended by each Board member to the NRC and the Board twice a year. The trainings/seminars/conferences attended by the Directors during FY2024 are disclosed in the Corporate Governance Report 2024, which is available on the Company's corporate website at <https://www.petronas.com/pcg/media/reports>.

Director's Indemnity

Throughout the reporting period, PCG ensured compliance with the CA 2016 by maintaining indemnification provisions for its Directors. These provisions safeguard Directors and Officers against liabilities arising from the performance of their duties while holding office, within the scope of the Directors' and Officers' Liability Insurance (D&O) policy secured by the Company.

Directors also have the option to obtain supplementary D&O insurance, offering coverage for liabilities not indemnified by the Company or for uninsured circumstances, subject to insurability. Premiums for such additional insurance are determined by the provider, with Directors free to decide whether to subscribe to this extended protection.

Directors' Remuneration

The framework for Directors' fees has been designed to align with the Group's strategic objectives, ensuring the attraction, motivation, and retention of high-calibre talent. The structure complies with regulatory standards and reflects current market practices and trends, offering a balanced and competitive remuneration package.

To uphold transparency and maintain a formalised approach, the Board has implemented a comprehensive Directors' Remuneration Framework. This framework includes special fees, retainer fees, meeting allowances, and benefits in kind. In compliance with Section 230(1) of the CA 2016, a resolution seeking shareholder approval for Directors' fees, covering the period from the 26th AGM until the next AGM, was duly presented for endorsement.

	Director's Fee (per annum) (RM)	Attendance Fee		Fuel (per annum) (RM)
		BOD (RM)	Committee (RM)	
Chairman	288,000	3,500	3,500	6,000
NINEDs	144,000	3,500	3,500	6,000*
INEDs	144,000	3,500	3,500	6,000
NED - Special Skill	-	Special Fee = Up to 5 times of meeting attendance fee [#]		-

* NINEDs who are employees of PETRONAS are not eligible for fuel allowance

[#] The special fee shall be paid to the NED with special experience or skills which are critical to the Company's business in considering the size and complexity of such business as and when determine by the Board

In February 2025, the Board had approved the revision to the Company's Directors' Remuneration Framework and the Directors' Remuneration Package for NEDs. Subsequently, the Board endorsed the recommendation to shareholders in respect of the increase of Directors' fees at the forthcoming 27th AGM.

Fees and meeting allowances for NINEDs who are employees of PETRONAS are remitted directly to PETRONAS. These fees and allowances for NEDs will remain in place until the Board conducts a subsequent review, subject to approval by PCG's shareholders. The Company also reimburses all reasonable expenses incurred by Directors in the performance of their duties.

During the year, Mazuin Ismail, being the MD/CEO of PCG, received remuneration amounting to RM2,086,440.00. As MD/CEO, he was not entitled to receive Directors' fees or meeting allowances during his tenure. Details of the Directors' remuneration including MD/CEO's remuneration are disclosed in the Corporate Governance Report 2024, which is available on the Company's corporate website at <https://www.petronas.com/pcg/media/reports>.

Senior Management's shareholdings

Save as disclosed below, none of the key Senior Management held shares in the Company during the financial year.

Name	Held by whom	Date of Appointment	Direct Interest			% of shareholdings
			Bought	Sold	Closing balance	
Bahrin Asmawi	Self	50,300	-	-	50,300	0.00

Senior Management's Remuneration

The Group's remuneration approach reflects its commitment to upholding best practices in compensation, retention, and rewards, ensuring the ability to attract and retain outstanding talent. Remuneration packages and incentives are subject to regular review, informed by comprehensive evaluations and market-related benchmarking surveys.

PETRONAS REMUNERATION PHILOSOPHY AND GUIDING PRINCIPLES

Philosophy

PETRONAS is committed to providing reward programmes that nurture a healthy and appreciative working environment in order to attract, retain and motivate talent to sustain a high-performance culture.

Principles

Adaptable Rewards

We ensure that rewards are aligned with business goals, and adaptable to changes in business outlook and strategy.

Equitable Rewards

We ensure that rewards commensurate with accountabilities, competencies and performance of our talents.

Sustainable Rewards

We ensure that rewards are market-competitive and cater to diverse workforce needs while complying with relevant statutory requirements.

Senior Management consists of individuals seconded from PETRONAS, with their remuneration structured in accordance with industry benchmarks and market standards. The Board recognises a deviation from Practice 8.2 of the MCCG, which advocates for the named disclosure of remuneration components for the top five Senior Management personnel. The Company has opted not to disclose the components of the remuneration of its top 5 Senior Management as their salary, bonus, benefits in-kind and other emoluments are subject to the Personal Data Protection Act (PDPA) 2010.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: Effective Audit and Risk Management

Financial Reporting

The financial reporting process and the preparation of financial statements are overseen by the Chief Financial Officer, with policies and procedures clearly stipulated in the Group Policies system. The BAC undertakes regular reviews, whereby reports from the finance team and external auditors, who are invited to attend BAC meetings, are scrutinised.

During these reviews, the BAC evaluates several aspects, including material accounting assumptions and estimates made by management, significant judgements or key audit matters raised by the external auditors, and compliance to relevant accounting standards and other regulatory reporting requirements, such as the MCCG, as well as the accounting policies and procedures applied.

Internal Audit Function

The internal audit function serves as an essential pillar in delivering independent and objective assurance, advice, and insights into the Group's governance, risk management, and internal control systems. Its reviews encompass assessments of the adequacy and effectiveness of these frameworks, identification of underlying causes for issues, evaluation of their implications, and recommendations for sustainable corrective measures.

Responsibility for addressing and resolving audit findings lies with Management, and the BAC is regularly informed about the progress of the closure.

Risk Management and Internal Controls

Responsibility for maintaining effective internal controls and a comprehensive risk management system lies with the Board, aligned with the Financial Reporting Council's Guidance on Risk Management, Internal Control, and Related Financial Business Reporting, as well as the MCCG. Management has developed a well-defined organisational structure, incorporating operating procedures, accountability frameworks, and delegated authority, all of which have been reviewed and endorsed by the Board.

On a quarterly basis, the Board evaluates the Group's risk profile, monitors mitigation efforts, and reviews its risk appetite to ensure alignment with strategic priorities. In addition, the Board ensures that all control systems, including those related to internal financial management, are designed to protect the Group's assets and investments.

A comprehensive overview of the Group's risk management framework and internal control processes is provided in the Statement on Risk Management and Internal Control (SORMIC), with further details accessible on pages 121 to 131 of this report.

TRANSPARENT AND ACCOUNTABLE

Code of Conduct and Business Ethics

The PETRONAS Code of Conduct and Business Ethics (CoBE) defines the Group's commitment to principles such as integrity, professionalism, loyalty, and unity—essential to its operations and success. Within the CoBE, detailed policy statements outline the standards of ethical behaviour expected from all individuals associated with the Group.

Compliance with relevant sections of the CoBE is extended to contractors, sub-contractors, consultants, agents, and representatives, as well as others performing work or services on behalf of the Group. It strictly prohibits any form of improper solicitation, bribery, or corrupt practices, ensuring these standards are upheld not only by employees and directors but also by third-party collaborators.

For further reference, the CoBE can be accessed publicly on the Company's corporate website at <https://www.petronas.com/pcg/about-us/governance>.

Corporate Liability

Under the corporate liability provision, companies are held accountable for unlawful acts committed by employees for the Company's benefit unless they can demonstrate the existence of adequate procedures designed to prevent such misconduct. In alignment with its T.R.U.S.T. values and principles, the Company has established robust anti-bribery and corruption programmes and controls, guided by the Guidelines on Adequate Procedures issued by the Prime Minister's Department.

Throughout the year under review, communication efforts across the Group emphasised a clear "tone from the top," with PETRONAS senior management playing an active role in delivering key messages. This strategic approach to communication reinforced transparency and integrity through initiatives such as the "Leaders Speak Integrity" campaign, which engaged all PETRONAS employees, including those at PCG. These efforts highlighted the Group's dedication to implementing best practices and maintaining integrity in daily operations and business transactions.

Anti-Bribery and Corruption Policy and Guidelines

Upholding a stringent zero-tolerance approach towards bribery and corruption, PCG relies on PETRONAS' Anti-Bribery and Corruption Policy and Guidelines, commonly known as the ABC Manual, as a comprehensive framework. This manual elucidates the foundational principles and provides explicit guidance to employees in addressing improper solicitation, bribery, and other corrupt activities that may arise during business operations. Crucially, the ABC Manual extends its reach to encompass all individuals associated with the Company, including employees, directors, contractors, sub-contractors, consultants, agents, representatives, and others.

In the fiscal year ending 2024, significant steps were taken to uphold this commitment. All directors, Management Committee members and staffs in critical positions (including those newly appointed during the year under review) have signed the Integrity Pledge accordingly. Furthermore, all employees were mandated to submit asset declarations in the same fiscal year. Additionally, the ABC Manual remains intact, reinforcing PCG dedication to maintaining the highest standards of integrity and ethical conduct across its operations. The ABC Manual was adopted and remains effective during the year under review.

Following the ISO 37001:2016 Anti-Bribery Management Systems (ABMS) certification awarded by SIRIM to PCG in February 2024, PETRONAS Chemicals Marketing (Labuan) Ltd. has also successfully achieved the same certification in December 2024.

PCG has completed the follow-through action with a planned ABMS surveillance audit by SIRIM in January 2025. This is a tangible testament to PCG unwavering and continuous commitment to proactively manage and minimise risk on activities that are exposed to corruption or integrity, hence reinforces PCG pledge to conducting business ethically and transparently.

For more details on the ABC Manual, please refer to the Company's corporate website at <https://www.petronas.com/pcg/about-us/governance>.

Whistleblowing Policy

The PETRONAS Whistleblowing Policy establishes a secure and confidential mechanism for employees and the public to report any suspected improper conduct, adhering to clearly defined procedures. Designed to uphold the principles of integrity and accountability, the policy ensures that all disclosures are handled with care and discretion through accessible reporting channels.

Key elements of the policy include oversight responsibilities, detailed reporting processes, whistleblower protections, and assurances of global confidentiality. These measures reflect the Company's commitment to ethical governance, with the policy and its procedures publicly available on the corporate website at <https://www.petronas.com/pcg/about-us/governance>.

Reports of improper conduct can be submitted via email to whistle@petronas.com.

Trading on Insider Information

Each quarter, Directors, the Management Committee, and senior management within the PCG Group receive a Notice of Closed Period from the Company Secretary. This notice highlights the rules governing share trading, particularly during the "Closed Period" when individuals may have access to price-sensitive information concerning PCG. During the year under review, neither the Board nor Principal Officers conducted any trading activities within the Closed Period, a status routinely communicated to the Board for acknowledgment.

For transactions occurring outside the Closed Period, Directors and key senior management must notify the Company Secretary in writing within three market days after the transaction. The Company ensures immediate disclosure of these dealings to Bursa Malaysia, maintaining strict adherence to regulatory requirements.

RPT and COI

The review and oversight of RPTs and RRPTs, are the responsibilities of the BAC. Ensuring full compliance with PCG's Guidelines and Procedures on RPT and COI Situations, the Company has implemented a robust framework to govern these activities effectively.

An enhanced process has been introduced to streamline approvals, monitoring, and reporting. This includes the RPT Assessment Checklist, which meticulously details each stage before transactions are endorsed by the BAC. Between 1 January 2024 and 31 December 2024, the Company and its subsidiaries entered into 1 RPT contract and 5 RRPT contracts.

The Group's approach in managing RPTs and RRPTs as well as COI situations can be found in the SORMIC and BAC Report.

Selection of Vendors

The Group incorporates the PETRONAS tendering process and governing principles, as outlined in the PETRONAS Procurement Standard, to guide vendor selection. This approach focuses on bids that meet technical requirements and offer competitive commercial terms.

To uphold fairness and ensure compliance with established protocols, Tender Committees are tasked with deliberating tenders exceeding specific thresholds. Once endorsed by these committees, award recommendations proceed to the designated approving authority for final approval.

Key stages of the tendering process include:

- Tender Plan Approval
- Technical Evaluation
- Commercial Evaluation
- Award Recommendation

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: Integrity in Corporate Reporting and Relationship with Stakeholders

MEANINGFUL COMMUNICATION

CUSTOMERS

The Board is kept informed of key developments through updates from the MD/CEO, who manages interactions with significant customers, policymakers, and regulatory bodies.

Insights into customer engagement and the external landscape are further reinforced by detailed reports and strategy presentations delivered by the MD/CEO and the management team. These discussions provide a holistic perspective on customer relationships and market dynamics.

COMMUNITIES

Effective long-term initiatives are driven by collaborations between employees, non-governmental organisations, and local government agencies. PCG's Social Impact programmes are carefully designed and executed to align with the Company's Sustainability Agenda.

Community engagement efforts concentrate on Education, Community Well-being and Development, and Environmental stewardship. These priorities are directly aligned with the three pillars of the PETRONAS Social Impact Management Framework, ensuring a cohesive and focused approach to delivering meaningful impact.

SHAREHOLDERS

The Investor Relations team plays a pivotal role in maintaining regular engagement with shareholders and investors, facilitating sessions that offer direct access to management and, on occasion, the Board. This proactive approach ensures that shareholder inquiries and potential investor interests are addressed comprehensively.

Weekly updates are provided on PCG's share movements, benchmarked against the Brent crude price, the FBM Kuala Lumpur Composite Index (FBM KLCI), and selected peers. These insights, along with detailed monthly and quarterly reviews covering share performance, top ten shareholders, and foreign shareholding trends, are included in management reports.

To keep the Board informed, the team provides regular updates on market sentiment and investor expectations, particularly around quarterly financial results announcements. Analysts' reports and market views are shared to ensure the Board has a comprehensive understanding of external perceptions. Shareholders are encouraged to share feedback or pose questions directly to the Board via email or dedicated Q&A channels during AGMs, with all input promptly communicated to the Board.

The Group places significant emphasis on maintaining an optimal and transparent supply chain, recognising supplier relationships as an essential conduit for valuable insights to the Board.

Close collaboration between site and purchasing teams and suppliers addresses key areas such as product stewardship, ethical sourcing, regulatory compliance, and operational improvements. These interactions are meticulously reported to the Board, providing a thorough understanding of supply chain dynamics. Additionally, the Board engages directly with operational and functional teams to ensure a comprehensive perspective on supply chain matters, reinforcing its oversight responsibilities.

SUPPLIERS

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: Integrity in Corporate Reporting and Relationship with Stakeholders

Maintaining open and consistent communication with investors is a priority for the Group, facilitated through a diverse range of activities coordinated by the Investor Relations Department. These include analyst briefings following quarterly results, site and company visits, non-deal roadshows, thematic webinars, and participation in key investment conferences.

While the MD/CEO and Chief Financial Officer primarily lead these engagements, Board members contribute when their expertise aligns with shareholder discussions. Quarterly analyst briefings, attended by senior management, cover a spectrum of topics such as operational updates, market performance and trends, growth strategies, and sustainability initiatives. To promote accessibility, recordings and transcripts of these sessions are uploaded to the corporate website within 5 working days.

Updates on investor relations activities are regularly shared with the Board via board papers, presentations, and email correspondence. Acting as a vital bridge, the investor relations team conveys market

sentiment, investor feedback, share price analysis, and suggestions for enhancing corporate disclosures. This information supports the Board and management in making well-informed decisions on the growth of the company that aligns with shareholder interests.

Beyond formalised events, the investor relations team engages in ongoing dialogue with stakeholders through meetings, phone calls, and written communication. The AGM remains a central platform for shareholder engagement, offering opportunities for questions and dialogue both prior to and during the meeting. This ensures an inclusive and interactive environment for all shareholders.

The Group's investor relations efforts extend beyond current shareholders to include prospective investors, analysts, and broader market participants. Regular interactions with regulatory and advocacy groups such as Bursa Malaysia, the Securities Commission, ESG rating and research agencies to ensure a well-rounded and proactive approach to market engagement.

DIVIDEND

PCG's dividends are paid within 30 days upon the date of declaration. All shareholders are treated equally and paid within the prescribed timeline as follows:

SECOND INTERIM DIVIDEND FY2023

Declaration Date: 26 February 2024
Entitlement Date: 13 March 2024
Payment Date: 26 March 2024

FIRST INTERIM DIVIDEND FY2024

Declaration Date: 16 August 2024
Entitlement Date: 2 September 2024
Payment Date: 12 September 2024

533 Engagements

(FY2023: 412)

CHANNELS

Annual General Meeting	Corporate Meetings
Quarterly Analyst Briefings	Emails and Telephone Calls
Conferences and Roadshows	Site Visits

FY2024 Share Price Performance

- PCG share price opened the year at RM7.15 and ended 28% lower at RM5.17, reflecting challenging market conditions in the chemicals industry, weak recovery trends, on top of internal operational challenges faced.
- The first half of the year saw the share price traded range bound between RM6.31 and RM7.30, underpinned by a lackluster earnings outlook driven by a stagnant chemicals market.
- In the second half of 2024, the share price plummeted to a four-year low of RM4.54, fueled by expectations of PCG's first loss-making quarter since its listing. However, the share price quickly rebounded following the results announcement, as the market viewed the decline as an overreaction to anticipated forex losses.
- The average daily trading volume (ADTV) during the year was recorded at 3.9 million shares, lower than last year average of 4.5 million shares, indicating low investor interest. Foreign shareholding declined on a year-on-year basis, with the exception of long-term investors, who appeared to maintain their positions despite the downturn.



Ownership by non-Malaysians

As at Financial Year Ended 31 December	Foreign Shareholding (%)
2020	7.3
2021	9.4
2022	10.6
2023	8.2
2024	7.6

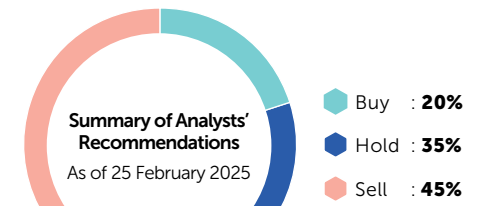
As at month end in FY2024	Foreign Shareholding (%)
Jan	8.1
Feb	8.1
Mar	7.9
Apr	7.7
May	7.8
Jun	7.6
Jul	7.7
Aug	7.8
Sep	7.9
Oct	7.8
Nov	7.8
Dec	7.6



Foreign shareholding declined in FY2024 compared to the previous year in line with net foreign outflow recorded by Bursa Malaysia. Non-Malaysian institutional investors reallocated investments towards sectors with positive outlooks while their interest in PCG fell on expectations of declining earnings forecast as the chemicals downcycle was set to be prolonged.

Source : Nasdaq Ir Insights

Analyst Coverage



Source : Bloomberg

No.	Research House
1.	Affin Hwang Investment Bank Berhad
2.	AmInvest Bank Berhad
3.	BIMB Securities Sdn. Bhd.
4.	CGS-CIMB Securities
5.	CLSA Securities (M) Sdn. Bhd.
6.	Citi Investment Bank
7.	Goldman Sachs Investment Banks
8.	Hong Leong Investments Bank Berhad
9.	JP Morgan Securities
10.	KAF Equities Sdn. Bhd.
11.	Kenanga Investment Bank Berhad
12.	MIDF Amanah Investment Bank Berhad
13.	Macquarie Securities
14.	Maybank Investment Banking Group
15.	Morgan Stanley Asia (Singapore) Pte.
16.	Nomura Securities Malaysia Sdn. Bhd.
17.	RHB Investment Bank
18.	TA Securities Holdings Berhad
19.	UBS Securities (Thailand) Ltd.
20.	UOB Kay Hian Securities (M) Sdn. Bhd.

CONFERENCES ATTENDED

CGS- CIMB 16 th Annual Virtual Corporate Day 4 January 2024	Nomura ASEAN Conference 2024 15 January 2024	Morgan Stanley Virtual Conference 2024 16 May 2024	Nomura Investment Conference 2024 4 June 2024	JP Morgan ASEAN Energy Forum 11 July 2024	CIMB ESG Corporate Investor Day 18 July 2024
---	---	---	--	--	---

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: Integrity in Corporate Reporting and Relationship with Stakeholders

KEY CONCERNS

VALUE PROPOSITION (STRATEGY):

The company demonstrated its resilience and robust fundamentals, achieving commendable performance amid another year marked with challenges from prolonged low cycle in the chemicals industry, economic headwinds and geopolitical uncertainties. PCG remained committed to delivering its growth commitments with the Commercial Operation Date of the Pengerang Petrochemical Complex at the end of November this year, addressing its long-term strategy to strengthen its basic chemicals business. Molecules available from the naphtha-based chain will support PCG growth initiatives to expand and diversify its product portfolio. Combined with the synergies and technology available from the integration of the specialties segment, including the potential to go further downstream for more specialised and innovative products, PCG continues to drive its second-prong growth strategy of diversification and growth in specialty chemicals.

With successful implementation of its growth strategies, PCG is well on its way to realise its near-term target of 30% additional revenue from non-traditional business, with leadership by a highly experienced and diverse management team, focused to ensure long-term sustainable value creation. The company has a dividend policy of about 50% profit after tax and minority interest and has continuously surpassed the policy in its commitment to pay.

PERFORMANCE (OPERATIONAL/
COMMERCIAL/FINANCIAL):

With continued focus on its operational excellence initiatives, the company overcame challenges faced during the year, including unplanned shutdown at a number of facilities due to supply chain and mechanical issues, while managing statutory turnaround and planned maintenance activities. Plant utilisation and reliability rate showed continued improvement, supporting the commercial excellence initiatives to ensure that PCG remains a reliable supplier to its customers. Commercial agility was key to PCG's ability to deliver, leveraging deep market knowledge to respond to changing customer needs and continue to create value amidst a volatile market.

During the year, global chemical prices were under pressure due to volatile energy prices and supply surplus, amid weak economic growth. Chemicals margins faced severe compression on high energy and feedstock cost while weak downstream demand negative impacted product prices including those in the specialties segment. The company's margins were severely affected by thinning product spreads from all segments, as well as foreign exchange movements. As such, it is imperative that PCG is able to optimise operational and commercial performance, with strict focus on cost optimisation while continuing to invest in strategic business growth that aligns with the company's sustainability objectives.

PROJECT DELIVERABLES (PROJECTS AND INVESTMENTS):

With continued commitment to growth in 2024, the company achieved Commercial Operation Date for the Specialty Ethoxylates and Polyether Polyols in Kertih, Malaysia, the 2-Ethylhexanoic Acid in Gebeng, Malaysia, the Nitrile Butadiene Latex plant as well as the Pengerang Petrochemical Complex in Pengerang, Malaysia. PCG's Isononanol (INA) plant in Pengerang has started its commissioning stage while the Melamine and MAn plants are both on track for RFSU in 2025.

