



PETRONAS CHEMICALS GROUP BERHAD

Quarterly Report

For Fourth Quarter and Year Ended 31 December 2024

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

The Board of Directors of PETRONAS Chemicals Group Berhad ("PCG" or the "Company") is pleased to announce the following condensed consolidated financial statements for the quarter ended 31 December 2024 which should be read in conjunction with the accompanying explanatory notes on pages 8 to 22.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

<i>In RM Mil</i>	Note	Individual quarter ended 31 December		Year ended ¹ 31 December	
		2024	2023	2024	2023
Revenue	A9.1	7,458	7,213	30,671	28,667
Cost of revenue		(6,877)	(6,236)	(25,965)	(23,882)
Gross profit		581	977	4,706	4,785
Selling and distribution expenses		(572)	(472)	(2,144)	(1,906)
Administration expenses		(420)	(384)	(1,526)	(1,394)
Other expenses		—	(152)	(199)	(40)
Other income		1,151	287	1,220	711
Operating profit	B4	740	256	2,057	2,156
Financing costs		(95)	(44)	(260)	(139)
Share of (loss)/profit after tax of equity-accounted associates and joint ventures		(43)	28	(107)	93
Profit before taxation		602	240	1,690	2,110
Tax expense	B5	(63)	(98)	(401)	(360)
PROFIT FOR THE PERIOD/YEAR		539	142	1,289	1,750
Profit attributable to:					
Shareholders of the Company		519	112	1,175	1,696
Non-controlling interests		20	30	114	54
PROFIT FOR THE PERIOD/YEAR		539	142	1,289	1,750
Basic earnings per share attributable to shareholders of the Company:					
Based on ordinary shares issued (sen)	B13	6	1	15	21

¹ Extracted from Audited Financial Statements for the financial year ended 31 December 2024 & 31 December 2023.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

<i>In RM Mil</i>	Individual quarter ended 31 December		Year ended ¹ 31 December	
	2024	2023	2024	2023
PROFIT FOR THE PERIOD/YEAR	539	142	1,289	1,750
Other comprehensive income/(loss)				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of defined benefit liability	8	(10)	5	(67)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	581	567	(1,900)	1,635
Share of other comprehensive income/(loss) of equity-accounted associates and joint ventures	110	(32)	(40)	(23)
Total other comprehensive income/(loss) for the period/year	699	525	(1,935)	1,545
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD/YEAR	1,238	667	(646)	3,295
Total other comprehensive income/(loss) attributable to:				
Shareholders of the Company	1,218	627	(760)	3,228
Non-controlling interests	20	40	114	67
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD/YEAR	1,238	667	(646)	3,295

¹ Extracted from Audited Financial Statements for the financial year ended 31 December 2024 & 31 December 2023.

The condensed consolidated statement of other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM Mil</i>	Note	As at 31 December 2024	As at 31 December 2023
ASSETS			
Property, plant and equipment		29,338	29,437
Investments in associates and joint ventures		1,339	1,710
Intangible assets		8,898	10,253
Long term receivables	A15	951	1,027
Retirement benefits		103	95
Deferred tax assets		632	746
TOTAL NON-CURRENT ASSETS		41,261	43,268
Trade and other inventories		4,086	3,767
Trade and other receivables	B7	4,705	3,857
Tax recoverable		37	46
Cash and cash equivalents		9,931	9,268
TOTAL CURRENT ASSETS		18,759	16,938
TOTAL ASSETS		60,020	60,206
EQUITY			
Share capital		8,871	8,871
Reserves		29,686	31,544
Total equity attributable to shareholders of the Company		38,557	40,415
Non-controlling interests		1,422	1,659
TOTAL EQUITY		39,979	42,074
LIABILITIES			
Borrowings	B8	2,419	2,473
Lease liabilities		1,874	1,930
Provisions		303	299
Trade payables	A16	745	692
Retirement benefits		255	279
Other long term liabilities		1,056	1,139
Deferred tax liabilities		2,198	2,371
TOTAL NON-CURRENT LIABILITIES		8,850	9,183
Borrowings	B8	795	500
Lease liabilities		224	229
Trade and other payables	A16	10,054	8,042
Taxation		118	178
TOTAL CURRENT LIABILITIES		11,191	8,949
TOTAL LIABILITIES		20,041	18,132
TOTAL EQUITY AND LIABILITIES		60,020	60,206
Net assets per share attributable to shareholders of the Company (RM)		4.82	5.05