In the Specialties segment growth continues with expansions and introduction of new products. Under Perstorp's growth plan, the ISCC PLUS certified Pentaerythritol plant in Bharuch, India, has undergone commissioning. At the end of the year Perstorp fully acquired shares in OQ Chemicals Nederland B.V. This acquisition expands Perstorp's capacity to manufacture synthetic esters, strengthening the Engineered Fluids segment. At the same time BRB continued to progress its personal care line with the introduction of Emfinity®, an innovative approach to cosmetic formulations.

PCG remains committed to ensure that growth projects are aligned with its long-term value creation for stakeholders. This led to the reassessment of the viability of the advanced recycling plant in Pengerang, Malaysia, due to challenges in project execution.

MANAGING EESG:

PCG's approach to sustainability is structured around sustainability risks and opportunities covering three fundamental pillars. These pillars are central to shaping a sustainable future while supporting its operational and strategic objectives.

The Economic pillar focuses on ensuring business longevity through green initiatives and innovation, underpinned by the strategic thrusts of Operational Excellence, Commercial Excellence, and Growth Delivery Excellence. These thrusts enable the Company to drive efficiency, unlock value, and achieve sustainable growth.

Environmental stewardship remains at the heart of the Environmental pillar, where PCG addresses critical priorities such as climate change, emissions management, energy optimisation, water conservation, and biodiversity protection. By embedding resource efficiency into its operations, PCG is committed to reducing its environmental impact and fostering sustainable practices.

The Social pillar reflects the Company's dedication to engaging with employees and broader stakeholders. This includes promoting fair labour practices, investing in employee development, and delivering targeted Social Impact programmes to enhance community well-being and inclusivity.

Governance forms the foundation of the Company's sustainability efforts, with the Board of Directors providing oversight to ensure all initiatives align with ethical standards and regulatory compliance.

EVENTS

INVESTOR RELATIONS CALENDAR

Month	Event
JAN	4 January CGS- CIMB 16 th Annual Virtual Corporate Day
	15 January Nomura ASEAN Conference 2024
	24 January PCG Knowledge Sharing – Chemicals Outlook
FEB	26 February Analyst Briefing for 4Q 2023
MAC	
APR	
MAY	16 May Morgan Stanley Virtual Conference 2024
	29 May Analyst Briefing for 1Q 2024
JUN	4 June Nomura Investment Conference 2024
JUL	10 July Institutional Investors Visit to PETRONAS Chemicals Fertiliser Sabah Sdn. Bhd.
	11 July JP Morgan ASEAN Energy Forum
	15 July Knowledge Sharing – Corporate Disclosure Workshop
	18 July CIMB ESG Corporate Investor Day
	31 July Knowledge Sharing – Chemicals Industry Outlook 2H 2024
AUG	16 August Analyst Briefing for 2Q 2024
SEP	3 September Knowledge Sharing – Specialty Chemicals
	4 September Institutional Investors Visit to ASEAN Bintulu Fertilizer Sdn. Bhd.
	11 September Retail Shareholders Visit to PETRONAS Twin Tower
	24 September Retail Shareholders Visit to Pengerang Petrochemical Company Sdn. Bhd. (PPC)
	1 October Institutional Investors Visit to PETRONAS Chemicals LDPE Sdn. Bhd. & PETRONAS Chemicals Ammonia Sdn. Bhd.
NOV	20 November Analyst Briefing for 3Q 2024
DEC	

FINANCIAL CALENDAR

2024

- 26 February 2024
Announcement of the unaudited consolidated results for the fourth quarter ended 31 December 2023
- 13 March 2024
Date of entitlement of the second interim dividend for the financial year ended 31 December 2023
- 21 March 2024
Date of Notice of the 26th Annual General Meeting
- 22 March 2024
Date of issuance of FY2023 Integrated Report
- 26 March 2024
Date of payment of the second interim dividend for the financial year ended 31 December 2023
- 24 April 2024
26th Annual General Meeting
- 29 May 2024
Announcement of the unaudited consolidated results for the first quarter ended 31 March 2024
- 16 August 2024
Announcement of the unaudited consolidated results for the second quarter ended 30 June 2024
- 2 September 2024
Date of entitlement of the first interim dividend for the financial year ended 31 December 2024
- 12 September 2024
Date of payment of the first interim dividend for the financial year ended 31 December 2024
- 20 November 2024
Announcement of the unaudited consolidated results for the third quarter ended 30 September 2024

2025

- 21 February 2025
Announcement of the unaudited consolidated results for the fourth quarter ended 31 December 2024
- 11 March 2025
Date of entitlement of the second interim dividend for the financial year ended 31 December 2024
- 20 March 2025
Date of payment of the second interim dividend of the financial year ended 31 December 2024
- 21 March 2025
Date of Notice of the 27th Annual General Meeting
- 21 March 2025
Date of issuance of FY2024 Integrated Report
- 22 April 2025
27th Annual General Meeting

CONDUCT OF ANNUAL GENERAL MEETING

The AGM serves as the primary platform for open dialogue and engagement with shareholders. The Company's 26th AGM was convened on 24 April 2024, with the Notice and Agenda distributed to shareholders on 22 March 2024, ensuring compliance with the required notice period. To enhance accessibility, the Notice and Agenda were published in both English and Bahasa Malaysia in local newspapers and were made available on the Company's corporate website at <https://www.petronas.com/pcg/investor-relations/annual-general-meeting>.

Shareholders were informed in advance of the conduct of the AGM via the Remote Participation and Voting application. Detailed instructions, including an Administrative Guide, were provided to ensure smooth participation. These details were also disseminated through announcements to Bursa Malaysia and prominently displayed on the Company's website.

The AGM facilitated meaningful interaction, enabling shareholders to engage directly with the Board and the MD/CEO. Chaired by the Chairman, the meeting ensured an inclusive and equitable platform for shareholders to exercise their rights, raise questions, and offer recommendations. The Chairman maintained a fair and transparent approach, allowing ample time for discussions and addressing shareholder concerns.

Minutes of the 26th AGM proceedings, capturing the discussions and resolutions, were prepared and made publicly available within 30 days of the meeting. Shareholders can access these minutes on the Company's website at <https://www.petronas.com/pcg/investor-relations/annual-general-meeting>.

RELATIONSHIP WITH EXTERNAL AUDITORS

The Company, through the BAC, maintains a professional and transparent relationship with its external auditors, KPMG PLT. During the year under review, the BAC held two meetings with the external auditors to evaluate the scope and adequacy of the Group's audit plan, procedures, and findings. During these meetings, the external auditors presented matters that warrant the attention of the BAC and the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors have provided assurance that the financial statements prepared for each financial year give a true and fair view of the state of affairs of the Group and the Company as at the end of financial year and of the results and cash flow of the Group and the Company for the financial year as required by the CA 2016. The Statement of Responsibility by Directors for the audited financial statements of the Group and the Company is as outlined on page 4 of the Financial Report.

R Details of the Group and the Company's financial statements was set out in the Financial Report.

STATEMENT OF COMPLIANCE

The Board has deliberated, reviewed and approved this Statement and is satisfied that the Group has fulfilled its obligations under the relevant paragraphs of the MMLR, CA 2016, MCCG, CG Guide - 4th edition issued by Bursa Malaysia and other applicable laws and regulations throughout the financial year ended 31 December 2024. The Board considers that the Company has complied and applied 39 Practices and adopted 4 Step-Up Practices of MCCG for the year under review. Details of how the Company has applied the MCCG Principles and complied with its Practices are set out in the CG Report 2024. The explanation for the departures is further elaborated in the CG Report 2024, which is accessible through the Company's corporate website at <https://www.petronas.com/pcg/media/reports>.

ADDITIONAL COMPLIANCE INFORMATION - MATERIAL CONTRACTS

No material contracts or loans involving the interests of Directors or major shareholders were entered into by the Company or its subsidiaries during the financial year ended 31 December 2024, nor were any such arrangements subsisting at the year-end. Exceptions, if any, are detailed in the Audited Financial Statements.

This statement has been approved by the Board of Directors on 21 February 2025.

DATUK SAZALI HAMZAH
Chairman

NOMINATION AND REMUNERATION COMMITTEE REPORT

As a Committee, we evaluate the structure, size, and composition of the Board on behalf of the Board. In doing so, we focus on achieving the right balance of skills, knowledge, experience, and diversity to ensure the Board is well-equipped to support the Company's strategic objectives.



Dr. Zafar Abdulmajid Momin
Chairman

Roles

Composition

Terms of Reference

Page 92

<https://www.petronas.com/pcg/about-us/governance>

Chairman

Dr. Zafar Abdulmajid Momin
Independent Non-Executive Director

5/5 100%

Members

Yeoh Siew Ming
Senior Independent Non-Executive Director

5/5 100%

Farehana Hanapiah
Non-Independent Non-Executive Director

5/5 100%

Warren William Wilder
Independent Non-Executive Director
(Appointed on 1 March 2024)

3/3 100%

FUNCTIONS OF THE NRC AND RELATED ACTIVITIES IN 2024

BOARD SUCCESSION PLAN

The Nomination and Remuneration Committee (NRC) is responsible for ensuring effective succession planning for Directors and reviewing the Board's composition, including the mix of skills, the tenure of Independent Non-Executive Directors (INEDs), and proposals for retirement or re-election.

The Board currently comprises eight members, with half being INEDs, in compliance with the MMLR. However, the Company departs from Practice 5.2 of the Malaysian Code on Corporate Governance (MCCG), which recommends a majority of INEDs for large companies. Importantly, none of the INEDs exceed the nine-year tenure limit, maintaining adherence to governance best practices. The Board reflects 37.5% female representation, in line with the Company's Board Diversity Policy, the MMLR, and the MCCG.

As part of the Board Succession Planning, the NRC had in November 2024 agreed the search for potential directors to succeed Warren William Wilder and Dr. Zafar Abdulmajid Momin, who will reach their 9-year INED tenure on 30 June 2027, to commence 2 years earlier than their planned vacancy in view of the critical nature of these roles as both are Chairmen of Board Committees and Independent Directors.

In December 2024, the NRC noted the resignation of Datuk Ir. (Dr.) Abdul Rahim Hashim as Chairman and Non-Independent Non-Executive Director (NINED) of the Company, and endorsed the following appointments to be tabled to the Board for approval:

- Datuk Sazali Hamzah as the new Chairman of the Company, succeeding Datuk Ir. (Dr.) Abdul Rahim Hashim
- Abang Yusuf Abang Puteh as NINED of the Company

The appointment of Abang Yusuf Abang Puteh was evaluated in accordance with the provisions of the Company's Directors' Fit and Proper Policy. This assessment was based on three key criteria:

- Character and Integrity
- Experience and Competence
- Time and Commitment

Abang Yusuf Abang Puteh's appointment was also subject to the review by the Board Audit Committee on his disclosure of interest, including the proposed mitigations for any potential conflict of interest that may arise in light of the disclosures made by him.

Abang Yusuf Abang Puteh successfully completed the Company's fit and proper assessment, demonstrating the qualities, competencies, and experience necessary to fulfil his duties and responsibilities as the Company's NINED. His appointment reflects the Company's commitment to maintaining a robust and capable Board to support its strategic objectives and governance standards.

MD/CEO AND SENIOR MANAGEMENT SUCCESSION PLAN

In November 2024, the NRC conducted a comprehensive review of succession planning for four critical corporate positions within PCG: Chief Manufacturing Officer (CMO), Chief Commercial Officer (CCO), Chief Financial Officer (CFO) and Head of Strategic Planning & Ventures. This assessment was aimed at ensuring the Company maintains a resilient and well-prepared leadership pipeline capable of supporting its strategic and operational goals.

To achieve this, PCG leverages the PETRONAS Top Talent Management (TTM) programme, which adopts a rigorous and customised approach to leadership development. Grounded in the PETRONAS Top Talent Development Framework, the programme integrates key elements such as Board Memberships, Executive Coaching, participation in Executive Courses at premier business schools, and the Techno-Commercial Leaders Development initiative. These components are strategically designed to equip high-potential successors with the expertise and capabilities required to address the challenges of a dynamic business landscape.

NOMINATION AND REMUNERATION COMMITTEE REPORT

DIRECTORS' RE-ELECTION AND RE-APPOINTMENT

The Directors' rotation list was carefully reviewed by the NRC before being endorsed and recommended to the Board. As part of this process, Directors subject to rotation were required to provide their consent for re-election in advance of the Board meeting, ensuring proper alignment with governance procedures and transparency.

In accordance with the Company's Constitution, the Board is empowered to appoint individuals as Directors either to fill a casual vacancy or to expand the Board's composition. Any Directors appointed under such circumstances is required to seek re-election at the next Annual General Meeting (AGM), thereby ensuring accountability and shareholder validation.

The Constitution also governs the rotation of Directors, stipulating that one-third of the Board shall retire by rotation at each AGM. Pursuant to Articles 100 and 107 of the Constitution, the following Directors are due to retire at the Company's 27th AGM:

Article 100 (Casual Vacancy):

- Abang Yusuf Abang Puteh

Article 107 (Retirement by Rotation):

- Datin Seri Sunita Mei-Lin Rajakumar
- Farehana Hanapiah

All the above Directors have indicated their willingness to be re-elected at the 27th AGM of the Company, except for Datin Seri Sunita Mei-Lin Rajakumar, who has expressed her intention to retire at the forthcoming AGM. In view thereof, she will retire from office at the conclusion of the 27th AGM.

When assessing candidates for re-election, the NRC evaluates their eligibility based on a comprehensive review of their competencies, commitment, contributions, and overall performance. This assessment incorporates findings from the Board Effectiveness Evaluation (BEE), the fit and proper declaration, and an evaluation of their ability to act in the best interests of PCG as well as the assessment of Conflict of Interest by the Board Audit Committee.

MD/CEO AND SENIOR MANAGEMENT PERFORMANCE APPRAISAL

The NRC conducted a comprehensive review of the 2024 performance scorecard and proposed scorecard for 2025 for the MD/CEO and the senior management team. This included the Chief Operating Officer (Specialty Chemicals), CCO, CMO, CFO, Head of Strategic Planning and Ventures (SPV), Head of Human Resource Management (HRM), and Head of Legal. As part of the deliberation, the NRC also examined areas for improvement for the financial year 2025 (FY2025), ensuring that individual performance aligns with the Group's strategic objectives.

NRC's Effectiveness Review and Performance

Based on the BEE 2024 findings, the Board believes that the NRC has effectively performed its duties and functions during the year, thus providing a valuable contribution to the Board. The Board is satisfied with the performance and effectiveness of the NRC in providing sound advice and recommendations to the Board, particularly on managing competencies and succession planning for Directors and Senior Management. Full details of the evaluation and the outcomes can be found on page 97.

SUMMARY OF ACTIVITIES OF THE NRC

The following activities were carried out in 2024:

- Reviewed the performance of the MD/CEO and Key Senior Management for FY2023
- Reviewed the performance of the Company Secretary for FY2023
- Reviewed the manpower cost for PCG MD/CEO for FY2024
- Reviewed the proposed scorecard of the Key Senior Management for FY2024
- Reviewed the proposed establishment of Specialty Chemicals Advisory Panel (SC Advisory Panel) and the appointment of members of the SC Advisory Panel
- Reviewed the NRC composition
- Reviewed the NRC Report for inclusion in the 2023 Integrated Report
- Reviewed the evaluation of the assessment on the effectiveness of the Board as a whole, the Committees of the Board, as well as the contribution of each individual Director for FY2023
- Reviewed the Directors' training requirement including proposed trainings/development for the Board and ensured that the Directors attended the required training during the year
- Reviewed PCG High Level Organisation Structure and competency requirements for potential leaders of this organisational structure
- Reviewed the appointment of independent consultant to conduct the BEE for 2024
- Annual update on the succession planning for Key Senior Management positions
- Reviewed Board Succession Plan for FY2025
- Reviewed the actions taken by the Company to address the agreed areas of improvement arising from the BEE 2023
- Change of Chairmanship and appointment of new Director

NRC Priority Areas in FY2025

In addition to the matters which are under the purview of NRC, the following activities are the priority areas in 2025:

- Overseeing the development of Human Capital requirements as PCG's business composition continues to evolve
- Board succession plan in terms of composition
- Succession and development plans for successor of Key Senior Management positions, especially in Specialty Chemicals
- Training for Directors on digitalisation/Artificial Intelligence (AI) and sustainability

Dr. Zafar Abdulmajid Momin
Chairman, Nomination and Remuneration Committee

BOARD AUDIT COMMITTEE REPORT

BOARD AUDIT COMMITTEE REPORT

The Committee assessed the integrity and accuracy of the Company's financial and key non-financial reporting, including aspects of internal control, related party transactions, and potential conflicts of interest. This review also encompassed related announcements, with a focus on ensuring adherence to the highest standards of transparency and reliability.



Yeoh Siew Ming
Chairperson

Roles

Composition

Terms of Reference

Page 92

<https://www.petronas.com/pcg/about-us/governance>

Chairperson

Yeoh Siew Ming
Senior Independent Non-Executive Director

8/8 **100%**

Members

Dr. Zafar Abdulmajid Momin
Independent Non-Executive Director

8/8 **100%**

Datin Seri Sunita Mei-Lin Rajakumar
Independent Non-Executive Director

8/8 **100%**

HOW THE COMMITTEE OPERATES

During the review period, the Board Audit Committee (BAC) convened eight meetings, with the Company Secretary serving as the BAC secretary. To ensure comprehensive discussions, the BAC invited the MD/CEO, Chief Financial Officer, and Head of the Internal Audit Division (IAD) to provide insights, guidance, and clarification on agenda items when necessary. Additionally, the BAC also invited Warren William Wilder, an INED who is a non-member of BAC, to facilitate the discussion on Group's impairment, due to his in-depth background and wealth of experience in the subject matter.

The Head of IAD presented detailed internal audit reports and updates on audit activities to the BAC, with key members of Management invited to address specific issues arising from audit findings. External auditors actively participated in these meetings, presenting the annual external audit plan and the results of the statutory audit conducted on the Company and its subsidiaries. To ensure independence and transparency, the BAC held two private sessions with the external auditors, on 14 February 2024 and 12 August 2024, without the presence of Management.

To facilitate effective discussions, the BAC ensured that agenda items and meeting papers, containing both qualitative and quantitative information relevant to meeting objectives, were disseminated through a secure collaborative platform at least five business days before each meeting. This platform allowed BAC members to review documents, engage in pre-meeting discussions, and ensure informed deliberations.

The BAC's deliberations covered a range of critical matters, including the Company's financial performance review, interim financial reporting to Bursa Malaysia, year-end statutory audits, assessments of Related Party Transactions (RPTs) and Recurrent Related Party Transactions (RRPTs), as well as the status on open audit findings and agreed corrective actions. Minutes of each BAC meeting were confirmed during subsequent sessions and presented to the Board for notation.

Beyond reporting key deliberations to the Board, the BAC recommended the annual financial statements, the annual assessment of external auditors, RPTs, RRPTs, and revisions to governance processes in alignment with the Malaysian Code on Corporate Governance (MCCG) for the Board's approval. The BAC also provided recommendations for the quarterly financial results, ensuring alignment with the Company's governance framework and strategic objectives.

CONTINUOUS TRAINING

The members of the BAC recognise the importance of ongoing education and training to remain well-informed and effective in their roles. During the year under review, each BAC member actively participated in at least one training session focused on developments in accounting and auditing standards, practices, and regulations including the training in relation to the new Global Internal Audit Standards (GIAS). These efforts align with the principles set out in Practice 9.5 of the MCCG, ensuring that the Committee stays abreast of evolving industry standards and governance requirements.

BAC'S ACTIVITIES IN 2024

1. FINANCIAL REPORTING

- Reviewed the quarterly results for announcements to Bursa Malaysia before recommending the same for the Board's approval, upon being satisfied that it had complied with Malaysian Financial Reporting Standards (MFRS) issued by the Malaysian Accounting Standards Board (MASB), MMLR and other relevant regulatory requirements.
- Reviewed the Group and the Company's annual and quarterly management accounts.
- Reviewed the audited financial statements of the Group and the Company prior to submission to the Board for the Board's consideration and approval, upon the BAC being satisfied that, inter alia, the audited financial statements were drawn up in accordance with the provisions of the Companies Act 2016 (CA 2016) and the MFRS issued by the MASB.
- Reviewed specific key areas affecting the Group and the Company's financial results, and endorsed recommendations made by the Management. The key areas deliberated included assessments on the following areas:

1 Impairment indicators of non-current assets (i.e., property, plant and equipment and intangible asset) and relevant detailed impairment testing.

- The review of internal and external factors that may give rise to impairment indication
- Should indication exists, the review and deliberation of the impairment assessments including key assumptions used, controls put in place by Management such as Segregation of Duties, consultation with the Subject Matter Experts and proper sign-off in deriving the recoverable amount. For FY2024, this includes the review of the Management's impairment assessment on:
 - Pengerang Petrochemical Company's property, plant and equipment
 - Perstorp Group's goodwill and intangible assets with indefinite useful life
 - BRB Group's goodwill
 - PETRONAS Chemicals Aromatics Sdn. Bhd.'s property, plant and equipment
 - PETRONAS Chemicals MTBE Sdn. Bhd.'s property, plant and equipment
 - PETRONAS Chemicals Isononanol Sdn. Bhd.

2 Carrying values of inventories and any write-off thereon.

3 The review of Audit Planning Memorandum for Financial Year 2024.

4 Updates on revised MFRS pronouncements issued in 2024.

5 Revision of PCG Group Limits of Authority.

6 Loan covenant at Pengerang Petrochemical Company Sdn. Bhd.

7 Updates on e-invoice implementation.

8 Partial divestment of PCG PCC Oxyalkylates Sdn. Bhd. to MBI Modal Sdn. Bhd.

9 Acquisition of interest in Shandong Fufeng Perstorp Chemical Co. Ltd. by Perstorp AB.

- The BAC had reviewed and deliberated the above key areas and was satisfied with the various actions taken by the Management in addressing the issues raised by the external auditors. The BAC noted that Management also held frequent engagements with the external auditors to understand whether any significant control deficiencies are being identified during the course of audit.

BOARD AUDIT COMMITTEE REPORT

BOARD AUDIT COMMITTEE REPORT

BAC'S ACTIVITIES IN 2024 (CONTINUED)

2. INTERNAL CONTROL

- Reviewed the effectiveness of the system of internal controls, taking into account the findings from internal and external audit reports.
- Reviewed PCG Group Limits of Authority and Summary of Authority for Legal and Corporate Secretarial Services to include new areas of decision making as well as changes of authority level to align with current business requirement and governing documents.
- Established line of sight on key decision making for specialty chemicals subsidiaries to ensure alignment to PCG group strategic objectives.

3. CORPORATE GOVERNANCE

- Reviewed the Corporate Governance Overview Statement and BAC Report for inclusion in the 2023 Integrated Report.

4. INTERNAL AUDIT

- Reviewed and approved the changes of Annual Audit Plan FY2024 on quarterly basis to ensure the proposed audit activities are carried out as per emerging and relevant risks as well as business strategies.
- Review and approved the risk-based Annual Audit Plan FY2025
- Reviewed and deliberated on audit reports which included opinion on the adequacy and effectiveness of PCG's governance, risk management and internal controls, audit findings' root causes, implications, and the recommended corrective actions to be undertaken by the Management. The BAC also provided suggestions for improvement to reinforce the oversight role and to ensure that Management holds individuals accountable for their internal control, risk management and governance responsibilities.
- Monitored the implementation of the agreed corrective actions on audit issues taken by Management until duly resolved on a quarterly basis. The BAC also deliberated on the justifications given by Management for extension of rectification timeline and approved such request based on justifications.
- Reviewed the performance of IAD for FY2024 with regards to its independence, objectivity, and effectiveness in providing assurance on PCG's governance, risk management and internal controls and approved the Key Performance Indicators of IAD for FY2024.
- Reviewed IAD's Quality Assurance and Improvement Programme activities.
- The Chairperson of the BAC held private meetings and discussions at least once every quarter with the Head and senior auditors of IAD on internal audit reports, selected audits' scopes, resource adequacy and capabilities, and any related matters.

5. RPT AND CONFLICT OF INTEREST

- Reviewed all RPTs/RRPTs prior to execution, in accordance with the PCG Guidelines and Procedures on RPTs/RRPTs and Conflict of Interest (COI) Situations, and affirmed that the transactions are carried out in the best interest of the Company, fair, reasonable and are not detrimental to the interest of the minority shareholders.
- Reviewed and deliberated on the RPTs/RRPTs reports on a quarterly basis.
- Reviewed and deliberated performance of RPTs/RRPTs vendors for 2023.
- Reviewed the annual declaration on COIs of the Directors and Key Senior Management.
- Reviewed COI for appointment/re-appointment of Directors for input to be considered by the NRC.

6. EXTERNAL AUDIT

- Reviewed with the external auditors, audit strategies and scope for the statutory audit of the Group and Company's financial statements for the financial year ended 31 December 2024.
- Reviewed with the external auditors the results of the statutory audit and the audit report.
- Reviewed the proposed fees for the statutory audits.
- Reviewed the fees of total non-audit work carried out by the external auditors with the main objective of ensuring there is no impairment to independence and objectivity. In relation to this, the BAC noted the assurance provided by the external auditors confirming their independence throughout the year under review.
- During the year under review, PCG engaged the external auditors for certain non-audit services. Total fees paid to the external auditors are detailed out in the next page.

	2024		2023	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
KPMG PLT				
Audit Fees				
Statutory Audit	1,996	615	1,758	493
Non-audit Fees				
Half-yearly Limited Review	207	207	201	201
Review of the Quarterly Consolidated Results Report for announcement to Bursa Malaysia	34	34	33	33
Review of Statement on Risk Management and Internal Control	29	29	27	27
Professional services for Anti-Money Laundering/Counter-Financing of Terrorism by PETRONAS Chemicals Marketing (Labuan) Ltd.	4	-	-	-
Audit of non-financial information for Integrated Report	-	-	130	130
Verification of Investment Tax Allowance of PETRONAS Chemicals Fertiliser Sabah Sdn. Bhd.	-	-	20	-
Subtotal Non-audit Fees	274	270	411	391
Overseas affiliate of KPMG PLT				
Audit Fees				
Statutory Audit	409	-	385	-
Non-audit Fees				
Sustainability Reporting for Perstorp Group	468	-	-	-
Tax services for BRB Group	51	-	49	-
Tax services for Perstorp Group	-	-	6	-
Subtotal Non-audit Fees	519	-	55	-
Other Auditors				
Audit Fees				
Statutory Audit	8,407	-	7,451	29
Non-audit Fees				
Tax services for overseas subsidiaries	6,527	-	6,395	-
Accounting services	4,049	-	1,019	-
Review of Transfer Pricing documentation	2,781	23	2,701	11
Goodwill impairment assessment for Perstorp Group	386	-	523	-
Half-yearly Limited Review	284	-	354	7
Audit of non-financial information for Integrated Report	200	200	-	-
Review on acquisition of Perstorp Group	-	-	1,374	-
Purchase Price Allocation Assessment for Perstorp Group	-	-	1,305	-
Due diligence and cost verification services	-	-	1,192	-
Impairment assessment at Pengerang Petrochemical Company Sdn. Bhd.	-	-	25	25
Subtotal Non-audit Fees	14,227	223	14,888	43
Total Statutory Audit Fees	10,812	615	9,594	522
Total Non-audit Fees	15,020	493	15,354	434
% of Non-audit Fees over Statutory Audit Fees	>100%	80%	>100%	83%
% of Non-audit Fees over Statutory Audit Fees by KPMG PLT	14%	44%	23%	79%

BOARD AUDIT COMMITTEE REPORT

EXTERNAL AUDIT

To ensure the independence of external auditors, the Company implements a rotational policy requiring the change in the Audit Engagement Partner overseeing the audit every seven years. This policy includes a mandatory five consecutive years cooling-off period before the partner can be re-appointed, in accordance with the requirements set out by the Malaysian Institute of Accountants (MIA).

In addition to this, the external auditors are subject to an Independent Partner Review to further uphold their autonomy. A written assurance was given to the BAC, affirming their adherence with all relevant professional and regulatory standards, thus maintaining independence throughout the audit engagement.

In line with the BAC commitment to thorough oversight, an evaluation of the external auditors' performance, suitability, and independence was conducted, focusing on four critical areas:

- Quality of engagement team and services
- Adequacy of resources
- Quality of communication and interaction
- Independence, objectivity and professional scepticism

Annual Reporting

The BAC conducted a thorough review of its report for the financial year ended 31 December 2024, in compliance with all relevant regulatory requirements and guidelines.

Internal Audit Function

The BAC is supported by an in-house IAD, which provides independent and objective assurance and advisory services to enhance the Group's operations. The IAD contributes to the Group's objectives by systematically and rigorously evaluating, designing, and improving the effectiveness of governance, risk management, and internal control processes.

To ensure impartiality and independence, the IAD reports functionally to the BAC and administratively to the MD/CEO. This reporting structure is central to its effectiveness, as defined in the BAC approved Internal Audit Charter. Leading the IAD is Dewi Izza Suhana Radin Amir, a Fellow Chartered Accountant of the Institute of Chartered Accountants in England and Wales (ICAEW). She brings a wealth of expertise to the role, underpinned by her Bachelor of Arts in Accounting, Financial Management, and Economics from the University of Sheffield, United Kingdom.

The IAD operates within the framework of the Internal Audit Charter, that defines its responsibilities, authority, and scope of work within the Group. Aligned with the standards of the Institute of Internal Auditors' International Professional Practices Framework (IPPF), the Charter ensures that the IAD operates with rigor and adherence to global best practices. The BAC notes the revision of the Institute of Internal Auditors (IIA) GIAS, which comes into effect January 9, 2025. These revised standards aim to help organisations adapt to a changing risk landscape and improve their internal audit functions.

The IAD's audit processes are conducted according to established procedures, guidelines, and the Committee of Sponsoring Organizations of The Treadway Commission (COSO) Internal Control Integrated Framework. It employs a structured approach grounded in the following five components of COSO:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities

To uphold independence and objectivity, internal auditors declare annually that they are free from any relationships or conflicts of interest that could compromise their impartiality. Should a potential conflict arise after the annual declaration, internal auditors must promptly notify the Head of IAD and recuse themselves from any audit activities related to the identified conflict.

The IAD employs a risk-based approach to internal auditing, ensuring the Annual Audit Plan focuses on the Group's principal risks and critical areas aligned with its strategic objectives. The plan is developed using input from a variety of sources, including business strategies and objectives, the materiality and criticality of operations, the maturity of internal controls in auditable areas, and feedback from stakeholders. These stakeholders include the BAC, Senior Management, selected directors of PCG operating units (OPUs), joint venture (JV) companies and partners, external auditors, and the internal audit fraternity.

To ensure agility and relevance, the IAD continuously assesses emerging risks and identifies areas requiring audit attention. Any proposed changes to the Annual Audit Plan are submitted to the BAC for approval, ensuring alignment with the Group's evolving priorities. During the review year, the IAD executed audit engagements as outlined in the approved Annual Audit Plan and presented its findings and recommendations to the BAC. The list of audit engagements conducted during the year is as follows:

- 1 Audit on PETRONAS Chemicals Marketing (Labuan) Ltd. (PCML): Inventory Management
- 2 Audit on Sustainability: Social Impact Activities – Education, Environment and Community Well-Being & Development
- 3 Audit on Perstorp Holdings
- 4 Shareholder's Audit on LG PETRONAS Chemicals Malaysia Sdn. Bhd. (LGPC)
- 5 Shareholder's Audit on PRefChem
- 6 Audit on Da Vinci Group B.V. (DVG)
- 7 Audit on Cybersecurity – International Assets (Perstorp & DVG)
- 8 Audit on Integrity Management
- 9 Shareholder's Audit on Production and Maintenance of Acrylic Acid Plant at BASF PETRONAS Chemicals Sdn. Bhd. (BPC)
- 10 Audit on PT PCM Kimia Indonesia (PCMKI)
- 11 Audit on PETRONAS Chemicals LDPE Sdn. Bhd. and PETRONAS Chemicals Ammonia Sdn. Bhd. (PC LDPE and PC Ammonia)
- 12 Audit on Project Directorate Department and Project Management at PCG
- 13 Audit on Venture Management Department (VM)
- 14 Review on PCML Activities
- 15 Review on Claims for PETRONAS Chemicals Fertiliser Sabah Sdn. Bhd. (PC Fertiliser Sabah)

The IAD has embraced a data analytics-driven approach to auditing, leveraging advanced tools to enable auditors to execute systematic sampling strategies and perform audits across the Group's ecosystem and work processes. This approach focuses on key risk areas, enhancing both coverage and efficiency. Additionally, the IAD has integrated emerging technologies, such as Robotic Process Automation (RPA), as part of its audit approach, promoting increased efficiency and enabling systemic audit testing.

BOARD AUDIT COMMITTEE REPORT

Audit reports presented to the BAC provided comprehensive opinions on the adequacy and effectiveness of the Group's governance, risk management, and internal control. These reports also highlighted the root causes of audit findings, their implications, and proposed corrective actions for Management's consideration. Management took responsibility for implementing and ensuring the closure of agreed corrective actions within specified time frames. The status of these actions was monitored on a monthly basis until resolution, with IAD verification conducted prior to quarterly reporting to the BAC.

The Quality Assurance and Improvement Programme (QAIP) remained a cornerstone of the IAD's assessment, continuously evaluating the quality of audit processes. This programme incorporated both ongoing and periodic evaluations across all Internal Audit activities, focusing on efficiency, effectiveness, and identifying opportunities for improvement. The results and updates of QAIP are regularly reported to the BAC.

The IAD is well-resourced to execute its Approved Audit Plan, comprising a team of 18 internal auditors with diverse expertise in accounting, finance, plant operations, procurement, risk management, and commercial activities.

ICAEW/ACCA/MICPA: 4	Master's Degree: 3
Certified Internal Auditor: 2	COSO Certificate: 14
Certified Fraud Examiner: 1	ISC2: 6
ESG Certificate: 1	ABMS Certification: 1
Engineer's Certificate of Competency (Steam) DOSH: 2	Certified Environmental Professional in the Operation of Industrial Effluent Treatment System, DOE: 1

- Note:**
- Institute of Chartered Accountants in England and Wales (ICAEW)
 - Association of Chartered Certified Accountants (ACCA)
 - Malaysian Institute of Certified Public Accountants (MICPA)
 - Committee of Sponsoring Organizations of the Treadway Commission (COSO)
 - International Information System Security Certification Consortium (ISC2)
 - ESG Certificate: Internal Auditing for Sustainable Organizations by Institute of Internal Auditors
 - Anti-Bribery Management Systems (ABMS) Internal Assessor Certification by Standards and Industrial Research Institute of Malaysia (SIRIM)
 - Department of Occupational Safety and Health Malaysia – Ministry of Human Resource (DOSH)
 - Department of Environment – Ministry of Environment and Water (DOE)

BOARD AUDIT COMMITTEE REPORT

During the reviewed year, the IAD collaborated extensively with business line resources and subject matter experts from across the PETRONAS Group. These experts brought specialised knowledge in areas such as project delivery, cybersecurity, enterprise risk management, and health, safety, and environment (HSE). The IAD also worked closely with JV partners, actively participating in shareholders' audits for these respective entities, ensuring comprehensive oversight and alignment with governance standards.

The Group demonstrated its commitment to empowering internal auditors through continuous training focused on enhancing business acumen and auditing skills and aligning with industry best practices. These training initiatives, delivered by a combination of in-house experts and external accredited providers, often included professional certification opportunities. On-the-job learning remained a vital component, offering internal auditors practical platforms to develop and refine their capabilities and competencies.

To ensure a systematic approach to professional growth, an annual individual competency assessment was conducted for all internal auditors. This process identified specific learning and development needs and was fully integrated into PETRONAS' capability development programme for internal auditors. The assessment aligned with the core competencies outlined in the Internal Audit Competency Framework issued by the Institute of Internal Auditors.

In the financial year 2024, the total expenditure incurred by the Group's internal audit function amounted to RM8.7 million.

RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST SITUATIONS

During the year under review, the BAC conducted a comprehensive review of all RPTs, RRPTs, and instances of COI in accordance with PCG Guideline and Procedures on RPTs and COI situations. This framework outlines the principles and procedures governing such activities across the PCG Group, ensuring strict compliance with the MMLR and other relevant legal and regulatory obligations.

The BAC is satisfied that the Guideline provides a robust framework for identifying, monitoring, and tracking all RPTs and RRPTs in an organised and timely manner. This ensures that transactions are conducted in the best interests of the Group, upholding principles of fairness, reasonableness, and adherence to normal commercial terms, while protecting the interests of minority shareholders. In keeping with its oversight role, the BAC has periodically reviewed RPTs across the Group and remains committed to revisiting procedures and processes as recommended by Management to address evolving needs.

The BAC's TOR requires the Committee to review and address any RPTs and COI situations including perceived, potential and actual COIs that may arise within the Group and the Company. This includes examining any transactions, procedures, or courses of conduct that could raise questions about Management's integrity and the measures proposed to resolve, eliminate, or mitigate such conflicts. The scope of the review encompasses conflicts involving Directors and key management personnel across the Group.

The BAC's TOR can be accessed on the Company's corporate website: <https://www.petronas.com/pcg/about-us/governance>.

Review of Conflict of Interest

The following sets out parameters for situations that may lead to a COI, based on the Guidelines and Procedures of RPTs and COI situations:

- 1 If the Director holds an interest in a business that competes or is likely to compete, either directly or indirectly, with the business of PCG Group;
- 2 In cases where there is no competing interest in the business, but the Director receives commission or fees due to providing consultancy or advisory services to the transacting party having business with PCG Group;
- 3 When the Director is involved in or has an interest in business transactions concerning goods or services, either directly or indirectly, with PCG Group;
- 4 If the Director provides or receives financial assistance from PCG Group.

During the year, the BAC conducted a thorough review and assessment of a potential COI situation associated with the proposed appointment of a new Non-Independent Non-Executive Director (NINED) to the Board and agreed on the recommended measures to mitigate any potential COI that may arise in view of his current role and directorships within PETRONAS Group.

The BAC reviewed the annual declaration of interest of the Board of Directors and Key Senior Management to assess the actual or potential COI situation that may arise within the Group and the Company in February 2025.

There were no COI or potential COI reported during the year in relation to the personal direct/indirect interest of any competing business with the Group and the Company save for disclosure made on page 81.

BOARD AUDIT COMMITTEE REPORT

The BAC agreed on the proposed mitigation measures and that the transactions were deemed to have occurred within the normal course of business of the Group and the Company.

These reviews align with the enhancements to the MMLR regarding COI, Section 221 of the CA 2016, as well as the Company's Guideline and Procedures on RPTs and COI situations, reinforcing the Group's commitment to governance, transparency, and fairness in managing COI.

Related Party Transactions

As part of the integrated oil and gas value chain of the PETRONAS Group, PCG conducts transactions essential to its operations, including the supply of raw materials. Given the integrated nature of PCG's business within the PETRONAS Group, the Company has secured a waiver from the requirements of Paragraph 10.09 of the MMLR. This waiver enhances operational efficiency by exempting PCG from the need to obtain shareholder approval for transactions involving certain goods, services, and facilities that are integral to the PETRONAS Group's integrated operations.

Transacting Parties	Nature of transactions	For Year Ended 31 December 2024 RM'000
PCG and PETRONAS & its subsidiaries (PETRONAS Group)	INTEGRATED OPERATIONS OF OUR GROUP	
	i. Supply of fuel and feedstock (such as ethane, propane, butane, dry gas, naphtha, natural gas) by PETRONAS Group	8,513,580
	ii. Supply of utilities, electricity and water by PETRONAS Group	287,299
	iii. Upgrading and pipeline works on the Labuan Gas Terminal by PETRONAS Chemicals Methanol Sdn. Bhd.	Nil
	iv. Grant to PETRONAS Group for the right of usage of facilities and passage of commodities to facilitate the receipt and distribution of petrochemicals and related products	13,479
	v. Provision of operating and maintenance services by PETRONAS Group	10,574
	vi. Purchase of marine diesel oil from PETRONAS Group	5,757
	SERVICES RENDERED WITHIN THE PETRONAS GROUP	
	vii. Provision of vessel screening services by PETRONAS Maritime Services Sdn. Bhd.	1,040
	viii. Provision of freight, transportation and warehousing services by MISC Berhad and its subsidiaries (MISC Group)	Nil
	OTHERS	
	ix. Sales of petrochemical products and other related products to PETRONAS Group	1,462,688
x. Supply of products from Pengerang Refining Company Sdn. Bhd. (PRC) to PCG	1,543,086	
xi. Supply of products by PCG to PRC	Nil	
xii. Terminal Usage Agreements between PCG Group with Pengerang Terminals (Two) Sdn. Bhd.	Nil	

The BAC is confident that, during the review year, all RPTs/RRPTs were fairly concluded at prevailing market rates/prices, conducted at arm's length, and adhered to normal commercial terms, applicable industry norms, without detriment to the Group and the Company and its minority shareholders. Quarterly reporting to the BAC ensured ongoing oversight of these transactions.

BAC EFFECTIVENESS REVIEW AND PERFORMANCE

The Board concurred that the BAC provides a comprehensive oversight in reviewing financial and audit matters, as reflected in the annual Board Effectiveness Evaluation result during the year. This oversight contributed to the overall effectiveness of the decision-making process by the Board for the Group and the Company. The Board is satisfied that the BAC has discharged its functions, duties and responsibilities in accordance with the BAC TOR. Full details of the evaluation and the outcomes can be found on page 97.

REPORTING TO THE EXCHANGE

For the year under review, the BAC is of the view that the Company is in compliance with the MMLR and as such, the reporting to Bursa Malaysia under Paragraph 15.16 of the MMLR is not required.

YEOH SIEW MING

Chairperson, Board Audit Committee

BOARD SUSTAINABILITY AND RISK COMMITTEE REPORT

The Committee diligently monitors and oversees the Group's strategic and high-impact business matters, sustainability, risk management practices and integrity management implementation to ensure they align with regulatory guidelines and compliance requirements.



Warren William Wilder
Chairman

Roles	Composition	Terms of Reference
Page 92 https://www.petronas.com/pcg/about-us/governance		

Chairman	
Warren William Wilder Independent Non-Executive Director	4/4 100%
Members	
Yeoh Siew Ming Senior Independent Non-Executive Director	4/4 100%
Dr. Zafar Abdulmajid Momin Independent Non-Executive Director	4/4 100%
Datin Seri Sunita Mei-Lin Rajakumar Independent Non-Executive Director	4/4 100%

HOW THE COMMITTEE OPERATES

During the year under review, the Board Sustainability and Risk Committee (BSRC) convened four meetings, with the Company Secretary providing dedicated support as the Committee's secretary. Attendees included the MD/CEO, Chief Financial Officer, Chief Sustainability Officer (CSO), and Head of Risk Management Department (RMD), who provided detailed insights, advice and pertinent information to facilitate informed discussions.

The CSO presented regular updates on the progress and execution of the Group's Sustainability Agenda, while the Head of RMD reported on risk management activities, including updates on risk monitoring and the corporate risk profile. For business proposals with significant strategic or sustainability implications, the BSRC received comprehensive risk assessments, addressing aspects such as carbon emissions and other sustainability metrics.

The PETRONAS Group Chief Integrity Officer (CIO) has been appointed as the Company's CIO in February 2024. The CIO updates the BSRC on integrity management status in line with the Committee's role in overseeing the Group's integrity management.

Members accessed meeting agendas and papers through a secure digital platform, made available at least five business days prior to each meeting, ensuring sufficient time for preparation and review. Minutes from these sessions were formally approved during subsequent BSRC meetings and later submitted to the Board for notation, ensuring a transparent and documented decision-making process.

BSRC'S ACTIVITIES 2024

The following activities were carried out in 2024:

- 1 Reviewed the PCG Sustainability Performance for each quarter
- 2 Reviewed the Corporate Risk Profile (CRP) and Monitoring Update for each quarter
- 3 Reviewed the Corporate Risk Appetite Monitoring Update for each quarter
- 4 Reviewed the BSRC Report and SORMIC for inclusion in the 2023 Integrated Report
- 5 Reviewed Business Continuity Management Update FY2023
- 6 Assumed integrity oversight function
- 7 Reviewed the strategic and high-impact business matters, including growth and sustainability projects as well as project financing
- 8 Reviewed the revised HSE Policy and the adoption of PETRONAS Human Rights Policy
- 9 Integrity Management Review
- 10 Reviewed the misconduct cases within PCG Group and its joint venture companies
- 11 Reviewed the BSRC TOR to enhance governance in risk management, sustainability, and integrity oversight

BOARD SUSTAINABILITY AND RISK COMMITTEE REPORT

1. GOVERNANCE

The BSRC TOR was reviewed and approved by the Board in November 2024 to enhance governance in risk management, sustainability and inclusion of integrity oversight function to be carried out by BSRC.