The condensed consolidated statement of financial position was extracted from the Audited Financial Statements as at 31 December 2024 & 31 December 2023 and should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Attributable to shareholders of the Company</i>			
	<i>Non-distributable</i>			
<i>In RM Mil</i>	Share Capital	Foreign Currency Translation Reserve	Merger Reserve	Other Reserves
Year ended 31 December 2024				
At 1 January 2024	8,871	3,195	(204)	1,517
Foreign currency translation differences	—	(1,900)	—	—
Share of other comprehensive loss of equity-accounted associates and joint ventures	—	—	—	(40)
Remeasurement of defined benefit liability	—	—	—	5
Total other comprehensive loss for the year	—	(1,900)	—	(35)
Profit for the year	—	—	—	—
Total comprehensive (loss)/income for the year	—	(1,900)	—	(35)
Transfer from retained profits upon redemption of redeemable preference shares of a subsidiary	—	—	—	40
Dividends to shareholders of the Company (note A8)	—	—	—	—
Dividends to non-controlling interests	—	—	—	—
Acquisition of a non-controlling interest	—	—	—	—
Others	—	—	—	3
Total transactions with owners of the Group	—	—	—	43
Balance at 31 December 2024	8,871	1,295	(204)	1,525
				<i>continue to next page</i>
Year ended 31 December 2023				
At 1 January 2023	8,871	1,573	(204)	1,165
Foreign currency translation differences	—	1,622	—	—
Share of other comprehensive loss of equity-accounted associates and joint ventures	—	—	—	(23)
Remeasurement of defined benefit liability	—	—	—	(67)
Total other comprehensive income/(loss) for the year	—	1,622	—	(90)
Profit for the year	—	—	—	—
Total comprehensive income/(loss) for the year	—	1,622	—	(90)
Transfer from retained profits upon redemption of redeemable preference shares of a subsidiary	—	—	—	532
Change in ownership interest in a subsidiary	—	—	—	(91)
Dividends to shareholders of the Company	—	—	—	—
Others	—	—	—	1
Total transactions with owners of the Group	—	—	—	442
Balance at 31 December 2023	8,871	3,195	(204)	1,517
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The condensed consolidated statement of changes in equity was extracted from the Audited Financial Statements for the year ended 31 December 2024 & 31 December 2023 and should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM Mil</i>	2024	Year ended 31 December 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,690	2,110
Adjustments for:		
- Amortisation of deferred income	(87)	(87)
- Depreciation and amortisation	2,288	1,978
- Financing costs	260	139
- Finance income	(595)	(133)
- Interest income	(414)	(386)
- Share of loss/(profit) after tax of equity-accounted associates and joint ventures	107	(93)
- Unrealised forex loss/(gain)	159	(38)
- Other non-cash items	114	331
Operating profit before changes in working capital	3,522	3,821
Change in trade and other inventories	(370)	(332)
Change in trade and other receivables	(786)	165
Change in trade and other payables	2,149	1,502
Cash generated from operations	4,515	5,156
Interest income received	414	386
Taxation paid	(303)	(423)
Net cash generated from operating activities	4,626	5,119
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a non-controlling interest	(68)	—
Adjustment on purchase consideration for acquisition of a subsidiary	—	2
Dividends received from associates and joint ventures	72	23
Payment for acquisition of a subsidiary, net of cash acquired	(19)	—
Payment of earn out for a subsidiary	(96)	(231)
Proceeds from disposal of property, plant and equipment	—	3
Proceeds from partial disposal of investment in a joint venture	4	—
Purchase of property, plant and equipment	(2,452)	(2,352)
Redemption of preference shares in an associate and a joint venture	124	—
Redemption of preference shares to a non-controlling interest	(60)	(38)
Net cash used in investing activities	(2,495)	(2,593)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to:		
- PETRONAS	(772)	(1,236)
- others (third parties)	(428)	(684)
- non-controlling interests	(34)	—
Drawdown of:		
- term loan	13	—
- revolving credit	4,452	226
Payment of lease liabilities:		
- principal	(166)	(141)
- interest	(79)	(84)
Repayment of revolving credit	(3,945)	(1)
Repayment of term loans:		
- principal	(157)	(124)
- interest	(150)	(131)
Net cash used in financing activities	(1,266)	(2,175)