Key updates to TOR are as follows:

Inclusion of Integrity Oversight:

The BSRC is now tasked with overseeing integrity-related matters, consolidating this function within the committee to strengthen governance.

Sustainability and Climate-Related Governance:

The BSRC's role now includes oversight of the management and mitigation of sustainability and climate-related risks and opportunities, as well as reviewing related performance to strengthen oversight mechanisms, focusing on risk mitigation, capturing opportunities in decision-making, and setting, monitoring, and controlling sustainability-related targets.

External Assurance and Disclosure:

The BSRC is responsible for overseeing independent assurance processes and external disclosures on sustainability and climate-related matters to uphold transparency and accountability.

2. SUSTAINABILITY

During the year under review, the Group engaged in comprehensive discussions and decisions encompassing various key sustainability and governance areas. These deliberations included an extensive review of PCG's sustainability performance indicators, focusing on metrics such as energy intensity, greenhouse gas (GHG) emissions, GHG reduction, air emissions, freshwater withdrawal, wastewater discharge, hazardous waste management, corporate social responsibility initiatives, human rights, and talent development.

The Committee also reviewed the progress of sustainability projects and conducted carbon footprint assessments (CFA) for current projects at both the basic engineering design stage and post-Final Investment Decision (FID) phases, ensuring alignment with our net zero goals.

Key updates were incorporated into the PCG Sustainability Report 2023. Enhancements included a Board Responsibility Statement, improved reporting content, adoption of the Taskforce on Climate-related Financial Disclosures (TCFD) framework and recommendations, external limited assurance for non-financial indicators, alignment with IFRS S1 and S2 standards, and a comprehensive review and update of material matters to reflect evolving priorities.

Additionally, the BSRC endorsed the adoption of the PETRONAS Human Rights Policy as the Company's policy, reinforcing PCG's commitment to advancing human rights management through a systematic and consistent risk management approach.

3. CORPORATE RISK PROFILE

During the year under review, the PCG CRP underwent a comprehensive assessment and received endorsement for Board approval. Following this, the BSRC conducted quarterly evaluations to review the adequacy and effectiveness of risk mitigations and key risk indicators. The Committee identified and endorsed 11 principal risks for Board consideration, with eight classified as critical risks requiring continued monitoring and strategic attention.

Key decisions endorsed by the Committee included:

Integration of Sustainability Risk:

The approach to managing sustainability risks was refined to incorporate critical elements such as Climate Change, Circular Economy, Nature & Environment, and Human Rights. Dedicated mitigation strategies were tailored to address each of these areas, ensuring alignment with PCG's materiality matters. These efforts underscore the Group's commitment to embedding sustainability considerations within business operations, enhancing the resilience and effectiveness of risk management.

Elevation of Plant Operation Risk as a High risk:

Recognising the increasing challenges in plant operations, which include equipment reliability issues and disruptions in feedstock and utility supply leading to plant slowdowns and shutdowns, the Committee elevated Plant Operational Risks to a high risk compared to medium risk last year. This decision reflects the need for prioritised attention to mitigate these risks through targeted measures aimed at ensuring operational reliability, minimising downtime, maximising plant utilisation, and meeting production targets while optimising costs.

4. EMERGING RISKS

The Group actively undertakes a comprehensive assessment of emerging risks that may impact its ability to achieve business objectives. This assessment considers both internal and external factors, including environmental shifts, geopolitical tensions, socio-economic developments, and technological advancements. After careful evaluation, these risks are analysed for potential inclusion in the PCG CRP to ensure they are effectively managed and addressed.

Throughout the year, the BSRC demonstrated its commitment to robust risk oversight, aligning its deliberations with the principles outlined in the Statement on Risk Management and Internal Control (SORMIC). In August 2024, the BSRC reviewed and formally endorsed three emerging risks for presentation to the Board, recognising their potential to significantly influence the Group's strategic direction:

Environmental Risk – Decarbonisation:

The global shift towards a low-carbon and circular economy presents complex challenges. Disorderly transitions could require significant changes to the business and operations, requiring strategic alignment to manage these risks effectively.

Technological Risk – Digital Transformation:

The rapid growth of Artificial Intelligence (AI) technologies offers unprecedented opportunities. However, failing to capitalise on these advancements amidst ongoing digitalisation efforts could result in significant opportunity loss and diminished competitiveness.

Geopolitical Risk – Global Instability:

Persistent geopolitical uncertainties remain a significant concern, with the potential to undermine the sustainability and resilience of the Group's operations.

The integration of these emerging risks into the BSRC's deliberations reflects the Group's proactive approach to risk management. By addressing these challenges within its strategic framework, PCG ensures resilience and readiness to adapt to an evolving risk landscape as well as safeguarding long-term business sustainability.

BOARD SUSTAINABILITY AND RISK COMMITTEE REPORT

5. RISK APPETITE

Risk management within the Group is reinforced through the implementation of clearly defined risk appetite statements, tolerances, and thresholds across Operational, Financial, Reputation, and Compliance domains. These measures establish a robust foundation for aligning risk-taking activities with the Group's strategic ambitions.

During the year under review, the BSRC endorsed enhanced risk thresholds for Project Delivery under the Operational focus area, focusing on Project Schedule and Cost for growth and sustainability projects. These enhancements aim to provide clearer insights, enabling timely discussions and early interventions when needed.

To ensure adherence to the established parameters, the BSRC undertakes quarterly reviews to monitor for any breaches of the defined thresholds. This diligent oversight ensures that risks are effectively managed and aligned with the Group's strategic objectives, reinforcing a commitment to sound governance and proactive risk management practices.

In FY2024, a range of integrity and governance programmes were implemented across the Group, including:

Focused Integrity Engagements:

Tailored events targeting specific focus groups with content designed to address relevant integrity concerns.

Leadership-Driven Tone from the Top:

Senior leaders actively championed integrity discussions to reinforce the organisational commitment to ethical practices.

Collaborative Implementation Efforts:

Initiatives were executed in partnership with Integrity Focal (IF) across the group, Group Integrity, Group Legal, and Group Human Resource Management to ensure alignment and consistency.

Adoption of PETRONAS Integrity Management System (PIMS):

PCG formally adopted the PIMS framework to institutionalise integrity practices across operations.

6. HIGH IMPACT BUSINESS MATTERS

Throughout the financial year 2024, the BSRC carefully reviewed and assessed risks linked to strategic and high-impact business initiatives. This encompassed growth and sustainability projects, project financing, and joint venture arrangements. The Committee's evaluations were focused on determining the feasibility and commercial viability of these proposals, ensuring alignment with the Group's long-term objectives and risk appetite.

Over the period, the BSRC deliberated on 15 significant business proposals. Notable among these were the Advanced Chemical Recycling Plant, the Maleic Anhydride (MAN) Plant, and various specialty chemical projects. Each assessment was conducted with a view to identifying opportunities while addressing associated risks.

7. CRISIS AND BUSINESS CONTINUITY IMPLEMENTATION

Reviewed PCG's holistic risk management framework, with a focused evaluation of three critical components: Enterprise Risk Management, Crisis Management, and Business Continuity Management. This integrated approach ensures a cohesive strategy to anticipate, mitigate, and respond to potential risks, safeguarding the Group's operations and objectives.

8. INTEGRITY

The PETRONAS Integrity Governance Unit (IGU) operates under Group Integrity. The PETRONAS Group Chief Integrity Officer (CIO) was appointed as the Company's CIO in February 2024.

The IGU was established with the objective of fostering a workplace culture rooted in strong morals and ethics among employees. Its mission is to combat corruption, abuse of power, and malpractice through its four core functions: detection and verification, integrity strengthening, complaint management, and governance. Since May 2024, the BSRC was updated on integrity report by the CIO on a quarterly basis save for November 2024 in view that there was no material update.

9. MISCONDUCT CASES

The Board approved Integrity Management oversight function to be carried out by the BSRC in February 2024 and thus, the BSRC will be overseeing Integrity Management implementation and its compliance. This role includes supporting the implementation and ensuring compliance with the Group's integrity management practices.

In line with the above, the BSRC reviewed the Misconduct Cases Report from Q3 2024 onwards.

ANNUAL REPORTING

The BSRC conducted a thorough review of the BSRC Report and the SORMIC for the financial year ended 31 December 2024. This evaluation ensured that both documents were prepared in compliance with the requirements and guidelines set forth under the MMLR of Bursa Malaysia.

BSRC EFFECTIVENESS REVIEW AND PERFORMANCE

For the year under review, the Board assessed the performance of the BSRC through an annual Board Effectiveness Evaluation. The Board believes that the BSRC has effectively performed its duties and functions during the year, thus providing valuable contribution to the Board in deliberating strategic and high business impact proposals. The Board is satisfied that the BSRC has effectively discharged its functions, duties and responsibilities in accordance with the BSRC Terms of Reference. Full details of the evaluation and the outcomes can be found on page 97.

WARREN WILLIAM WILDER

Chairman, Board Sustainability and Risk Committee

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors recognises its responsibility for maintaining a sound system of risk management and internal control. In compliance with paragraph 15.26(b) of Bursa Malaysia's Main Market Listing Requirements (MMLR), this statement outlines the Group's key risk management and internal control frameworks as implemented during the reporting period. This disclosure provides an overview of the measures in place to safeguard the interests of stakeholders and ensure the integrity of the Group's operations.

The key elements of PCG's risk management framework and internal control systems are detailed below:

BOARD ACCOUNTABILITY

The Board recognises that robust risk management practices and an effective internal control system are integral to sound corporate governance. These measures are critical for safeguarding shareholders' investments, protecting the Group's assets, and fostering sustainable value creation. The Board takes full responsibility for overseeing and regularly reviewing the adequacy and effectiveness of the Group's risk management and internal control systems.

To support this commitment, the Group has established a structured process for identifying, evaluating, managing, and monitoring principal risks that could materially impact the achievement of its corporate objectives. This framework ensures a systematic approach to risk management, enabling the Group to address potential challenges proactively. Through ongoing oversight, the Board ensures that these practices are effectively implemented and remain aligned with the Group's strategic objectives.

MANAGEMENT RESPONSIBILITY

The Board entrusts Management with the responsibility for implementing the Group's risk management and internal control systems. This includes formulating and endorsing risk management policy, frameworks, and guidelines, ensuring their seamless integration across the organisation.

As part of its oversight, Management conducts quarterly reviews of the Group's risk profile, identifying key risks and recommending appropriate mitigation measures. It also ensures clear accountability at all levels, fostering a culture of proactive risk management. Additionally, Management is responsible for the efficient allocation of resources to support the Group's risk management efforts.

RISK GOVERNANCE AND OVERSIGHT

The Group's risk oversight structure ensures the seamless flow of risk information, enabling effective risk management at all levels through clearly defined roles and responsibilities, as detailed below:

RISK OVERSIGHT STRUCTURE

BOARD OF DIRECTORS

Responsible for the overall effective oversight of PCG Group's risk management to safeguard PCG's assets, reputation and deliver sustainable shareholders' value

Board Committee Level

BOARD SUSTAINABILITY AND RISK COMMITTEE (BSRC)

- Responsible for guidance and oversight on Sustainability, Risk Management and Integrity Management
- Review and endorse the Group's risk profile and risk appetite
- Review of the Group's Integrity Management and anti-corruption plan, implementation and effectiveness
- Review the Group's sustainability agenda, commitment, strategy and goals, the risk as well as opportunities
- Deliberate risk assessment for high impact business matters

Management Level

SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE (SRMC)

- Responsible for ensuring the adequacy and effectiveness of sustainability, risk management and integrity management systems and its implementation
- Deliberate and recommend sustainability and risk performances to be reported and escalated to the BSRC and Board

Operational Level

MANUFACTURING

Responsible to oversee risk management for manufacturing

COMMERCIAL

Responsible to oversee risk management for commercial

SPECIALTY CHEMICALS

Responsible to oversee risk management for specialty chemicals

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board, with the support of the Board Sustainability and Risk Committee (BSRC), oversees the Group's risk management frameworks and practices. Together, they establish the "tone from the top," driving the effective implementation of risk management and fostering a strong risk culture across the Group.

R The key activities of the Board and BSRC are set out in the Corporate Governance Overview Statement on pages 88 to 107 and Board Sustainability and Risk Committee Report on pages 118 to 120.

The SRMC, chaired by the MD/CEO, is accountable to the BSRC and Board for ensuring the effective implementation of the Group's risk management and internal control systems. The SRMC undertakes a comprehensive review and deliberation of key areas, including PCG's risk profile, risk appetite, sustainability-related matters, integrity management, crisis and business continuity management and risk assurance activities. Based on these deliberations, the SRMC recommends further actions or interventions to enhance the Group's risk management practices and ensure alignment with strategic objectives.

The Risk Management Department (RMD), led by the Head of RMD is responsible for embedding robust risk management practices and fostering a risk-aware culture across the organisation. This includes developing and implementing risk policy, frameworks and guidelines that adhere to good corporate governance. As secretary to the SRMC, the Head of RMD provides quarterly updates on the implementation of the Group's risk management, ensuring transparency and accountability in risk oversight.

The RMD comprises staff with diverse background and expertise in Accounting, Finance, Engineering, Business Administration, Management, Marketing, Sustainability, Supply Chain, Procurement, and IT. RMD staff are trained and certified by the Institute of Enterprise Risk Practitioners (IERP) as Enterprise Risk Manager, Enterprise Risk Advisor, Sustainability Risk Manager and Qualified Risk Auditor. They also hold Certified Integrity Officer (CeIO) qualifications from the Malaysian Anti-Corruption Academy (MACA). This multidisciplinary team is crucial for an effective and comprehensive approach to risk management. The competencies of RMD staff are assessed through practical experience and formal assessments, in accordance with the PETRONAS Risk Capability Framework.

Supporting this structure, the Group's risk management implementation is underpinned by the 3 Lines of Defence Model. This model clearly delineates roles and responsibilities, ensuring an integrated and effective approach to managing risks at all levels of the organisation.

Three Lines of Defence

FIRST LINE OF DEFENCE

BUSINESS LINE (RISK OWNER)

Own and manage risks directly within respective area. Conduct self-assessment and corrective action

SECOND LINE OF DEFENCE

RISK MANAGEMENT AND RESPECTIVE SMEs FROM RISK FOCUS AREAS

Implement and review risk management and internal control systems for reporting to the Management and the Board as well as attest on compliance with internal controls

THIRD LINE OF DEFENCE

INTERNAL AND EXTERNAL AUDIT

Provide independent and objective assurance on the overall adequacy, integrity and effectiveness of risk management and internal control systems

RISK POLICY

PCG Risk Policy outlines the Group's commitment to effective risk management by driving best practices and integrating risk-based decision-making into strategic and operational processes, safeguarding and creating value while enhancing resilience and adaptability. The policy also addresses responsibility, fostering a culture of risk awareness and ownership at all levels.

PCG GROUP IS COMMITTED TO BECOME A RISK RESILIENT ORGANISATION

PCG Group shall continuously strive to implement:

- Risk management best practices to protect and create value within the set boundaries
- Risk based decision making by providing a balanced and holistic view of exposure to achieve business objectives

Managing risk is everyone's responsibility

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

PETRONAS RESILIENCY MODEL

PCG adopted the PETRONAS Resiliency Model (PRM) as the foundation for risk management. The model focuses on three pillars: Enterprise Risk Management (ERM), Crisis Management (CM), and Business Continuity Management (BCM). Together, they provide a structured and integrated framework for managing risks, addressing crises, and ensuring business continuity across the organisation, as shown in the diagram below.



We have continued to strengthen our risk management practices, demonstrating our commitment to becoming a risk-resilient organisation. These efforts are supported by well-established risk management frameworks and comprehensive guidelines that govern and guide practices across the Group.

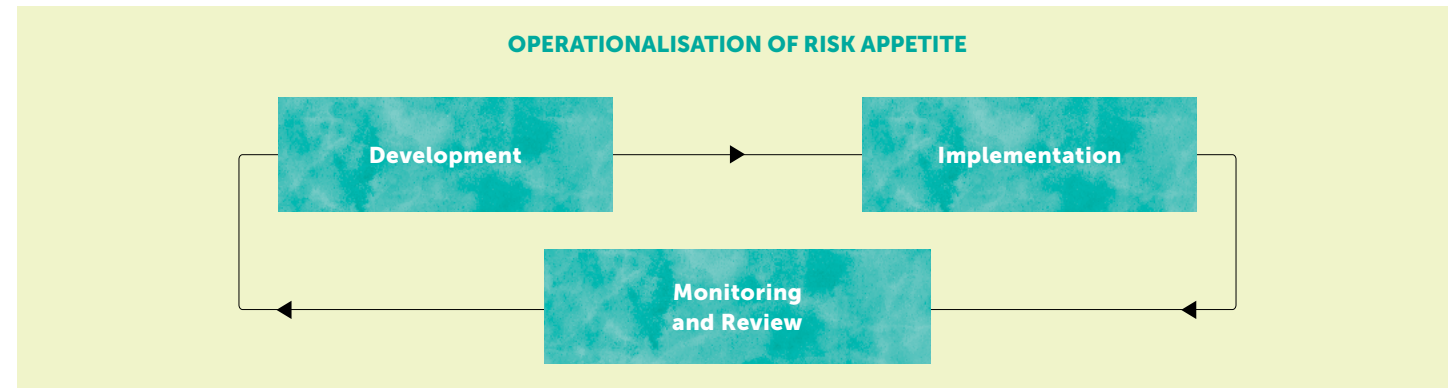
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ENTERPRISE RISK MANAGEMENT

Our ERM Framework, together with its supporting guidelines, is broadly aligned with the principles and guidelines of ISO 31000:2009. It establishes a standardised and consistent approach for identifying, assessing, treating, monitoring, and reviewing risks that may affect PCG's business objectives and targets.

RISK APPETITE

Risk appetite defines the amount and types of risks PCG is willing to accept in pursuit of strategic and business objectives, and the PCG Risk Appetite is established and implemented through the following guiding principles:

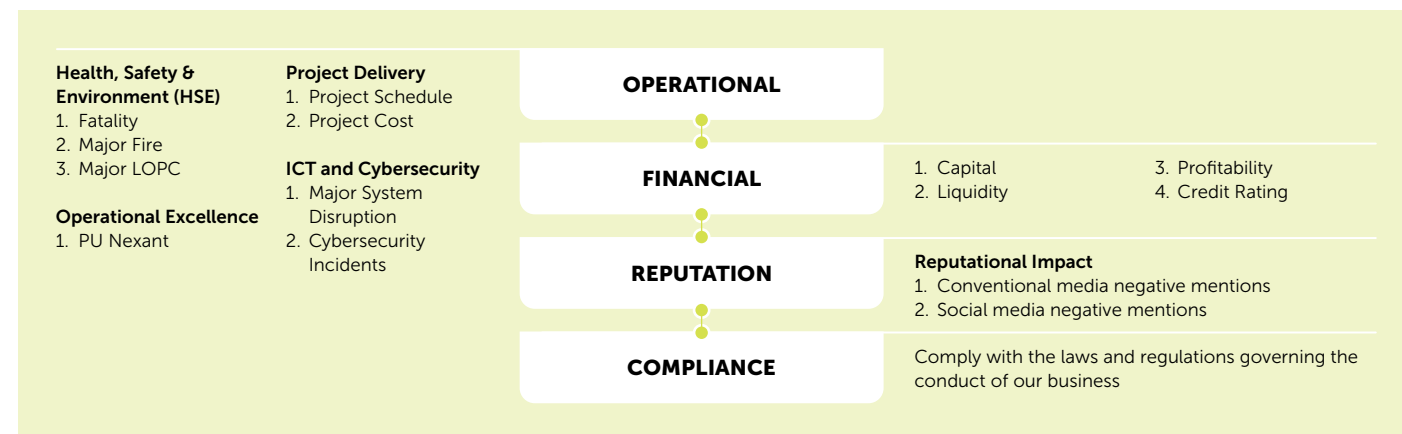


a. Development

PCG's Risk Appetite has been designed in alignment with the Group's business strategies, with four key Risk Appetite Focus Areas identified for close monitoring and control.

To ensure risks undertaken in achieving business objectives remain within acceptable levels, the Risk Appetite Statement, Risk Tolerance, and Risk Thresholds have been clearly defined. During the year under review, the risk thresholds related to Project Delivery were revised and updated, with particular emphasis on Project Schedule and Cost. These enhancements aim to provide meaningful insights, enabling timely discussions and the activation of early intervention strategies when required.

PCG Risk Appetite Focus Areas are as follows:



b. Implementation

To ensure clear accountability, the roles and responsibilities of all parties involved in the implementation of the Risk Appetite have been clearly defined. The Risk Appetite is communicated to the respective risk owners to promote a thorough understanding and ensure strict adherence to its principles. Furthermore, the Risk Appetite is embedded in risk assessment discussions to guide decision-making and maintain alignment with the Group's strategic objectives.

c. Monitoring and Review

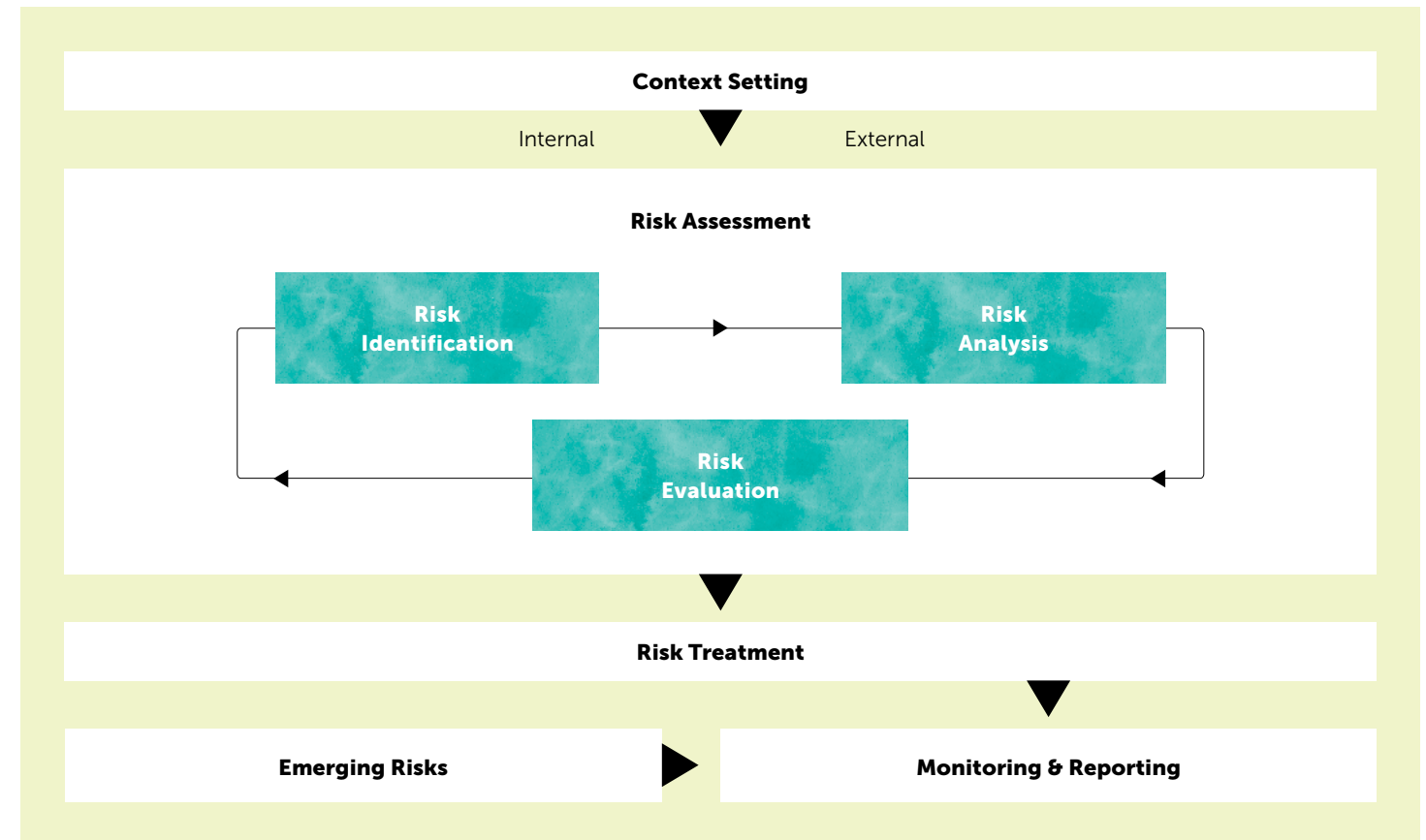
Effective monitoring and review processes are essential to ensure that PCG operates within its defined Risk Appetite. A systematic approach to monitoring and reporting has been established, enabling the timely escalation of any breaches of the Risk Thresholds to the relevant risk owner, Management, and, where necessary, the Board. This ensures prompt deliberation and facilitates the implementation of appropriate actions or decisions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CORPORATE RISK PROFILE

The Corporate Risk Profile (CRP) is developed in accordance with the Enterprise Risk Management Process Guideline (ERMPG). To address the dynamic and evolving business environment, the CRP is reviewed on a quarterly basis. This proactive approach enables the Group to navigate uncertainties effectively, drawing on insights from both internal and external sources. Inputs include key business focus areas, materiality assessments, previous risk profiles, emerging risks scanning, industry risk reports, audit findings, and feedback from stakeholders and Management.

Our structured risk profiling process is set out below:



The status of PCG's CRP, including Key Risk Indicators (KRIs) and mitigation plans for principal risks, are reviewed and deliberated during quarterly meetings of the SRMC, BSRC and the Board. Each principal risk is assigned to a dedicated risk owner who is accountable for implementing control measures, monitoring and tracking KRIs, and identifying and executing mitigation strategies. These risks and their corresponding mitigation measures are communicated promptly to line management to ensure awareness and alignment across all levels.

PCG continuously monitors its operating and external environments to identify emerging risks. Such risks are discussed by both Management and the Board. Where an emerging risk is assessed to pose a significant threat, it is formally incorporated into the CRP for ongoing assessment and monitoring.

Since its establishment, the Risk International Database (RID) has been regularly reviewed and updated. This database serves as a comprehensive tool for documenting, assessing, and monitoring geopolitical developments in various regions that may impact PCG's business operations. It provides critical insights to support informed decision-making for current activities and plays a key role in shaping strategic planning for future growth and expansion.

R For more information on PCG's principal risks, please refer to Risk Overview on pages 66 to 73.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

To support the implementation of risk management at the operational level, PCG adopts a structured approach using PETRONAS' risk assessment methodologies and tools. These tools ensure systematic identification, assessment, and mitigation of risks across various areas, aligning with regulatory requirements and industry best practices. The key approaches include:

Corruption Risk Assessment	Ensures a systematic process to identify, assess, and mitigate risks related to bribery and corruption within the Group, in compliance with the Prime Minister's Department Guidelines on Adequate Procedures
PETRONAS Health Safety Environment Management System (HSEMS)	Manages health, safety, and environment (HSE) risks to ensure operations comply with HSE regulatory requirements and adhere to industry best practices
Social Risk Assessment	Identifies, assesses, and mitigates any existing or potential human rights impacts on communities, partners, and stakeholders resulting from business activities
Environmental Impact Assessment (EIA)	Evaluates the potential environmental impacts of PCG projects or developments and ensures compliance with regulatory requirements through the development of mitigation plans
Carbon Footprint Assessment (CFA)	Identifies and assesses greenhouse gas (GHG) emissions from PCG's existing manufacturing facilities and future growth projects. This process provides recommendations and identifies opportunities for reducing the carbon footprint
Climate Risk Assessment	Identifies and evaluates climate-related risks, including physical risks e.g., extreme weather events, rising sea levels and transition risks e.g., policy changes, market shifts. This process quantifies financial impacts, provides strategic recommendations, and identifies opportunities to enhance resilience and adapt to a low-carbon economy
Water Risk Assessment	Identifies and evaluates water-related risks that may impact our business, including risks from freshwater dependency and wastewater discharge. The process prioritises assets, identifies risks, and develops targeted action plans to mitigate impacts and ensure business continuity
Project Risk Assessment (PRA)	Systematically addresses risks associated with projects in line with the requirements of the PETRONAS Project Management System (PPMS)
Turnaround Risk Assessment (TaRA)	Identifies and mitigates risks specific to turnaround activities, ensuring seamless execution
Contractor Risk Assessment (CoRA)	Evaluates critical risks related to contractor performance during the procurement process, ensuring risks are mitigated prior to contractor selection
Counterparty Risk Assessment	Focuses on credit and performance risks, in alignment with PCG's Financial Policy and PETRONAS Credit Guidelines. Each counterparty is assigned credit ratings to facilitate informed business decision-making
Supplier Risk Assessment	Evaluates risks related to supplier performance, with each supplier assigned risk ratings to support business decision-making

RISK IN DECISION MAKING

A risk assessment is mandatory for all Board decision papers, ensuring that decision-makers are fully informed, understand the levels of risk to accept and implement appropriate mitigation measures. As the Group continues to expand capacity and diversify its business portfolio, the importance of comprehensive risk assessments has grown significantly, particularly in evaluating strategic planning, business opportunities and project execution to ensure the achievement of desired returns. During the year under review, the BSRC reviewed and deliberated on the risks associated to the decision papers and their proposed mitigations before seeking final approval from the Board. The status of these mitigations is monitored and reported to the Sustainability and Risk Management Committee (SRMC) to ensure they are implemented as intended.

CRISIS MANAGEMENT

Given the nature of its business operations, PCG is exposed to potential events of varying severity. To address these challenges, PCG has developed a Crisis Management Framework (CMF) to provide structured guidance across the Group. The CMF establishes a comprehensive approach to managing crises and outlines effective response mechanisms to mitigate their impact.

A comprehensive Crisis Management Plan (CMP) has been established to provide strategic support in managing crises, including defining the roles and responsibilities of the Crisis Management Team (CMT). The CMP incorporates a three-tiered response system tailored to the severity of a crisis, ensuring clear delineation of response control and the necessary capabilities of emergency or crisis team members to safeguard people, the environment, assets and PCG's reputation.

Throughout the year, refresher training sessions were conducted for the CMT to reinforce their understanding of roles and responsibilities in managing crisis. In addition, testing and exercise was carried out to assess the CMT's response times to the Emergency Command Centre (ECC), evaluate collaboration among team members in developing solutions for simulated scenarios and review their approach to managing press conferences.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BUSINESS CONTINUITY MANAGEMENT

The Business Continuity Management (BCM) Framework and Guidelines have been established to ensure a systematic and consistent approach in managing prolonged business disruptions. This framework is designed to ensure the continuity of PCG's business operations, providing a structured methodology for maintaining resilience.

PCG has implemented a Business Continuity Plan (BCP) for Product Supply to address potential disruptions, including abrupt or prolonged outages, that could impact product delivery to customers. Additionally, a BCP for PETRONAS Twin Towers has been established to address scenarios such as workplace inaccessibility, failure of critical ICT systems and the prolonged unavailability of key personnel. Complementing these plans, Business Recovery Plans (BRPs) have been developed for the Group's plants and facilities, enabling the restoration of assets and processes to facilitate the resumption of normal operations following a crisis or incident.

During the year under review, PCG conducted a thorough review of the BCP for Product Supply, the BCP for PETRONAS Twin Towers, and the BRPs for its plants and facilities. This review ensured that these plans remain current and effective in mitigating potential business disruptions or crises. To validate the readiness of PCG and its Management team, as well as the robustness of these continuity plans, testing and exercises are conducted as required.

CONTINUAL IMPROVEMENT UNDER RISK MANAGEMENT FRAMEWORK

Fostering a strong risk management culture is fundamental to effective risk management. PCG engages its employees through continuous communication programmes to emphasise the importance of risk management in their roles. During the review period, the Group undertook a Risk Maturity Survey (RMS) involving PCG staff at the corporate office. The survey indicated that the overall risk maturity achieved the compliance level with opportunities identified to further enhance risk management practices and culture.

PCG implements risk assurance programmes in line with the annual risk assurance plan endorsed by SRMC. The progress of risk assurance, updates, findings and the implementation of corrective actions are tracked and reported to the SRMC on a quarterly basis. For associate and joint ventures companies, PCG facilitated multiple engagement sessions to share insights and guidance on implementing risk management practices. A baseline assessment was conducted to identify areas for improvement and to develop action items needed to strengthen risk management practices.

INTERNAL CONTROLS

Management is accountable to the Board for designing, implementing and maintaining the governance, risk management and internal control systems across the Group. The Board, supported by the Board Audit Committee (BAC), provides oversight of Management's actions and monitors the effectiveness of the controls in place to ensure they align with the Group's objectives.

The Group refers to the 17 principles outlined in the Committee of Sponsoring Organizations of The Treadway Commission (COSO) Internal Control Integrated Framework. These principles serve as a comprehensive roadmap for establishing and maintaining robust and effective internal controls, as illustrated below.

Control Environment	<ol style="list-style-type: none"> 1. Demonstrates a commitment to integrity and ethical values 2. Board of Directors demonstrates independence from the Management and exercises oversight of internal control performance 3. Establishes structures, reporting lines and appropriate authorities and responsibilities 4. Demonstrates commitment to attract, develop and retain competent workforce 5. Holds individuals accountable for their internal control responsibilities
Risk Assessment	<ol style="list-style-type: none"> 6. Specifies objectives with sufficient clarity for risk identification and assessment 7. Identifies and analyses risks relating to objectives for determining how the risks are to be managed 8. Evaluates and considers potential for fraud in assessing risks 9. Identifies and assesses changes that could significantly impact the system of internal control
Control Activities	<ol style="list-style-type: none"> 10. Selects and develops control activities to mitigate risks 11. Selects and develops control activities through technology 12. Deploys control activities through policies and procedures
Monitoring Activities	<ol style="list-style-type: none"> 13. Selects, develops, and performs ongoing and/or separate evaluations to ascertain the components of internal control are present and functioning 14. Evaluates and communicates internal control deficiencies in timely manner
Information & Communication	<ol style="list-style-type: none"> 15. Obtains or generates and uses relevant, quality information to support the functioning of internal control 16. Communicates internal control information internally 17. Communicates internal control information externally

The implementation and maintenance of governance, risk management and internal control within joint operations, associate and joint ventures companies are governed by respective established governing procedures. The Group safeguards its interests through its appointed representatives on the boards of these entities and PCG secondees who are actively involved in oversight activities. This commitment is further supported by regular reviews of management accounts and joint shareholders' audits.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Internal Audit

PCG's Internal Audit Department (IAD) maintains impartiality, objectivity and integrity to provide independent assurance and advisory services that enhance the Group's governance, risk management and internal control processes. The BAC provides oversight of IAD's planned and ongoing activities, focusing on audit priorities, scope, resource adequacy, capabilities, quality assurance and improvement programme. This structure reinforces the department's independence and objectivity, align with the Group's strategic priorities and ensures adherence to professional standards:

- IAD reports functionally to the BAC and administratively to the Group's MD/CEO.
- Its processes and activities are guided by an approved Internal Audit Charter, defining the department's purpose, authority, responsibilities, and limitations. The charter aligns with the International Professional Practices Framework (IPPF) and the 2024 Global Internal Audit Standards (GIAS) issued by the Institute of Internal Auditors (IIA), effective 9 January 2025.
- IAD leverages the internationally recognised COSO internal control framework, which provides guidance on internal control, enterprise risk management and governance, to ensure comprehensive evaluation of internal controls and effective risk management and mitigation.

IAD undertakes reviews of governance, risk management and internal controls for selected key activities and operations, guided by a risk-based audit plan approved annually by the BAC. This plan incorporates business strategies, key objectives, associated risks (including emerging risks) and stakeholder inputs, ensuring relevance and strategic alignment. Continuous risk sensing is conducted to ensure audit activities remain responsive to emerging risks and evolving enterprise strategies. The audit reports to the BAC include opinions on the adequacy and effectiveness of governance, risk management and internal controls, highlighting root causes, implications and recommended corrective actions. The status of audit activities and progress in resolving audit issues are reported to the BAC on a quarterly basis.

R The key activities of the internal audit function and audit competencies are set out in the BAC Report on pages 110 to 117.

Other Key Elements of Internal Control Systems

- Organisation Structure and Management Committee

The Group has established an organisational structure that is aligned with its business and operational requirements. This structure defines clear lines of responsibility, accountability and authority, enabling the effective implementation of the Group's strategies and the efficient management of day-to-day operations. The Company's Management Committee supports the MD/CEO in an advisory capacity, assisting in the execution of the Group's vision, strategies, and objectives. Additionally, various functional committees have been established across the Group to provide oversight, coordinate activities and operations, and ensure alignment with the organisation's overarching goals and objectives.

- Group Policies

The Group has established a suite of policies to govern its daily business operations, encompassing areas such as HSE, plant operations, human resource management and related party transactions. In addition, the Group adheres to the PCG Financial Policy, which provides a comprehensive framework for financial management activities, embedding the principles of financial risk management. This policy governs financial risk management practices across the Group, ensuring that financial risk exposures are systematically identified and managed. It also supports the adoption of efficient capital management practices.

- Whistleblowing Policy

The Group has implemented the PETRONAS Whistleblowing Policy, which provides a formal channel for employees and members of the public to report any instances of improper conduct in accordance with the procedures outlined in the Policy. The Policy ensures that whistleblowers are afforded confidentiality of identity, to the extent reasonably practicable, and protection against retaliation or adverse actions, provided the disclosure is made in good faith. Employees who report improper conduct internally are safeguarded from any detrimental actions, even if subsequent investigations determine that the whistleblower was mistaken regarding the facts, rules, or procedures involved. The PETRONAS Whistleblowing Committee oversees the whistleblowing process, ensuring that all reports are handled appropriately and in accordance with the Policy. The Whistleblowing Policy and its procedures are publicly accessible on the Company's corporate website at <https://www.petronas.com/pcg/about-us/governance>.

- Limits of Authority

The Group has implemented a comprehensive Limits of Authority (LOA), which establishes clear authorisation and decision-making limits to govern the business decision-making process, including matters reserved for the Board, ensuring clear accountability and consistency across the organisation. The LOA is reviewed every five years or as required to reflect changes in organisational structure and evolving business needs, ensuring its continued relevance and effectiveness in supporting decision-making processes. During the year, the LOA was revised to enhance process efficiency and to better align with current business requirements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- Anti-Bribery Management Systems (ABMS)

The Group maintains a zero-tolerance approach to bribery and corruption, guided by the PETRONAS Code of Conduct and Business Ethics (CoBE), Anti-Bribery and Corruption Manual, and PCG Integrity Management Systems. 19 PCG staff who attended the Certified Integrity Officer (CeIO) programme have been certified, with five attaining Exemplar Global certification. Regular integrity programmes are implemented across the Group, raising awareness of key topics such as corruption and corporate liability, further embedding a culture of ethical conduct. PCG achieved ISO 37001:2016 ABMS certification in February 2024 and for PETRONAS Chemicals Marketing (Labuan) Ltd. in December 2024, demonstrating its commitment to robust anti-bribery measures, including rigorous documentation and annual surveillance audits.

- Operating Procedures and Guidelines

The Group has established a comprehensive set of operating procedures and guidelines that govern its business and operational activities. These cover a broad range of areas, including business planning, capital expenditure, financial operations, performance reporting, HSE, plant operations, marketing and sales, procurement, supply and distribution, human resource management, corporate affairs, innovation and technology, and information systems. These procedures and guidelines provide a structured framework for day-to-day operations and serve as a reference for appropriate actions to be taken in specific circumstances. To ensure their continued relevance, applicability, and effectiveness, they are reviewed periodically or whenever changes occur in the work processes.

- Business Plan and Budget

The Group conducts an annual budgeting and forecasting exercise which encompasses the development of business strategies for the next five years and the establishment of key performance indicators (KPIs). These KPIs provide a benchmark for measuring the overall performance of the Group, as well as the performance of individual business segments and companies within the Group. Detailed operating and capital expenditure plans are prepared and submitted to the Board for approval prior to the start of each financial year. The Group's performance is monitored internally on a monthly basis and reported to the Management Committee. Quarterly performance updates are presented to the Board, including comparisons against approved plans and prior periods. The Group's strategic direction is subject to continuous review through a rigorous assessment process that considers evolving market conditions and significant business risks.

- Information and Communications Technology

The Group continues to expand its adoption of digital intelligence technologies, leveraging analytics, Artificial Intelligence (AI), Internet of Things (IoT), and robotics. These advancements enhance workflow automation, operational efficiency, reliability, productivity, and data-driven decision-making. This strategic approach not only supports business growth but also strengthens data management practices and cyber resilience across the organisation. The Group's cybersecurity standards and practices are aligned with the PETRONAS Enterprise Cyber Security Governance Framework (ECSGF), which provides comprehensive guidance for mitigating cyber risks, threats and attacks on data and systems. To reinforce cybersecurity awareness, the Group conducts continuous education initiatives on social engineering threats, including email phishing, vishing, smishing, and the misuse of AI-generated deepfake videos designed to compromise company and personal data.

- Management System

PCG has implemented the Operational Excellence Management Systems (OEMS), an integrated management systems designed to capture and apply collective best practices and experiences, encompassing documentation, people and self-assurance structure to ensure consistent success in operational activities. The document structure follows a four-level hierarchy with a top-down approach, encompassing policies, requirements, procedures, and records. These documents are readily accessible to users, ensuring clarity and standardisation across all levels of the organisation. The people's structure clearly defines the roles and responsibilities, ensuring a robust OEMS framework and fostering seamless collaboration among stakeholders at various levels. The self-assurance structure, adopting a bottom-up approach, empowers individuals to conduct self-checks and escalate issues requiring higher-level intervention. This ensures that operational challenges are promptly addressed and resolved. OEMS incorporates an annual Plan-Do-Check-Act cycle, including the Management System Review (MSR) for continuous improvement. OEMS aims to eliminate unplanned events and ensure delivery and consistent and reliable outcomes in all tasks including retaining and leveraging knowledge.

- Integrated Assurance

PCG has adopted the PETRONAS Integrated Assurance framework, providing a structured and consistent approach to managing its assurance programme. This framework ensures compliance with standards and legal requirements while facilitating the effective management of risk across the organisation. To uphold good governance, an assurance programme has been established to evaluate the adequacy and effectiveness of PCG's internal control system. This assurance process delivers valuable insights and oversight, enabling effective, informed decision-making and driving continuous business improvement and sustainability. Each PCG subsidiary operates its own assurance function, serving as the First Line Assurance, which is responsible for managing risks, conducting self-assessments and providing assurance to their respective Management. Additionally, they undertake advisory and value-added services as part of the assurance process, ensuring compliance with operational activities and management systems while supporting the Group's commitment to excellence.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Financial Reporting Control

The Group has established a Financial Reporting Control (FRC) Assurance, aligned with the PETRONAS Assurance Framework to ensure the quality and reliability of financial reporting. This structured process is designed to provide assurance on the adequacy and effectiveness of key internal controls operating across the Group. FRC serves as the first line of assurance, utilising a self-assessment approach to act as the initial defence within the integrated assurance framework. The process encompasses five assurance stages, as defined in the PETRONAS Assurance Framework, which are as follows:



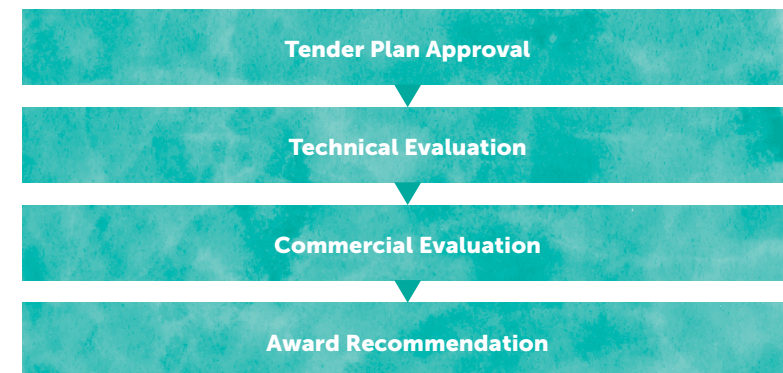
Key process owners across various levels of the organisation are responsible for executing FRC activities. These include defining the scope of testing, assigning appropriate assessors, evaluating the Functional Checklist, and finalising assurance results. This process is facilitated through an integrated assurance system platform, which enables the confirmation of compliance with key internal controls in the respective areas of business accountability.

Tax Compliance & Control

The Group has implemented Tax Compliance & Control (TCC) programme as part of its tax assurance framework, aligned with the PETRONAS Assurance Framework. This initiative operates as the first line of assurance, providing structured and consistent oversight to ensure compliance with tax statutory and regulatory requirements across all levels of the Group. TCC adopts a self-assessment approach, serving as the first line of defence within the integrated assurance model. Key process owners are responsible for executing TCC activities, which include defining the scope of testing, assigning assessors, evaluating the TCC Functional Checklist, and finalising assurance results. These activities are managed through the integrated assurance system platform, which confirms compliance with critical internal controls for the areas under their accountability.