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QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

<i>In RM Mil</i>	2024	Year ended 31 December 2023
Net cash flows from operating, investing and financing activities	865	351
Effect of foreign currency translation differences	(28)	(172)
Net increase in cash and cash equivalents	837	179
Net foreign exchange differences on cash held	(179)	201
Cash and cash equivalents at beginning of the year	9,268	8,888
Cash and cash equivalents at end of the year	9,926	9,268
Cash and cash equivalents		
Cash and bank balances	9,931	9,268
Bank overdrafts (note B8)	(5)	—
	9,926	9,268

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The condensed consolidated statement of cash flows was extracted from the Audited Financial Statements for the year ended 31 December 2024 & 31 December 2023 and should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with IAS 34, MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements. They should also be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2023. The explanatory notes attached to the condensed consolidated financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2023.

Within the context of these condensed consolidated financial statements, the Group comprises the Company, its subsidiaries and a joint operation, as well as the Group’s interest in joint ventures and associates as at and for the year ended 31 December 2024.

A2. ADOPTION OF REVISED PRONOUNCEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the same accounting policies and methods of computation are followed in the condensed consolidated financial statements as compared with the audited consolidated financial statements for the year ended 31 December 2023.

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

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16	<i>Leases (Lease Liability in a Sale and Leaseback)</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements (Non-current Liabilities with Covenants)</i>
Amendments to MFRS 107	<i>Statement of Cash Flows (Supplier Finance Arrangement)</i>
Amendments to MFRS 7	<i>Financial Instruments: Disclosures (Supplier Finance Arrangements)</i>

The initial application of the above pronouncements did not have any material impact to the consolidated financial statements of the Group.

A3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of PCG and its subsidiaries for the year ended 31 December 2023 were not subject to any audit qualification.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

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

A4. SEASONALITY OR CYCLICALITY OF OPERATIONS

The prices of petrochemical products and their underlying feedstock are subject to significant fluctuations as they are influenced both by global supply and demand as well as movements in the prices of key commodities such as crude oil and natural gas. Consequently, margins have historically been cyclical and are sensitive to supply and demand imbalances both domestically and internationally. Supply is affected by significant capacity expansions by producers, and if such additions are not matched by corresponding growth in demand, which is generally linked to the level of economic activity, average industry operating margins will face downward pressures. As a result, the petrochemical cycle is characterised by years of tight supply, leading to high capacity utilisation rates and margins, followed by years of oversupply, primarily resulting from significant capacity additions, leading to reduced capacity utilisation rates and margins. Specialties segment generally experience less cyclicality due to the higher customised requirements of the products and more barriers for substitution.

A5. EXCEPTIONAL ITEMS

There were no exceptional items during the year under review.

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of the amounts reported in the most recent annual financial statements of PCG and its subsidiaries for the year ended 31 December 2023 that may have a material effect in the results of the year under review.

A7. DEBT AND EQUITY SECURITIES

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

A8. DIVIDENDS PAID

During the year under review, the Company paid:

- i) A second interim single tier dividend of 5 sen per ordinary share, amounting to RM400 million in respect of the financial year ended 31 December 2023 to shareholders on 26 March 2024; and
- ii) A first interim single tier dividend of 10 sen per ordinary share, amounting to RM800 million in respect of the financial year ending 31 December 2024 to shareholders on 12 September 2024.

A9. OPERATING SEGMENTS

The Group reportable segments comprise Olefins and Derivatives, Fertilisers and Methanol, Specialties and Others. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

- Olefins and Derivatives – activities include manufacturing and marketing of a wide range of olefin and polymer products, which are used as basic feedstock for other products, to intermediate products including basic and high performance chemicals.
- Fertilisers and Methanol – activities include manufacturing and marketing of methanol and a range of nitrogen, phosphate and compound fertilisers.
- Specialties – activities include manufacturing and marketing of advanced chemicals & solutions, animal nutrition, silicones and lube oil additives & chemicals.
- Others – other non reportable segments comprise operations related to investment holding and port services which provide product distribution infrastructure to the Group.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

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

A9. OPERATING SEGMENTS (continued)

9.1 Revenue

<i>In RM Mil</i>	2024		2023		Year ended 31 December	
	Third-parties	Inter-segment	2024	2023	Gross total	
Olefins and Derivatives	15,401	—	15,401	13,732	15,401	13,732
Fertilisers and Methanol	8,667	—	8,667	8,501	8,667	8,501
Specialties	6,542	—	6,542	6,385	6,542	6,385
Others	61	50	111	49	111	91
Total	30,671	50	30,721	28,667	30,721	28,709

9.2 Segment profit/(loss) for the year ²

<i>In RM Mil</i>	Year ended 31 December	
	2024	2023
Olefins and Derivatives	117	707
Fertilisers and Methanol	1,763	1,661
Specialties	46	(198)
Others ³	(637)	(420)
Total	1,289	1,750

During the year, the Group's investment holding company has provided for depreciation & amortisation of the tangible & intangible assets impact amounting to RM241 million (2023: RM225 million) arising from finalisation of the purchase price allocation for the acquisition of Perstorp in 2022 and has also recorded an unrealised foreign exchange loss on revaluation of shareholders loan to a joint operation entity amounting to RM110 million as compared to unrealised foreign exchange gain of RM132 million during the corresponding year, in which both have been included in Others.

A10. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment for the year under review. As at 31 December 2024, all property, plant and equipment other than freehold land and projects-in-progress were stated at cost less accumulated depreciation and impairment losses. Freehold land and projects-in-progress were stated at cost less accumulated impairment losses, if any.

A11. CONTINGENCIES

There were no material contingent liabilities or contingent assets since the last audited consolidated financial statements for the year ended 31 December 2023.

² Included within profit for the year for Olefins and Derivatives, Fertilisers and Methanol, Specialties and Others segments are depreciation and amortisation expenses amounting to RM712 million (2023: RM500 million), RM988 million (2023: RM931 million), RM320 million (2023: RM299 million) and RM268 million (2023: RM248 million) respectively.

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

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

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

A12. CHANGES IN COMPOSITION OF THE GROUP

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

A13. CAPITAL COMMITMENTS

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

<i>In RM Mil</i>	As at 31 December 2024	As at 31 December 2023
Property, plant and equipment:		
Approved and contracted for	1,058	80
Approved but not contracted for	2,594	3,329
	<u>3,652</u>	<u>3,409</u>
Lease contracts yet to commence:		
Plant and equipment	4	51
Total	<u>3,656</u>	<u>3,460</u>

A14. GOODWILL

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

<i>In RM Mil</i>	As at 1 January 2024	Foreign currency translation	As at 31 December 2024
Goodwill	3,532	(426)	3,106

A15. LONG TERM RECEIVABLES

<i>In RM Mil</i>	As at 31 December 2024	As at 31 December 2023
Trade receivable	16	22
Other receivables and prepayments	935	1,005
	<u>951</u>	<u>1,027</u>

The Group via its subsidiary has entered into an arrangement on trade receivable which resulted in adjustment of timing for payments of the balances. The receivable was fair valued on initial measurement and is subjected to periodic accretion of interest income over the period of the arrangement.

Included in other receivables and prepayments is consideration on a deferred payment arrangement in relation to a partial divestment of a subsidiary in previous year.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

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

A16. TRADE AND OTHER PAYABLES

<i>In RM Mil</i>	As at 31 December 2024	As at 31 December 2023
Non-current liabilities		
Trade payables	<u>745</u>	<u>692</u>
Current liabilities		
Trade and other payables	<u>10,054</u>	<u>8,042</u>

The Group and the Company via its joint operation entity has arrangements on trade payables amounting to RM1,651 million (2023: RM1,161 million), which resulted in an adjustment of timing for payments of the balances. The trade payables were fair valued on initial measurement and is subjected to periodic accretion of interest expense over the period of the arrangement. During the year, the joint operation entity has remeasured these balances based on the extended timing for payments, which resulted in a remeasurement gain amounting to RM553 million (2023: RM114 million) being recognised in the profit or loss.

A17. FAIR VALUE INFORMATION

The carrying amounts of cash and cash equivalents, short terms receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable input).