Procurement Governance

The Group has adopted the PETRONAS tendering process and governing principles, as outlined in the PETRONAS Procurement Standard, for procurement activities exceeding the tendering threshold. This framework ensures consistency, transparency, and governance in procurement practices. The primary selection criteria focus on securing the best value by evaluating bids that are both technically acceptable and commercially attractive. This approach ensures the procurement of goods and services aligns with the Group's operational requirements while maintaining strong governance standards. The key tendering processes are as follows:



Tender Committees have been established to oversee the evaluation process, ensuring it is conducted effectively, transparently, and in accordance with established procedures and guidelines. The Tender Committee endorses the award recommendation, which is subsequently approved by the designated Approving Authority, as defined in the Limits of Authority (LOA) manual.

Employee Performance Management

The Group adopts the PETRONAS Employee Performance Management system, a structured framework designed to align organisational objectives with individual performance. This system underpins a high-performance culture by enabling employees to contribute effectively while realising their full potential.

Employee performance is assessed objectively against predefined performance targets and the demonstration of PETRONAS Cultural Beliefs (PCB) behaviours. Performance differentiation ensures that individual contributions are fairly recognised and appropriately rewarded. A key feature of the system is continuous performance dialogue between employees and their line managers. These ongoing discussions, conducted throughout the year, provide opportunities for constructive feedback, address challenges, and support employees in achieving their objectives as set at the outset of the performance cycle.

RELATED PARTY TRANSACTIONS (RPTS)/RECURRENT RELATED PARTY TRANSACTIONS (RRPTS) AND CONFLICT OF INTEREST SITUATIONS (COI)

The Group has implemented the Policy on Related Party Transactions (RPTs), Recurrent Related Party Transactions (RRPTs) and Conflict of Interest (COI) situations (the Policy), alongside a Guideline and Procedures on RPTs and COI situations (the Guideline). These frameworks promote continuous awareness and ensure a standardised approach to managing RPTs, RRPTs, and COI situations across the organisation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Policy reinforces the Group's commitment to compliance with Bursa Malaysia's Main Market Listing Requirements (MMLR) and other applicable laws and regulations. It ensures that all such transactions are conducted with transparency, fairness, and in a manner that safeguards the interests of minority shareholders.

Complementing this, the Guideline outlines the principles and processes to ensure RPTs and RRPTs are conducted on an arm's length basis, aligned with the Group's standard business practices. To support this, an RPT Assessment Checklist is prepared for each transaction, incorporating inputs from Corporate Secretarial, Governance, Finance, and Legal functions. All transactions are reviewed and approved by the Group's designated authorities in accordance with the MMLR.

The Guideline prescribes detailed processes for identifying, evaluating, approving, monitoring, and reporting RPTs, RRPTs, and COI situations. Key elements include:

- All sourcing and sales of PCG products, general merchandise, and shared facilities are based on market-negotiated pricing terms and conditions or pricing formulas, ensuring they are no more favourable to related parties than those offered to third parties.
- A database is maintained to record related parties and the RPTs/RRPTs entered into by the Group.
- Directors or related parties with an interest in a transaction must abstain from any deliberation or decision-making at the Board or subsidiary Board level.
- COI declaration at key decision making platform.
- All RPTs are reviewed by the BAC in adherence to the Group's Guidelines and Procedures before being approved by either the Board or shareholders. Quarterly reports on RPTs and RRPTs are provided to the BAC.
- Annually, all Directors and related parties of the Group must submit written declarations disclosing current or potential relationships or COI situations. They are also required to notify the Group in writing of any interest in an RPT or COI situation as soon as it becomes known to them.

The Guideline further outlines scenarios where COI may arise, including if the Director:

- has an interest in a business that competes directly or indirectly, with the Group's operations;
- receives commissions or fees for consultancy or advisory services to a transacting party doing business with the Group;
- involves in or has an interest in business transactions involving goods or services with the Group, either directly or indirectly;
- provides or receives financial assistance from the Group.

The BAC's Terms of Reference (TOR) were updated to incorporate the new MMLR requirements. The BAC's role was expanded to address COI issues, including implementing measures to resolve, eliminate, or mitigate conflicts involving Directors and key senior management of the Company and its subsidiaries. During the year, there were no COI or potential COI reported during the year in relation to the personal direct/indirect interest of any competing business with the Group and the Company save for disclosure made on page 81.

MANAGEMENT'S ACCOUNTABILITY

Management is accountable to the Board for implementing processes to identify, evaluate, monitor and report on risks and internal controls, as prescribed above. The MD/CEO and CFO have provided the Board with assurance that the Group's risk management and internal control systems are functioning adequately and effectively in all material aspects. This accountability underscores the Group's commitment to ensure that the risk management and internal control systems operate effectively and align with the Group's strategic objectives.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide (AAPG 3), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants (MIA) for inclusion in the Integrated Report of the Group for the year ended 31 December 2024, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the Integrated Report of the Group, in all material respects:

- has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- is factually inaccurate

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

CONCLUSION

Based on the above, the Board is of the view that the risk management and internal control system instituted throughout PCG is sound and provides a level of confidence on which the Board relies for assurance. In the year under review, there was no significant control failure or weakness that would result in material losses, contingencies or uncertainties requiring separate disclosure in this Integrated Report.

The Board and Management will continue to review and strengthen the Group's risk management and internal control system to ensure ongoing adequacy and effectiveness of the system of internal control and risk management practices to meet the changing and challenging operating environment.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 21 February 2025.

TOP 10 PROPERTIES OF PCG GROUP

No	Name of registered owner/ Beneficial owner:	Acquisition date	Existing use	Land area (sq metre unless otherwise stated)	Age of Plant & Building (Years)	NBV as at 31/12/2024 (RM '000)
1	PETRONAS Chemicals Methanol Sdn. Bhd. No. 205350607, Kg. Ranca-Ranca, Wilayah Persekutuan Labuan Leasehold for 79 years, expiring on 31 December 2082	31.08.2004	Industrial land - Plant for production of methanol	14 hectares	20	1,017,195
	PETRONAS Chemicals Methanol Sdn. Bhd. Pajakan Negeri No. Hakmilik 11911, Lot 31770, Kg. Ranca-Ranca, Wilayah Persekutuan Labuan Leasehold for 99 years, expiring 1 August 2106	02.08.2007	Industrial land - Land for Plant 2 jetty	19,679	17	
	PETRONAS Chemicals Methanol Sdn. Bhd. Pajakan Negeri No. Hakmilik 11903, Lot 31772, Kg. Ranca-Ranca, Wilayah Persekutuan Labuan Leasehold for 99 years, expiring 14 April 2107	15.04.2008	Industrial land - Land for Plant 2 sea water outtake	483	16	
	PETRONAS Chemicals Methanol Sdn. Bhd. Pajakan Negeri No. Hakmilik 11904, Lot 31771, Kg. Ranca-Ranca, Wilayah Persekutuan Labuan Leasehold for 99 years, expiring 14 April 2107	15.04.2008	Industrial land - Land for Plant 2 sea water intake	1,195	16	
	PETRONAS Chemicals Methanol Sdn. Bhd. Pajakan Negeri No. Hakmilik 10336, Lot 12275, Kg. Ranca-Ranca, Wilayah Persekutuan Labuan Leasehold for 30 years, expiring 28 October 2039	29.10.2009	Industrial land - Land for Plant 2 inner berth jetty	12,357	15	
	PETRONAS Chemicals Methanol Sdn. Bhd. No. 206291590, Kg. Ranca-Ranca, Wilayah Persekutuan Labuan Leasehold for 51 years, expiring on 30 December 2043	01.06.1992	Industrial land - Plant for production of methanol and administration office	48 acres	32	
	PETRONAS Chemicals Methanol Sdn. Bhd. Pajakan Negeri No. Hakmilik 1192, Lot 205351793, Kg. Ranca-Ranca, Wilayah Persekutuan Labuan Leasehold for 99 years, expiring 31 December 2092	01.01.1994	Industrial land - Land for Plant 1 jetty	3,031	30	
	PETRONAS Chemicals Methanol Sdn. Bhd. Pajakan Negeri No. Hakmilik 2971, Lot 10859, Kg. Ranca-Ranca, Wilayah Persekutuan Labuan Leasehold for 99 years, expiring 15 September 2103	06.09.2004	Industrial land - Additional land for Plant 1 jetty	1,050	20	
2	Perstorp Oxo AB Sanden 216-220, 444 95 Ödsmål, Sweden Stenungsund Sanden 6:5	30.06.1993	Production site (land, buildings)	571,136	31	685,985
	Stenungsund Sanden 5:10	30.06.1999		790,879	25	
	Ale Nol 31:1	30.06.2000		18,071	24	
	Stenungsund Ödsmåls Prästgård 1:10	30.06.2012		44,918	12	
	Ale Nol 2:442	30.06.2000		6,568	24	
3	Perstorp Specialty Chemicals AB Industriparken, 284 80 Perstorp	30.06.2001	Production site (Machinery and Other Technical work & Equipment, Tools and Installations)	25,900	23	449,474

TOP 10 PROPERTIES OF PCG GROUP

No	Name of registered owner/ Beneficial owner:	Acquisition date	Existing use	Land area (sq metre unless otherwise stated)	Age of Plant & Building (Years)	NBV as at 31/12/2024 (RM '000)
4	ASEAN Bintulu Fertilizer Sdn. Bhd. No.323, Lot 35, Block 20, Kemena land District, Bintulu, Sarawak Leasehold for 99 years,expiring on 19 February 2083	01.04.1983	Mixed zone/town land - Plant for production of urea and ammonia	38 hectares	41	351,595
				505 hectares	10	272,194
				43,100	24	267,344
				82,412	47	259,691
5	PETRONAS Chemicals Fertiliser Sabah Sdn. Bhd. PL196290767 Sipitang Oil and Gas Industrial Park, 89850 Sipitang, Sabah Property useful life is 25 years, expiring on 31 December 2040	01.01.2014	Industrial land - Plant for production of urea and ammonia	7,587		
				22,581		
				32,496		
				3,886	24	248,256
6	Kertih Port Sdn. Bhd. Pajakan Negeri No. Hakmilik 4695, No. Lot 7120, Mukim Kertih, Kemaman, Terengganu Leasehold for 60 years, expiring on 5 March 2060	02.08.2000	Industrial land - Operations of Kertih Port (Jetty and marine related facilities)			
7	Perstorp Polyols Inc. 632 Matzinger Road, Toledo OH 43612, U.S. 22-08001 22-08002 22-08037 22-08054	30.06.1977	Production site (land, buildings)			
8	PETRONAS Chemicals Derivatives Sdn. Bhd., PETRONAS Chemicals Olefins Sdn. Bhd., PETRONAS Chemicals Glycols Sdn. Bhd. (each a 1/3 part owner) H.S.(D) 3385, PT No. 10535, Mukim Kertih, Kemaman, Terengganu Leasehold for 60 years, expiring on 29 August 2060	30.08.2000	Industrial land - TNB sub-station			
9	Perstorp Chemicals GmbH Bruchhausener Strasse 2, 59759 Arnsberg, Germany (Area/ Karls Kamp, Obergraben, Niedereimerfeld, Sauerlandstraße, Wichlerholz, Unland, Am Hackeland, In der Heide) Land register of Niedereimer, folio 510 Land register of Bruchhausen, folio 748	01.04.2000	Production site (land, buildings, water, wood, etc.)	260,469	24	
				611,075	24	
10	PETRONAS Chemicals MTBE Sdn. Bhd. H.S.(D) 34911, No. P.T. 15128, Mukim Sungai Karang, Kuantan, Pahang Leasehold for 99 years, expiring on 8 January 2100	09.01.2001	Industrial land - Propane dehydrogenation plant	314,680	24	228,672
				59,723	24	
				605	24	
				34 acres	23	206,148

ANALYSIS OF SHAREHOLDINGS

AS AT 28 FEBRUARY 2025

Share Capital : RM800,000,000 comprising 8,000,000,000 ordinary shares
Class of Shares : Ordinary shares
Voting Rights : One Vote Per Ordinary Share (on a poll)

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
Less than 100	2,243	6.73	9,403	0.00
100 – 1,000	10,976	32.92	7,748,658	0.10
1,001 – 10,000	15,938	47.80	64,873,583	0.81
10,001 – 100,000	3,440	10.32	94,885,252	1.18
100,001 to less than 5% of issued shares	745	2.23	2,099,971,611	26.25
5% and above of issued shares	2	0.00	5,732,511,493	71.66
Total	33,344	100.00	8,000,000,000	100.00

CLASSIFICATION OF SHAREHOLDERS

Category	No. of Shareholders		% of Shareholders		No. of Shares		% of Shareholdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
1. Individuals	24,171	204	72.49	0.61	130,680,718	2,421,881	1.63	0.03
2. Body Corporate								
a. Banks/Finance Companies	49	3	0.15	0.01	852,908,588	51,700	10.66	0.00
b. Investment Trusts/Foundation/Charities	6	0	0.02	0.00	216,500	0	0.00	0.00
c. Other types of companies	306	2	0.92	0.01	27,814,081	165,000	0.36	0.00
3. Government Agencies/Institutions	4	0	0.01	0.00	1,630,000	0	0.02	0.00
4. Nominees	7,774	823	23.31	2.47	6,373,637,264	610,473,467	79.67	7.63
5. Others	2	0	0.01	0.00	801	0	0.00	0.00
Total	32,312	1,032	96.90	3.10	7,386,887,952	613,112,048	92.34	7.66

LIST OF SUBSTANTIAL SHAREHOLDERS

No	Name	No. of Shares		% of Shareholdings	
		Direct	Indirect	Direct	Indirect
1	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Petroliaam Nasional Berhad</i>	5,148,000,000	-	64.35	-
2	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (Including Portfolio Manager)</i>	919,346,063	-	11.49	-

ANALYSIS OF SHAREHOLDINGS

LIST OF DIRECTORS' SHAREHOLDINGS

No.	Name	No. of Shares		% of Shareholdings	
		Direct	Deemed Interest	Direct	Deemed Interest
1	Datuk Sazali Hamzah	-	8,000	-	0.00
2	Mazuin Ismail	-	-	-	-
3	Yeoh Siew Ming	-	-	-	-
4	Warren William Wilder	-	-	-	-
5	Dr. Zafar Abdulmajid Momin	-	-	-	-
6	Datin Seri Sunita Mei-Lin Rajakumar	-	-	-	-
7	Farehana Hanapiah	6,000	-	0.00	-
8	Abang Yusuf Abang Puteh	-	-	-	-

LIST OF MANAGEMENT'S SHAREHOLDINGS

No.	Name	No. of Shares		% of Shareholdings	
		Direct	Deemed Interest	Direct	Deemed Interest
1	Mazuin Ismail	-	-	-	-
2	Mohd Azli Ishak	-	-	-	-
3	Ahmad Rizal Abdul Rahim	500	-	0.00	-
4	Bahrin Asmawi	50,300	-	0.00	-
5	Ir. Yaacob Salim	-	-	-	-
6	Dr. Debbie Chiu	-	-	-	-
7	Alfa Abdul Razak	-	-	-	-
8	Nur Nadia Mohd Nordin	4,000	-	0.00	-
9	Adi Suria Ishak	1,700	-	0.00	-
10	Norfaila Hassan	-	-	-	-

LIST OF 30 LARGEST SHAREHOLDERS

No.	Name	Holdings	%
1	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for Petroliaam Nasional Berhad</i>	5,148,000,000	64.35
2	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board</i>	584,511,493	7.31
3	Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera</i>	314,708,300	3.93
4	Kumpulan Wang Persaraan (Diperbadankan)	252,712,278	3.16
5	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (Islamic)</i>	238,622,670	2.98
6	Lembaga Tabung Haji	62,562,700	0.78
7	DB (Malaysia) Nominee (Asing) Sdn. Bhd. <i>Exempt AN for State Street Bank & Trust Company (West CLT OD67)</i>	50,602,200	0.63
8	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (CGS CIMB)</i>	40,000,000	0.50
9	HSBC Nominees (Asing) Sdn. Bhd. <i>JPMCB NA for Vanguard Total International Stock Index Fund</i>	39,724,058	0.50

ANALYSIS OF SHAREHOLDINGS

No.	Name	Holdings	%
10	HSBC Nominees (Asing) Sdn. Bhd. <i>JPMCB NA for Vanguard Emerging Markets Stock Index Fund</i>	36,724,112	0.46
11	Permodalan Nasional Berhad	30,506,200	0.38
12	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)</i>	26,140,000	0.33
13	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt AN for AIA Bhd.</i>	25,697,100	0.32
14	Amanahraya Trustees Berhad <i>Amanah Saham Malaysia 3</i>	24,877,800	0.31
15	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Urusharta Jamaah Sdn. Bhd. (2)</i>	24,208,868	0.30
16	Amanahraya Trustees Berhad <i>Amanah Saham Malaysia 2 - Wawasan</i>	22,998,400	0.29
17	Amanahraya Trustees Berhad <i>Amanah Saham Malaysia</i>	21,623,400	0.27
18	HSBC Nominees (Asing) Sdn. Bhd. <i>JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II</i>	20,616,800	0.26
19	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board (AHAM AM)</i>	20,119,500	0.25
20	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>PAMB for Prulink Equity Fund</i>	19,897,900	0.25
21	Cartaban Nominees (Asing) Sdn. Bhd. <i>BNYM SA/NV for People's Bank of China (SICL Asia EM)</i>	19,838,500	0.25
22	Amanahraya Trustees Berhad <i>Public Islamic Dividend Fund</i>	18,368,800	0.23
23	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Deutsche Trustees Malaysia Berhad for Hong Leong Value Fund</i>	17,891,000	0.22
24	Amanahraya Trustees Berhad <i>Public Ittikal Sequel Fund</i>	17,332,000	0.22
25	HSBC Nominees (Asing) Sdn. Bhd. <i>JPMCB NA for Blackrock Institutional Trust Company, N.A. Investment Funds for Employee Benefit Trusts</i>	17,293,500	0.22
26	Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera 3 - Didik</i>	16,902,700	0.21
27	Cartaban Nominees (Tempatan) Sdn. Bhd. <i>Prudential Assurance Malaysia Berhad for Prulink Strategic Fund</i>	16,317,200	0.20
28	Citigroup Nominees (Asing) Sdn. Bhd. <i>CB Spore GW for Government of Singapore (GIC C)</i>	15,874,125	0.20
29	Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera 2</i>	15,217,900	0.19
30	Pertubuhan Keselamatan Sosial	14,546,710	0.18
		7,174,436,214	89.68

PERFORMANCE DATA

Indicator	Measurement Unit	2022	2023	2024
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	6,486,196.00	6,396,681.00 *	6,687,772.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	1,482,709.00	1,375,353.00	1,246,299.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	17,628,823.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	29,138,889.00	27,883,333.00	29,041,667.00
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	62,660.000000	56,460.000000	60,449.000000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	-	-	108,300.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	41,600.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	66,300.00
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	70.00	87.00	67.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	0	0
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	1
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.17	0.09	0.16
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	4,287	4,323
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	26,228	41,485	50,095
Non-Management	Hours	238,436	305,759	335,638
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	8.00	9.00
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	11	11	9
Non-Management	Number	57	44	36
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-	0	2

Internal assurance External assurance No assurance

(*)Restated

PERFORMANCE DATA

Indicator	Measurement Unit	2022	2023	2024
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	0.00	0.00	0.00
Management Between 30-50	Percentage	13.00	13.00	13.00
Management Above 50	Percentage	3.00	3.00	3.00
Non-Management Under 30	Percentage	10.00	11.00	12.00
Non-Management Between 30-50	Percentage	67.00	65.00	64.00
Non-Management Above 50	Percentage	7.00	8.00	8.00
Gender Group by Employee Category				
Management Male	Percentage	12.00	9.00	11.00
Management Female	Percentage	4.00	4.00	5.00
Non-Management Male	Percentage	71.00	70.00	71.00
Non-Management Female	Percentage	13.00	17.00	13.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	67.00	62.00	62.00
Female	Percentage	33.00	38.00	38.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	0.00	0.00	0.00
Above 50	Percentage	100.00	100.00	100.00
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer				
	MYR	-	2,727,125.69	5,104,784.00
Bursa C2(b) Total number of beneficiaries of the investment in communities				
	Number	75,442	171,715	228,877
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	100.00	99.00	100.00
Non-Management	Percentage	99.00	95.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks				
	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken				
	Number	-	0	0

Internal assurance External assurance No assurance (*)Restated

- Note:
- The performance data table above is generated from the standard template of Bursa's ESG reporting platform
 - Indicators labeled "-" signifies that the information is not available due to first time reporting, in accordance with Bursa MMLR
 - As part of PCG's commitment to inclusive disclosure, the default data boundary includes figures for the commodity business, Perstorp Group, and BRB Group, unless specified otherwise. Exceptions to this consolidated boundary are detailed below:
 - Data covers commodity business and Perstorp Group: Indicator C7(a)
 - Data covers commodity business and BRB Group: Indicators C3(a), C5(a), C5(b)
 - Data covers commodity business: C1(a), C1(b), C1(c), C4(a), C5(c), C6(a), C6(c), C6(d), C8(a)
 - For indicator C3(a), data is inclusive of Perstorp for gender group starting 2023
 - For indicator C11(b), data is for market based emissions

INDEPENDENT LIMITED ASSURANCE REPORT

THE BOARD OF DIRECTORS OF PETRONAS CHEMICALS GROUP BERHAD
REGISTRATION NO: 199801003704 (459830-K)
(INCORPORATED IN MALAYSIA)

Independent Practitioners' Limited Assurance Report on PETRONAS Chemicals Group Berhad's (the "Company") Selected Sustainability Indicators for the financial year ended 31 December 2024 presented in its Sustainability Report 2024

Conclusion

We have performed a limited assurance engagement on whether the Company's selected sustainability indicators for the financial year ended 31 December 2024 listed below ("Selected Sustainability Indicators") have been prepared in accordance with the Company's definition and calculation methodologies as set out in the Company's Sustainability Report 2024 ("Applicable Criteria"):

No.	Selected Sustainability Indicators	Boundary
1	Total Scope 1 Greenhouse Gas ("GHG") Emissions (million tonne CO ₂ e)	The Company's manufacturing subsidiaries in Malaysia (namely PETRONAS Chemicals Ammonia Sdn. Bhd., PETRONAS Chemicals Aromatics Sdn. Bhd., PETRONAS Chemicals Derivatives Sdn. Bhd., PETRONAS Chemicals Fertiliser Kedah Sdn. Bhd., PETRONAS Chemicals Glycols Sdn. Bhd., PETRONAS Chemicals LDPE Sdn. Bhd., PETRONAS Chemicals Methanol Sdn. Bhd., PETRONAS Chemicals MTBE Sdn. Bhd., PETRONAS Chemicals Olefins Sdn. Bhd., PETRONAS Chemicals Polyethylene Sdn. Bhd., PETRONAS Chemicals Ethylene Sdn. Bhd., PETRONAS Chemicals Fertiliser Sabah Sdn. Bhd. and ASEAN Bintulu Fertilizer Sdn. Bhd.).
2	Total Scope 2 GHG Emissions (location-based) (million tonne CO ₂ e)	
3	Total Scope 2 GHG Emissions (market-based) (million tonne CO ₂ e)	
4	Total Energy Consumption (within the organisation) (million GJ)	
5	Wastewater Discharge, Chemical Oxygen Demand (COD) (tonne)	
6	Freshwater Withdrawal (million m ³)	
7	Air Emissions, Nitrogen Oxides (NOx) Emissions (kilotonne)	
8	Air Emissions, Sulphur Oxides (SOx) Emissions (kilotonne)	
9	Tier 1 Process Safety Event(s) Occurred (Number)	
10	Lost Time Injury Frequency (LTIF) (Number of lost time injuries per million man-hours)	
11	Fatalities (Number of cases)	

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Selected Sustainability Indicators for the financial year ended 31 December 2024 presented in the Company's Sustainability Report 2024 are not prepared, in all material respects, in accordance with the Applicable Criteria.