The Group recognises transfers between levels of fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Forward foreign exchange contracts

The fair value of forward foreign exchange contracts is based on the difference between the contracted forward rates and the mark-to-market rates. If a quoted market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract.

The following table analyses financial instruments carried at fair value shown in the statement of financial position.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

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

A17. FAIR VALUE INFORMATION (continued)

As at 31 December 2024

Fair value of financial instruments carried at fair value

<i>In RM Mil</i>	Level 1	Level 2	Level 3	Total	Nominal value
Financial assets					
Forward foreign exchange contracts - within 1 year	—	4	—	4	118
Financial liabilities					
Forward foreign exchange contracts - within 1 year	—	(6)	—	(6)	548

As at 31 December 2023

Fair value of financial instruments carried at fair value

<i>In RM Mil</i>	Level 1	Level 2	Level 3	Total	Nominal value
Financial assets					
Forward foreign exchange contracts - within 1 year	—	12	—	12	196
Financial liabilities					
Forward foreign exchange contracts - within 1 year	—	(13)	—	(13)	1,470
Contingent consideration - within 1 year	—	—	(107)	(107)	107

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

PART B – OTHER EXPLANATORY NOTES

B1. REVIEW OF GROUP PERFORMANCE

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

	2024	2023	Individual quarter ended 31 December					
			2024	2023	2024	2023	2024	2023
<i>In RM Mil</i>		Group	Olefins and Derivatives		Fertilisers and Methanol		Specialties	
Revenue	7,458	7,213	3,659	3,210	2,417	2,410	1,371	1,582
Profit/(Loss) after tax	539	142	(86)	(95)	492	527	(23)	(49)
EBITDA ⁴	710	655	100	(67)	733	770	15	5

PCG Group recorded higher plant utilisation rate of 95% as compared to 84% in the corresponding quarter mainly due to improved plant performance and lower maintenance activities during the quarter, resulting in higher production and sales volumes.

Revenue was higher by RM245 million or 3% at RM7.5 billion mainly due to higher sales volume, partially offset by strengthening of Ringgit Malaysia against US Dollar and lower product prices.

EBITDA was higher by RM55 million or 8% at RM710 million mainly contributed by higher sales volume and unrealised foreign exchange gain on revaluation of payables in a joint operation entity, partially offset by lower product spreads. Profit after tax was higher by RM397 million at RM539 million in line with higher EBITDA and unrealised foreign exchange gain on revaluation of shareholders loan to a joint operation entity.

Olefins and Derivatives

The segment's operational performance recorded higher plant utilisation rate of 89% as compared to 71% in the corresponding quarter mainly due to improved plant performance and lower maintenance activities during the quarter, resulting in higher production and sales volumes.

Revenue was higher by RM449 million or 14% at RM3.7 billion primarily attributed to higher sales volume, partially offset by strengthening of Ringgit Malaysia against US Dollar.

EBITDA was higher by RM167 million at RM100 million mainly due to higher sales volume and unrealised foreign exchange gain on revaluation of payables in a joint operation entity, partially offset by lower product spreads. The segment recorded lower loss after tax by RM9 million or 9% at RM86 million in line with higher EBITDA and unrealised foreign exchange gain on revaluation of shareholders loan to a joint operation entity, partially offset by higher depreciation and finance costs from a joint operation entity.

Fertilisers and Methanol

The segment recorded higher plant utilisation rate of 99% as compared to 91% in the corresponding quarter mainly due to better plant performance, resulting in higher production and sales volumes.

The segment's revenue was comparable at RM2.4 billion.

EBITDA was lower by RM37 million or 5% at RM733 million mainly due to lower product spreads and strengthening of Ringgit Malaysia against US Dollar, partially offset by higher sales volume. Profit after tax was lower by RM35 million or 7% at RM492 million in line with lower EBITDA.

⁴ EBITDA refers to earnings before interest, taxation, depreciation and amortisation, share of profit after tax of equity accounted joint ventures and associates and other significant non-cash items.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B1. REVIEW OF GROUP PERFORMANCE (continued)

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

Specialties

The segment's revenue was lower by RM211 million or 13% at RM1.4 billion mainly contributed by lower sales volume.

EBITDA was higher by RM10 million at RM15 million mainly due to improved contribution margins following lower raw material costs. The segment recorded lower loss after tax by RM26 million or 53% at RM23 million in line with higher EBITDA and favourable net foreign exchange impact.