Basis for conclusion

We conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagements ("ISAE") 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. Our responsibilities under this standard are further described in the Our responsibilities section of our report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

INDEPENDENT LIMITED ASSURANCE REPORT

Restriction on distribution and use of our report

Our report has been prepared for the Directors of the Company solely in accordance with the terms of our Engagement Letter.

Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, we will accept no responsibility or liability in respect of our report to any other party, other than the Company, for our work, for the assurance report we will issue, and for the conclusion we reach.

Without affecting, adding to or extending our duties and responsibilities to the Company or giving rise to any duty or responsibility being accepted or assumed by or imposed on us by any other party, we consent to the inclusion of this report in the Company's Integrated Report 2024 and Sustainability Report 2024, to assist the Directors of the Company in responding to their governance responsibilities by obtaining an independent limited assurance report on the Selected Sustainability Indicators.

Our conclusion is not modified in respect of this matter.

Responsibilities for the Selected Sustainability Indicators

The Management of the Company is responsible for:

- Designing, implementing and maintaining internal control relevant to the preparation of the Selected Sustainability Indicators such that they are free from material misstatement, whether due to fraud or error;
- Selecting or developing suitable criteria for preparing the Selected Sustainability Indicators and appropriately referring to or describing the criteria used, including who developed them, when not readily apparent from the engagement circumstances;
- Preparing and properly calculating the Selected Sustainability Indicators in accordance with the Applicable Criteria;
- Preventing and detecting fraud; and
- Selecting the content of the Selected Sustainability Indicators, including identifying and engaging with intended users to understand their information needs.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Company's Sustainability Report 2024 may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability Report 2024, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Our responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Selected Sustainability Indicators are free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Directors.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Selected Sustainability Indicators that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Selected Sustainability Indicators and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In carrying out our engagement, we have performed the following procedures, amongst others:

- Enquired Management to gain an understanding of the processes established from which the Selected Sustainability Indicators are derived;
- Interviewed relevant staff responsible for preparing and presenting the Selected Sustainability Indicators in the Company's Sustainability Report 2024;
- Compared the Selected Sustainability Indicators presented in the Company's Sustainability Report 2024 to underlying sources on a sample basis; and
- Read the Selected Sustainability Indicators presented in the Company's Sustainability Report 2024 to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of the Company.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Other matter

Our assurance conclusion was with respect to the Company's Selected Sustainability Indicators for the financial year ended 31 December 2024 and we have not performed any procedures with respect to earlier periods or any other elements included in the Company's Sustainability Report 2024 and therefore, we do not express any conclusion thereon.

KPMG PLT

(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya

Date: 21 February 2025

NOTICE OF 27TH ANNUAL GENERAL MEETING

PETRONAS CHEMICALS GROUP BERHAD

Registration No: 199801003704 (459830-K)

(Incorporated In Malaysia)

NOTICE IS HEREBY GIVEN THAT the 27th Annual General Meeting (AGM) of PETRONAS Chemicals Group Berhad ("the Company") will be held at Exhibition Hall 7, Level 3, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia ("Meeting Venue") on Tuesday, 22 April 2025 at 10.00 a.m. to transact the following businesses:

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.
Please refer to Explanatory Note A
- To re-elect Farehana Hanapiah who retires by rotation pursuant to Article 107 of the Company's Constitution and being eligible, has offered herself for re-election. **(Resolution 1)**
Please refer to Explanatory Note B

Datin Seri Sunita Mei-Lin Rajakumar who also retires by rotation pursuant to Article 107 of the Company's Constitution, has expressed her intention to retire from office and not to seek for re-election. Hence, she will retire from office upon the conclusion of the 27th AGM of the Company.
Please refer to Explanatory Note B
- To re-elect Abang Yusuf Abang Puteh who was appointed as a Director during the year and retires pursuant to Article 100 of the Company's Constitution and being eligible, has offered himself for re-election. **(Resolution 2)**
Please refer to Explanatory Note B
- To approve the increase of Directors' fees from RM288,000 to RM360,000 per annum for the Non-Executive Chairman and from RM144,000 to RM240,000 per annum for each of the Non-Executive Directors. **(Resolution 3)**
Please refer to Explanatory Note C
- To approve the Directors' fees and allowances payable to the Non-Executive Directors of up to an amount of RM3 million with effect from 23 April 2025 until the next AGM of the Company. **(Resolution 4)**
Please refer to Explanatory Note D
- To approve the re-appointment of KPMG PLT, as Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration. **(Resolution 5)**
Please refer to Explanatory Note E
- To transact any other business of which due notice shall have been received.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend and vote at the forthcoming 27th AGM, the Company will be requesting the Record of Depositors as at 16 April 2025. Only a depositor whose name appears on the **Record of Depositors as at 16 April 2025** shall be entitled to attend, participate, speak and vote at the meeting as well as for appointment of proxy(ies) to attend, participate, speak and vote on his/her stead.

By Order of the Board

Azira Marini Ab Rahim (SSM Practising Certificate No. 201908001107) (LS0008959)

Mek Yam @ Mariam Hassan (SSM Practising Certificate No. 201908000788) (MAICSA 7030578)

Company Secretaries

Kuala Lumpur

21 March 2025

NOTICE OF 27TH ANNUAL GENERAL MEETING

NOTES

Proxy and/or Authorised Representatives

- The 27th AGM of the Company will be held on a physical mode whereby member(s), proxy(ies), corporate representative(s) or attorney(s) to attend physically in person at the Meeting Venue.
- A member who is entitled to attend, participate, speak and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

All member(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend and participate at the 27th AGM are required to register for the meeting at the Meeting Venue.
- A member of the Company who is entitled to participate at the meeting may appoint not more than two proxies to participate on his/her behalf provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities accounts.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for the multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- Where a member or the authorised nominee appoints two proxies, or where an Exempt Authorised Nominee appoints two or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The proxy form(s) and/or documents relating to the appointment of a proxy shall be deposited or submitted in the following manner not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting in accordance with the Company's Constitution:
 - In hard copy form:
 - Boardroom Share Registrars Sdn. Bhd. ("Boardroom")
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
 - By email to bsr.helpdesk@boardroomlimited.com
 - OR
 - By electronic means
The proxy form can be electronically lodged with Boardroom through Boardroom Smart Investor Portal (BSIP) at <https://investor.boardroomlimited.com>. Kindly refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of proxy form via BSIP.

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), all resolutions set out in the Notice of 27th AGM will be put to vote on a poll.

- Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- Last date and time for lodging the proxy form is on **Sunday, 20 April 2025 at 10.00 a.m.**
- Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with Boardroom at the address stated under item (7)(a)(i) not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with Boardroom at the address stated under item (7)(a)(i). The certificate of appointment of authorised representative should be executed in the following manner:
 - If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two authorised officers, of whom one shall be a director; or any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- By submitting the duly executed proxy form, the member and his/ her proxy(ies) consent to the Company (and/or its agents/ service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 27th AGM or any adjournment thereof.

NOTICE OF 27TH ANNUAL GENERAL MEETING

EXPLANATORY NOTES

Note A
Audited Financial Statements for the Financial Year Ended 31 December 2024

The audited financial statements are laid before the shareholders pursuant to the provision of Section 340(1)(a) of the Companies Act 2016 ("CA 2016") for discussion only. The audited financial statements do not require shareholders' approval and hence, will not be put forward for voting.

Note B
Resolution 1: Re-election of Director who retires in accordance with Article 107 of the Company's Constitution

Article 107 of the Company's Constitution provides that one-third of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company provided always that all Directors, shall retire from office at least once in each three years but shall be eligible for re-election at the AGM. A Director retiring at a meeting shall retain office until the close of the meeting.

Farehana Hanapiah and Datin Seri Sunita Mei-Lin Rajakumar are due to retire by rotation in accordance with Article 107 of the Company's Constitution. Farehana Hanapiah has given her consent for re-election at the 27th AGM of the Company. Meanwhile, Datin Seri Sunita Mei-Lin Rajakumar has expressed her intention to retire from office and not to offer herself for re-election at the Company's 27th AGM. Hence, Datin Seri Sunita Mei-Lin Rajakumar will retire from office upon the conclusion of the 27th AGM.

When assessing Farehana Hanapiah for re-election, the Nomination and Remuneration Committee (NRC) evaluates her eligibility based on a comprehensive review of her competencies, commitment, contributions and overall performance. This assessment incorporates findings from the Board Effectiveness Evaluation, the fit and proper declaration, and an evaluation of her ability to act in the best interests of the Company as well as the assessment of conflict of interest by the Board Audit Committee (BAC).

Premised on the above, the Board endorsed the NRC's recommendation that Farehana Hanapiah, who retires in accordance with Article 107 of the Company's Constitution is eligible for re-election at the Company's 27th AGM under Ordinary Resolution 1.

The profile of Farehana Hanapiah is set out in the Board of Directors' Profile on page 79 of the Integrated Report 2024.

Resolution 2: Re-election of Director who retires in accordance with Article 100 of the Company's Constitution

Abang Yusuf Abang Puteh who was appointed as a Director on 1 January 2025, will be retiring pursuant to Article 100 of the Company's Constitution.

The Board had through the NRC, assessed the eligibility of Abang Yusuf Abang Puteh based on the provisions of the Company's Directors' Fit and Proper Policy and was satisfied that Abang Yusuf Abang Puteh fulfilled the criteria set under the Directors' Fit and Proper Policy.

In addition, the BAC reviewed and assessed the disclosure of interests made by Abang Yusuf Abang Puteh and agreed on the proposed mitigations for any potential conflict of interest that may arise in light of the disclosures made by Abang Yusuf Abang Puteh.

Based on the aforementioned assessments, Abang Yusuf Abang Puteh who retires in accordance with Article 100 of the Company's Constitution, is eligible for re-election and has given his consent for re-election at the 27th AGM of the Company.

Premised on the above, the Board endorsed the NRC's recommendation that Abang Yusuf Abang Puteh, who retires in accordance with Article 100 of the Company's Constitution is eligible for re-election at the Company's 27th AGM under Ordinary Resolution 2.

The profile of Abang Yusuf Abang Puteh is set out in the Board of Directors' Profile on page 80 of the Integrated Report 2024.

Note C
Resolution 3: Increase of Directors' Fees

Practice 7.1 of the Malaysian Code of Corporate Governance states that the policies and procedures in determining remuneration of directors are to be periodically reviewed.

The Company's Directors' Remuneration Framework and Directors' Remuneration Packages were last reviewed in 2018. Hence, it is timely to assess and ascertain whether the current remuneration structure remains competitive and relevant. In 2023, an independent consultant was engaged to undertake a benchmarking exercise on the Non-Executive Chairman (NEC) and Non-Executive Directors (NEDs)' remuneration.

Based on the benchmarking analysis, the Company is positioned in the lower quartile which is below the remuneration level. The NRC deliberated on the independent consultant's recommendations and after due deliberation, having regard to remain competitive in the market without overburdening the Company's financial resources, the proposed revision to the Company's Directors' Remuneration Framework and the Directors' Remuneration Package for NEDs was recommended to the Board in February 2025.

Subsequently, the Board endorsed the recommendation to shareholders in respect of the increase of Directors' fees as follows:

NEC/NEDs	Directors' Fees	
	Current fee per annum	Proposed fee per annum
NEC	RM288,000	RM360,000
NEDs	RM144,000	RM 240,000

The Directors' meeting allowances and benefits-in-kind remain unchanged as follows:

NEC/NED	Attendance Fee		Fuel/Electric Vehicle Charging (per annum) (RM)
	Board (RM)	Board Committee (RM)	
Chairman	3,500	3,500	6,000
Non-Independent Non-Executive Directors (NINEDs)	3,500	3,500	6,000*
Independent Non-Executive Directors (INEDs)	3,500	3,500	6,000
Non-Executive Director (NED) – Special Skill	Special Fee = Up to 5 times of meeting attendance fee#	-	-

* NINEDs who are employees of Petroliaam Nasional Berhad (PETRONAS) are not eligible for fuel allowance

The special fee shall be paid to the NED with special experience or skills which are critical to the Company's business in considering the size and complexity of such business as and when determine by the Board

NOTICE OF 27TH ANNUAL GENERAL MEETING

Note D

Resolution 4: NEDs' Fees and Allowances

Pursuant to Section 230(1) of the CA 2016, the fees of the directors, and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The fees and allowances structure of the NEDs of the Company is as follows:

- Monthly fixed fees for duties as Director/Chairman;
- Meeting allowance for each Board/Board Committee attended; and
- Fuel allowance.

The Directors' fees and meeting allowances for NINEDs who are also employees of PETRONAS are paid directly to PETRONAS. The shareholders at the last AGM held on 24 April 2024 approved the Directors' fees and allowances of up to an amount of RM2.7 million for the period from 25 April 2024 until the next AGM of the Company. The actual Directors' fees and other benefits paid to the NEDs for the said period was RM1,757,500.

Subject to the shareholders' approval on Resolution 3, the Directors' fees and allowances for the NEDs for the period from 23 April 2025 until the next AGM of the Company (Mandate Period) are estimated not to exceed RM3 million. The calculation is based on the estimated number of scheduled Board and Board Committees' meetings and on the assumption that the number of NEDs will remain until the next AGM. This resolution is to facilitate payment of the Directors' fees and allowances for the Mandate Period.

The Board will seek shareholders' approval at the next AGM in the event the Directors' fees and allowances proposed are insufficient.

Details of the fees paid to the NEDs for the financial year ended 31 December 2024 are disclosed in the Corporate Governance Report 2024, which is available on the Company's corporate website at www.petronas.com/pcg.

Note E

Resolution 5: Re-appointment of Auditors

The BAC had carried out an assessment on the performance, suitability and independence of the external auditors based on the following four key areas, and will continue to do so on an annual basis:

- quality of engagement team and services;
- adequacy of resources;
- quality of communication and interaction; and
- independence, objectivity and professional scepticism.

The BAC also took into account the openness in communication and interaction with the lead audit engagement partner and engagement team through discussions at the private meetings, which demonstrated their independence, objectivity and professionalism.

The BAC was satisfied with the suitability of KPMG PLT based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the PCG Group. The BAC was also satisfied in its review that the provisions of non-audit services by KPMG PLT to the PCG Group for the financial year ended 31 December 2024 did not in any way impair their objectivity and independence as External Auditors of PCG Group.

KPMG PLT has also met the criteria prescribed by Paragraph 15.21 of the MMLR of Bursa Malaysia.

The Board at its meeting held on 21 February 2025 recommended the re-appointment of KPMG PLT as External Auditors of the Company for the financial year ending 31 December 2025 for approval of the shareholders under Resolution 5.

Abstention from Voting

- Pursuant to Resolutions 1 and 2, the retiring Directors had abstained from deliberation and decision on their respective re-election at the Board meeting.
- Any NED of the Company who is a shareholder of the Company will abstain from voting on Resolutions 3 and 4 concerning remunerations of the NEDs at the 27th AGM.

Other Information

The Company has engaged independent scrutineers to count, audit and validate the votes for each proposal presented to shareholders.

ADMINISTRATIVE GUIDE

FOR THE 27TH ANNUAL GENERAL MEETING (AGM) OF PETRONAS CHEMICALS GROUP BERHAD (THE COMPANY)

PHYSICAL 27th AGM

The date, time and venue for the 27th AGM of the Company are as below:

Date	: Tuesday, 22 April 2025
Time	: 10.00 a.m.
Meeting Venue	: Exhibition Hall 7, Level 3, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre 50088 Kuala Lumpur, Malaysia
Registration Venue	: Exhibition Hall 6, Level 1, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre 50088 Kuala Lumpur, Malaysia

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member who shall be entitled to attend and vote at the forthcoming 27th AGM, the Company will be requesting the Record of Depositors as at 16 April 2025. Only a depositor whose name appears on the Record of Depositors as at **16 April 2025** shall be entitled to attend, participate, speak and vote at the meeting or appoint proxy(ies) to attend, participate, speak and vote on his/her stead.

REGISTRATION

- Registration will start at 8.00 a.m. at Exhibition Hall 6, Level 1, Kuala Lumpur Convention Centre and will close upon the announcement by the Chairman of the meeting.
- Please produce your original MyKad/ Identification Card or Passport (for foreigners) during registration. Only original MyKad/Identification Card or Passport will be accepted for the purpose of identity verification. Please ensure that you collect your MyKad/Identification Card or passport thereafter.
- No person will be allowed to register on behalf of another person with the original MyKad/Identification Card or Passport of that other person.
- Upon verification and registration:
 - attendance will be recorded and an identification wristband will be provided at the registration counter;
 - a special QR code will be generated for shareholders to scan and access to the e-polling system using own smartphone/tablet;
 - if you are attending the AGM as a shareholder as well as a proxy, you will be registered once and will only be given one identification wristband; and
 - no person will be allowed to enter the Meeting Venue without wearing the identification wristband. There will be no replacement in the event that you lose/misplace the identification wristband.
- After registration, please proceed to the Meeting Venue at Exhibition Hall 7, Level 3, Kuala Lumpur Convention Centre.
- The registration counter will only handle verification of identity and registration of attendance.
- Help desk support is available for any other enquiries/assistance/revocation of proxy's appointment.

ADMINISTRATIVE GUIDE

LODGEMENT OF PROXY FORM

(i) The proxy form(s) and/or documents relating to the appointment of a proxy shall be deposited or submitted in the following manner not less than 48 hours before the time appointed for holding AGM or adjourned general meeting in accordance with the Company's Constitution:

- (a) In hardcopy form
- (i) Boardroom Share Registrars Sdn. Bhd. ("Boardroom")
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
- (ii) By email to bsr.helpdesk@boardroomlimited.com

OR

- (b) By electronic means
If Members who wish to submit their Proxy Form electronically via Boardroom Smart Investor Portal (BSIP) at <https://investor.boardroomlimited.com>. Kindly refer to the procedures for electronic lodgement of Proxy Form as follows:

For Individual Shareholders, Corporate Shareholders

- (a) Open an internet browser. Latest versions of Chrome, Firefox, Safari, Edge or Opera are recommended.
- (b) Log in to BSIP website at <https://investor.boardroomlimited.com>
- (c) Login your BSIP account with your registered email address and password.
- (d) Click "Meeting Event" and select "PETRONAS CHEMICALS GROUP BERHAD 27TH ANNUAL GENERAL MEETING" from the list of companies and click "Enter".

By Shareholder and Corporate Holder	By Nominees Company
<ul style="list-style-type: none"> Select the Company that you are representing - for Corporate Account user only. Go to "PROXY" and click on "Submit eProxy Form". Click on "Submit eProxy Form". Enter your 9 digits CDS account number and number of securities held. Select your proxy/proxies appointment - either the Chairman of the meeting or individual named proxy/proxies. Read and accept the Terms and Conditions and click "Next". Enter the required particulars of your proxy/proxies. Indicate your voting instructions for each Resolution - FOR, AGAINST, ABSTAIN or DISCRETIONARY. If DISCRETIONARY is selected, your proxy/proxies will decide on your votes during poll at the meeting. Review and confirm your proxy/proxies appointment and click "Submit". Download or print the eProxy Form as acknowledgement. 	<ul style="list-style-type: none"> Select the Nominees Company that you are representing. Go to "PROXY" and click on "Submit eProxy Form". Click on "Download Excel Template" to download. Insert the appointment of proxy/proxies for each CDS account with the necessary data and voting instructions in the downloaded excel file template. Ensure inserted data is correct and orderly. Proceed to upload the duly completed excel file. Review and confirm your proxy/proxies appointment and click "Submit". Download or print the eProxy form as acknowledgement.

Please note that the closing date and time to submit your proxy/proxies form is by **Sunday, 20 April 2025 at 10.00 a.m.**

Revocation of Proxy

If a shareholder has submitted his/her proxy form prior to the AGM and subsequently decides to appoint another person or wishes to participate in the AGM by himself/herself, please revoke the appointment of proxy/proxies at least 48 hours before the AGM. Please find the below step for revocation on eProxy form or physical proxy form:

eProxy Form	Physical Proxy Form
<ul style="list-style-type: none"> Go to "Meeting Event" and select "PETRONAS CHEMICALS GROUP BERHAD 27TH ANNUAL GENERAL MEETING" from the list of companies and click "Enter". Go to "PROXY" and click on "Submit Another eProxy Form". Go to "Submitted eProxy Form List" and click "View" for the eProxy form. Click "Cancel/Revoke" at the bottom of the eProxy form. Click "Proceed" to confirm. 	<ul style="list-style-type: none"> Please write in to bsr.helpdesk@boardroomlimited.com to revoke the appointment of proxy/proxies.

Upon revocation, proxy/proxies appointed earlier will not be allowed to participate at the AGM. In such event, shareholders should advise their proxy/proxies accordingly.

If you wish to attend the AGM in person, please do not submit any Proxy Form. You will not be allowed to attend the AGM together with a proxy appointed by you.

ADMINISTRATIVE GUIDE

VOTING AT MEETING

- (i) The voting at the 27th AGM will be conducted on a poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia. The Company has appointed Boardroom as the Poll Administrator to conduct the poll by way of electronic voting (e-Voting) and Scrutineer Solutions Sdn. Bhd. as Independent Scrutineers to verify the poll results.
- (ii) The e-Voting session will commence from the start of the meeting at **10.00 a.m. on 22 April 2025** until such time when the Chairman announces the end of the voting session. Please vote using your smartphone/ tablet with the special QR code, which will be generated during registration. As such, all shareholders and proxies attending the 27th AGM are advised to bring their own personal devices in order to vote.
- (iii) The resolutions proposed at the 27th AGM and the results of the voting will be announced at the 27th AGM and subsequently via an announcement made by the Company through Bursa Malaysia at www.bursamalaysia.com.

SUBMISSION OF QUESTIONS FOR THE 27TH AGM**(i) Prior to the AGM**

Members and proxies may submit questions before the AGM to the Chairman or the Board of Directors via BSIP at <https://investor.boardroomlimited.com> using the same user ID and password provided by "Boardroom **no later than Sunday, 20 April 2025 at 10:00 a.m.** To submit your questions, please click "Submit Question" after selecting "PETRONAS CHEMICALS GROUP BERHAD 27TH ANNUAL GENERAL MEETING" from "Meeting Event".

Alternatively, you may also send your questions for the 27th AGM to the following email address:

Investor Relations: petronaschemicals_ir@petronas.com

(ii) During the AGM

Verified shareholder(s), proxy(ies) and corporate representative(s) will be able to ask questions in person during the 27th AGM. The Chairman or the Board of Directors will endeavour to address all questions received in relation to the AGM.

ANNUAL REPORT

- (i) The Annual Report is available on the Company's corporate website at www.petronas.com/pcg and Bursa Malaysia's website at www.bursamalaysia.com under Company's announcements.
- (ii) You may request for a printed copy of the Annual Report at <https://investor.boardroomlimited.com> by selecting "Request for Annual Report" under the "Investor Services".
- (iii) Kindly consider the environment before you decide to request for the printed copy of the Annual Report. The environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

ENQUIRY

For enquiries and administrative details relating to the 27th AGM, please contact Boardroom during office hours from Monday to Friday 8.30 a.m. to 5.30 p.m., details as follows:

Boardroom Share Registrars Sdn. Bhd.

Address	: 11 th Floor, Menara Symphony No. 5 Jalan Professor Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan, Malaysia
General Line	: 603-7890 4700 (Helpdesk)
Fax Number	: 603-7890 4670
Email	: bsr.helpdesk@boardroomlimited.com

ADMINISTRATIVE GUIDE

OTHER INFORMATION

- (i) Parking is available at Kuala Lumpur Convention Centre (basement parking) based on first-come, first-served basis. Please be advised that PCG will not reimburse any parking costs incurred and shall not bear any responsibilities for lost parking token(s).
- (ii) No recording or photography of the 27th AGM proceedings is allowed without the prior written permission of the Company.
- (iii) Upon registration, with the food redemption coupon, please proceed to collect your refreshment in the refreshment hall at Exhibition Hall 6, Level 1, Kuala Lumpur Convention Centre.

PERSONAL DATA POLICY

By registering for the meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data by the Company (or its agents) for the following purposes:

- (i) for registration;
- (ii) communicating with shareholders and proxy holders who participate at the AGM for redemption of door gift;
- (iii) responding to shareholders' and proxy holders' enquiries;
- (iv) for internal record keeping;
- (v) sending promotional materials, advertisement for marketing purposes;
- (vi) publication of your personal information in any minutes, website, newsletter, brochure or any other materials which may be published internally or externally;
- (vii) for processing and administration by the Company (or its agents); and
- (viii) complying with any laws, listing rules, regulations and/or guidelines.

The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

GLOSSARY OF TERMS, ABBREVIATIONS AND ACRONYMS

Abbreviation	Full Term/Definition	Abbreviation	Full Term/Definition
2-EHA	2-Ethylhexanoic Acid	EPCC	Engineering, Procurement, Construction, and Commissioning
ABC Manual	Anti-Bribery and Corruption Policy and Guidelines	EPR	Extended Producer Responsibility
ABF	ASEAN Bintulu Fertilizer	ePTW	Electronic Permit to Work
ABMS	Anti-Bribery Management System	ERM	Enterprise Risk Management
ADTV	Average Daily Trading Volume	ERMPG	Enterprise Risk Management Process Guideline
AGM	Annual General Meeting	ESG	Environmental, Social and Governance
AI	Artificial Intelligence	ESRS	European Sustainability Reporting Standards
APAC	Asia Pacific	EVP	Employee Value Proposition
APC	Advanced Process Control	F&M	Fertilisers & Methanol
APM	Asset Performance Management	FAE	Fatty Alcohol Ethoxylates
B&OR	Business and Operational Readiness	FBM KLCI	FBM Kuala Lumpur Composite Index
BAC	Board Audit Committee	FDI	Foreign Direct Investment
BCM	Business Continuity Management	FID	Final Investment Decision
BCP	Business Continuity Plan	FR	Financial Report
BEE	Board Effectiveness Evaluation	FRC	Financial Reporting Control
BIS	Bureau of Indian Standards	GaBI	Life Cycle Assessment Tool
BoC	Balance of Consequences	GAI	Generative Artificial Intelligence
BPC	BASF PETRONAS Sdn. Bhd.	GDP	Gross Domestic Product
BRP	Business Recovery Plan	GDPR	General Data Protection Regulation
BSRC	Board Sustainability and Risk Committee	GHG	Greenhouse Gas
BUST	Bottom-Up Stock Target	GHS	Globally Harmonised System
BVT	Business Validation Testing	GIAS	Global Internal Audit Standards
CA 2016	Companies Act 2016	GODC	Gas Operation and Delivery Committee
CBAM	Carbon Border Adjustment Mechanism	GPDC	Gas Planning and Delivery Committee
CCF	Corporate Carbon Footprint	GPDM	Gas Planning and Delivery Meeting
CDD	China Domestic Distribution	GRI	Global Reporting Initiative
CDEx	Customer Delivery Excellence	H2RG	Hydrogen rich off-gas
CeIO	Certified Integrity Officer	HSE	Health, Safety and Environment
CFA	Carbon Footprint Assessment	HSEMS	Health Safety Environment Management System
CFFO	Cash Flow from Operations	HVIC	High Voltage Insulator Coatings
CHCC	Chemicals of High Concern to Children	IAD	Internal Audit Department
CLT	Commercial Leadership Team	IERP	Institute of Enterprise Risk Practitioners
CM	Crisis Management	IFRS	International Financial Reporting Standards
CMF	Crisis Management Framework	IFSSC	Integrated Financial Shared Service Centre
CMP	Crisis Management Plan	IGU	Integrity Governance Unit
CMT	Crisis Management Team	IIoT	Industrial Internet of Things
CoBE	Code of Conduct and Business Ethics	IIRF	International Integrated Reporting Framework
COD	Chemical Oxygen Demand	IMF	International Monetary Fund
COI	Conflict of Interest	INA	Isononanol
CoP	Community of Practice	INED	Independent Non-Executive Director
CoRA	Contractor Risk Assessment	IPPF	International Professional Practices Framework
COSO	Committee of Sponsoring Organizations of The Treadway Commission	IR	Integrated Report
CRP	Corporate Risk Profile	IRP	Incident Response Procedure
CSRD	Corporate Sustainability Reporting Directive	ISBB	International Sustainability Standards Board
CSS	Customer Satisfaction Survey	ISCC	International Sustainability and Carbon Certification
D&I	Diversity & Inclusion	JV	Joint Venture
D&O	Directors' and Officers	KIPC	Kertih Integrated Petrochemical Complex
DDT	Driving Training	KMT	Kilometric tonne
DOE	Department of Environment	KPI	Key Performance Indicator
DOSH	Department of Occupational Safety and Health Malaysia	KTPA	Kilo tonne per annum
DVG	Da Vinci Group B.V.	LAC	Lube Oil Additives & Chemicals
EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation	LCA	Life Cycle Assessment
ECC	Emergency Command Centre	LGPC	LG PETRONAS Chemicals Malaysia Sdn. Bhd
ECSGF	Enterprise Cyber Security Governance Framework	LNG	Liquefied Natural Gas
EDs	Endocrine Disruptors	LOA	Limits of Authority
EESG	Environmental, Economic, Social and Governance	LoF	Line of Fire
EIA	Environmental Impact Assessment	LOPC	Loss of Primary Containment
EMEA	Europe, the Middle East, and Africa	LTI	Loss Time Injury
EO	Enterprise Optimisation	LTIF	Lost Time Injury Frequency
		M&A	Mergers and Acquisitions

GLOSSARY OF TERMS, ABBREVIATIONS AND ACRONYMS

Abbreviation	Full Term/Definition
MACA	Malaysian Anti-Corruption Academy
MAAn	Maleic Anhydride
MASB	Malaysian Accounting Standards Board
MCCG	Malaysian Code on Corporate Governance
MD/CEO	Managing Director/Chief Executive Officer
MFRS	Malaysian Financial Reporting Standards
MIA	Malaysian Institute of Accountants
MMLR	Main Market Listing Requirements
MOSH/MOAH	Mineral Oil Saturated Hydrocarbons/Mineral Oil Aromatic Hydrocarbons
NAC	Network Access Control
NED	Non-Executive Director
NBL	Nitrile Butadiene Latex
NINED	Non-Independent Non-Executive Director
NOx	Nitrogen Oxides
NPS	Net Promoter Score
NRC	Nomination and Remuneration Committee
NZCE	Net Zero Carbon Emissions
O&D	Olefins & Derivatives
OEE	Overall Equipment Effectiveness
OEMS	Operational Excellence Management Systems
OFR	Order Fulfilment Reliability
OPEC / OPEC+	Organisation of the Petroleum Exporting Countries
OPUs	Operating Units
OT	Operational Technology
OTAM	OT Asset Management
P&S	Protect & Sustain
PAM	Privileged Access Management
PAT	Profit After Tax
PATANCI	Profit After Tax and Non-Controlling Interests
PBE	PETRONAS Board Excellence
PBT	Profit Before Tax
PCB	PETRONAS Cultural Beliefs
PCG	PETRONAS Chemicals Group Berhad
PCML	PETRONAS Chemicals Marketing (Labuan) Ltd.
PC Ammonia	PETRONAS Chemicals Ammonia
PC Aromatic	PETRONAS Chemicals Aromatics
PC Derivatives	PETRONAS Chemicals Derivatives
PC Ethylene	PETRONAS Chemicals Ethylene
PC Fertiliser Kedah	PETRONAS Chemicals Fertiliser Kedah
PC Fertiliser Sabah	PETRONAS Chemicals Fertiliser Sabah
PC Glycols	PETRONAS Chemicals Glycols
PC LDPE	PETRONAS Chemicals LDPE
PC Methanol	PETRONAS Chemicals Methanol
PC MTBE	PETRONAS Chemicals MTBE
PC Olefins	PETRONAS Chemicals Olefins
PC	PETRONAS Chemicals Polyethylene
Polyethylene	PETRONAS Chemicals Polyethylene
PCMKI	PT PCM Kimia Indonesia
PCSB	PETRONAS Carigali Sdn. Bhd.
PDB	PETRONAS Dagangan Berhad
PDPA	Personal Data Protection Act
PET	Polyethylene Terephthalate
PETCO	PETRONAS Trading Corporation Sdn. Bhd.
PFA	Plant Facing Analytics
PFAS	Per- and Polyfluoroalkyl Substances
PGB	PETRONAS Gas Berhad
PIC	Pengerang Integrated Complex
PIMS	PETRONAS Integrity Management System
PIVOT	PETRONAS' Integrated Vision for Operational Excellence Transformation

Abbreviation	Full Term/Definition
POPs	Persistent Organic Pollutants
PPE	Personal Protective Equipment
PPMS	PETRONAS Project Management System
PRA	Project Risk Assessment
PRefChem	Pengerang Refining Company Sdn. Bhd. & Pengerang Petrochemical Company Sdn. Bhd.
PRIS	Product Regulatory Information Sheets
PRSB	PETRONAS Research Sdn. Bhd.
PRT	Plant Reliability Threats
PSO	Process Safety Observations
PSSP	PETRONAS Supplier Support Programme
PVB	Polyvinyl Butyral
PVC	Polyvinyl Chloride
QAIP	Quality Assurance and Improvement Programme
RAWMIR	Raw Material Information Request
R&D	Research & Development
RCA	Root Cause Analysis
RCFA	Root Cause Failure Analysis
RCI	Renewable Carbon Index
REC	Renewable Energy Certificate
RFSU	Ready For Start-Up
RM	Ringgit Malaysia
RMS	Risk Maturity Survey
ROSE	Return on Society and Environment
RPA	Robotic Process Automation
RPT	Related Party Transaction
RRPT	Recurrent Related Party Transaction
RSPO	Roundtable on Sustainable Palm Oil
RTM	Route-to-Market
RTOT	Real-Time OT
SASB	Sustainability Accounting Standards Board
SC	Specialty Chemicals
SDSC	Sustainable Development Steering Committee
SFZZIP	Strive for ZERO, ZERO is possible
SID	Senior Independent Director
SIT	System Integration Testing
SME	Subject Matter Expert
SOC	Security Operations Centre
SORMIC	Statement on Risk Management and Internal Control
Sox	Sulphur Oxides
SPV	Strategic Planning and Ventures
SR	Sustainability Report
SRMC	Sustainability and Risk Management Committee
SVAR	Serious Vehicle Accident Rate
TA	Turnaround
TaRA	Turnaround Risk Assessment
TC	Time Charter
TCC	Tax Compliance & Control
TCFD	Taskforce on Climate-related Financial Disclosures
TIC	Technology and Innovation Centre
TMPTA	Trimethylolpropane Triacrylate
TOR	Terms of Reference
TPA	Tonne per annum
	Top level commitment, Risk assessment, Undertake control measures, Systematic review, monitoring and enforcement and Training & communication
T.R.U.S.T.	
TTM	Top Talent Management
UN SDGs	United Nations Sustainable Development Goals
VM	Venture Management
VRF	Value Reporting Foundation
YA	Year of Assessment

PROXY FORM

PETRONAS CHEMICALS GROUP BERHAD

REGISTRATION NO: 199801003704 (459830-K)

(INCORPORATED IN MALAYSIA)

FOR THE 27TH ANNUAL GENERAL MEETING

PETRONAS

Number of Ordinary Shares Held	
CDS Account Number	

I/We _____ NRIC/Passport No./Company No.: _____
(Full Name In Block Letters)

of _____ Telephone No.: _____
(Full Address)

Email address: _____ being a member of PETRONAS Chemicals Group Berhad (the Company)

hereby appoint:

Full Name (in Block Letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%

Address _____

and/or (delete as appropriate)

Full Name (in Block Letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%

Address _____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company which will be held at the Exhibition Hall 7, Level 3, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia on Tuesday, 22 April 2025 at 10.00 a.m. and at any adjournment thereof and vote as indicated below:

Resolution	Ordinary Business	For	Against
1	Re-election of Farehana Hanapiah as a Director of the Company		
2	Re-election of Abang Yusuf Abang Puteh as a Director of the Company		
3	Increase of Directors' fees from RM288,000 to RM360,000 per annum for Non-Executive Chairman and from RM144,000 to RM240,000 per annum for each of the Non-Executive Directors		
4	Directors' fees and allowances payable to the Non-Executive Directors of up to an amount of RM3 million with effect from 23 April 2025 until the next AGM of the Company		
5	Re-appointment of KPMG PLT as Auditors of the Company		

Note: Please refer to the Notice of 27th Annual General Meeting for full details of the proposed Resolutions.

(Please indicate with an "X" in the spaces provided whether you wish your vote to be cast for or against the Resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit).

Dated this _____ day of _____

Signature/Common Seal of Shareholder(s)

Note:

1. The 27th AGM of the Company will be held on a physical mode whereby member(s), proxy(ies), corporate representative(s) or attorney(s) to attend physically in person at the Meeting Venue.
2. A member who is entitled to attend, participate, speak and vote in this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
3. All member(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend and participate at the 27th AGM are required to register for the meeting at the Meeting Venue.
4. A member of the Company who is entitled to participate at the meeting may appoint not more than two proxies to participate on his/her behalf provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities accounts.
6. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for the multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
7. Where a member or the authorised nominee appoints two proxies, or where an Exempt Authorised Nominee appoints two or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The proxy form(s) and/or documents relating to the appointment of a proxy shall be deposited or submitted in the following manner not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting in accordance with the Company's Constitution:
 - (a) In hard copy form:
 - (i) Boardroom Share Registrars Sdn. Bhd. ("Boardroom"), 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan
 - (ii) By email to bsr.helpdesk@boardroomlimited.com
 - OR
 - (b) By electronic means
The proxy form can be electronically lodged with Boardroom through Boardroom Smart Investor Portal (BSIP) at <https://investor.boardroomlimited.com>. Kindly refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of proxy form via BSIP.
9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging the proxy form is on **Sunday, 20 April 2025 at 10.00 a.m.**
11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with Boardroom at the address stated under item (7)(a)(i) not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
12. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with Boardroom at the address stated under item (7)(a)(i). The certificate of appointment of authorised representative should be executed in the following manner:
 - (a) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (b) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two authorised officers, of whom one shall be a director; or any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
13. By submitting the duly executed proxy form, the member and his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 27th AGM or any adjournment thereof.

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad all resolutions set out in the Notice of 27th AGM will be put to vote on a poll.

Please fold here

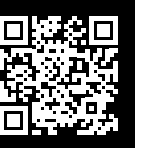


BOARDROOM SHARE REGISTRARS SDN. BHD.

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Please fold here

PCG's Integrated Report 2024 has been produced in line with our theme: **TOGETHER. HARNESSING POTENTIAL.** We considered the environmental impact of each decision made in the publication of this report. Everything is intentional, from the materials used and acquired to the design concept and production.



Please support us in our efforts and download the soft copy of our suite of reports from our website, instead of requesting for a hard copy

OPTIMAL PRODUCTION

- The production and printing of all reports followed the FSC® certified chain of custody
- The Governance section is in the Integrated Report to reduce the usage of four-colour print for the Financial Report
- The cover is printed on FSC® certified Monalisa White 280 gsm paper, while the inside pages are printed on FSC® certified Vincent Extra White 160 gsm paper
- A soy-based ink was used for a more sustainable approach

MINIMALIST PRESENTATION

- The entirety of the report is presented in a straightforward and structured package with simple design elements

SIMPLICITY IN DESIGN

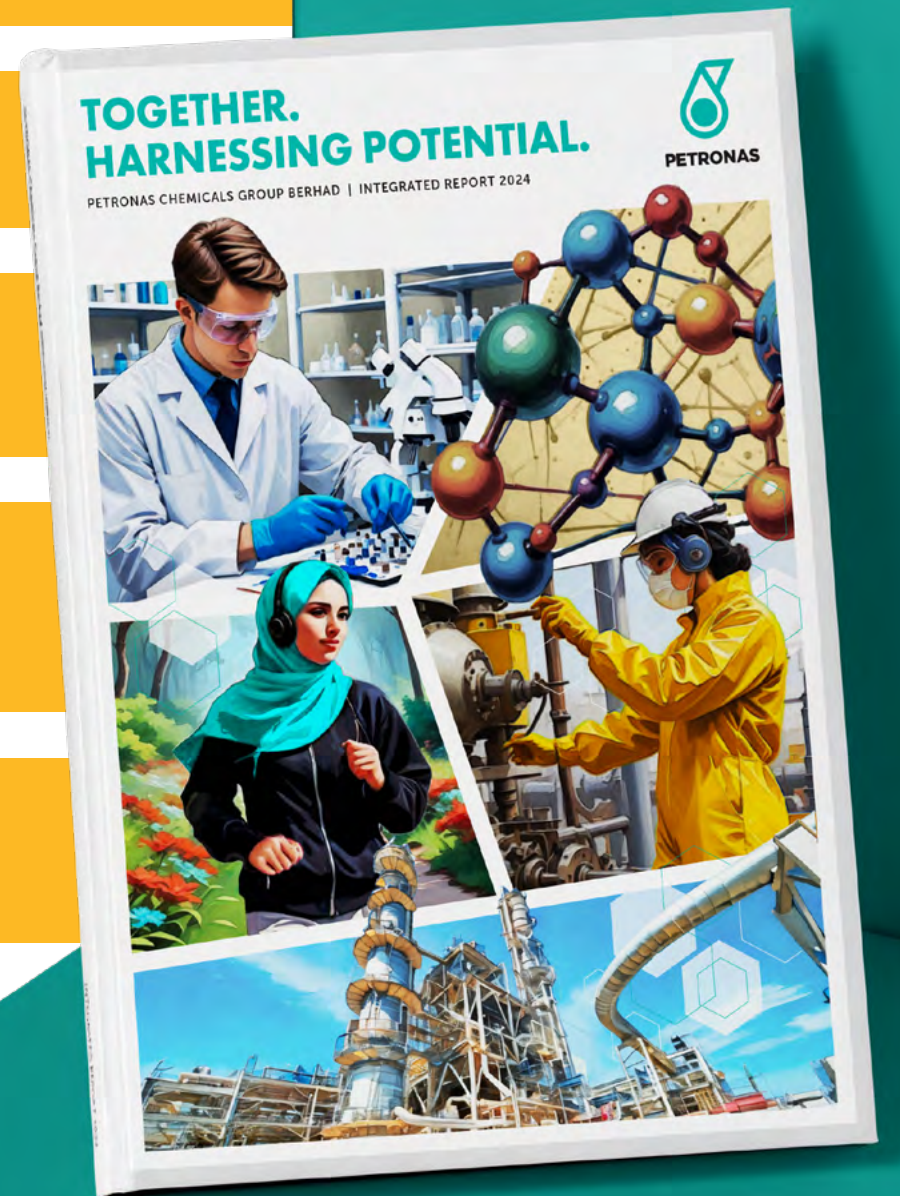
- Consciously minimising sizes of photographic images and other graphic representation (such as graphs, charts, and diagrams) where possible

PRINTED SUSTAINABLY

- The full report was produced using carbon-neutral press machines and eco-friendly materials certified with an ISO 14001 environmental management system in line with minimising environmental impact

CONCISE LANGUAGE

- The concepts are encapsulated in a concise and articulate manner, focusing on the presentation of the content beyond just words



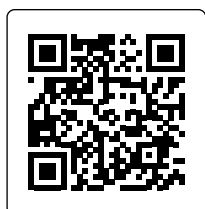


PETRONAS

PETRONAS Chemicals Group Berhad

Tower 1, PETRONAS Twin Towers
Kuala Lumpur City Centre
50088, Kuala Lumpur, Malaysia

Tel : +603 2051 5000



www.petronas.com/pcg