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

	2024		2023		2024		2023		Year ended 31 December	
	Group	Specialties	Olefins and Derivatives	Fertilisers and Methanol	2024	2023	2024	2023	2024	2023
<i>In RM Mil</i>										
Revenue	30,671	28,667	15,401	13,732	8,667	8,501	6,542	6,385		
Profit/(Loss) after tax	1,289	1,750	117	707	1,763	1,661	46	(198)		
EBITDA ⁵	3,534	3,796	691	1,220	2,778	2,613	332	179		

PCG Group recorded higher plant utilisation rate of 91% as compared to 85% in the corresponding year mainly due to improved plant performance and lower maintenance activities during the year, resulting in higher production and sales volumes.

Revenue was higher by RM2 billion or 7% at RM30.7 billion largely due to higher sales volume, partially offset by lower product prices.

EBITDA was lower by RM262 million or 7% at RM3.5 billion mainly due to lower product spreads and higher plant operation costs from a joint operation entity, partially offset by higher sales volume. Profit after tax was lower by RM461 million or 26% at RM1.3 billion in line with lower EBITDA and higher depreciation and finance costs from a joint operation entity, partially offset by income arising from adjustment of timing of trade payables.

Olefins and Derivatives

The segment recorded higher plant utilisation rate of 91% as compared to 85% in the corresponding year mainly due to improved plant performance and lower maintenance activities during the year, resulting in higher production and sales volumes.

Revenue was higher by RM1.7 billion or 12% at RM15.4 billion primarily driven by higher sales volume and product prices.

EBITDA was lower by RM529 million or 43% at RM691 million mainly contributed by lower product spreads and higher plant operating costs from a joint operation entity, partially offset by higher sales volume. Profit after tax was lower by RM590 million or 83% at RM117 million in line with lower EBITDA and higher depreciation and finance costs from a joint operation entity, partially offset by income arising from adjustment of timing of trade payables.

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

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B1. REVIEW OF GROUP PERFORMANCE (continued)

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

Fertilisers and Methanol

The segment recorded higher plant utilisation rate of 90% as compared to 84% in the corresponding year mainly due to improved plant performance and lower maintenance activities during the year, resulting in higher production and sales volumes.

The segment recorded higher revenue by RM166 million or 2% at RM8.7 billion mainly due to higher sales volume, partially offset by lower product prices.

EBITDA was higher by RM165 million or 6% at RM2.8 billion mainly contributed by higher sales volume, partially offset by lower product spreads. Profit after tax increased by RM102 million or 6% at RM1.8 billion in line with higher EBITDA.

Specialties

The segment's revenue was higher by RM157 million or 2% at RM6.5 billion mainly due to higher sales volume.

EBITDA was higher by RM153 million or 85% at RM332 million driven by improved contribution margin following higher sales volume and lower raw material costs. The segment recorded profit after tax of RM46 million as compared to loss after tax in the corresponding year of RM198 million in line with higher EBITDA and favourable net foreign exchange impact.

(c) Variation of results against the preceding quarter

<i>In RM Mil</i>	Individual quarter ended	
	31 December 2024	30 September 2024
Revenue	7,458	7,986
Profit/(Loss) after tax	539	(762)
EBITDA ⁶	710	554

PCG Group recorded higher plant utilisation rate of 95% as compared to 92% in the preceding quarter mainly due to better plant performance, resulting in higher production and sales volumes.

Revenue was lower by RM528 million or 7% at RM7.5 billion mainly due to lower product prices, partially offset by higher sales volume.

EBITDA was higher by RM156 million or 28% at RM710 million mainly due to unrealised foreign exchange gain on revaluation of payables in a joint operation entity, partially offset by lower product spreads. The Group recorded profit after tax of RM539 million as compared to loss after tax in the preceding quarter of RM762 million in line with higher EBITDA and higher unrealised foreign exchange gain on revaluation of shareholders loan to a joint operation entity.

⁶ EBITDA refers to earnings before interest, taxation, depreciation and amortisation, share of profit after tax of equity accounted joint ventures and associates and other significant non-cash items.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B1. REVIEW OF GROUP PERFORMANCE (continued)

(d) Highlight on consolidated statement of financial position

<i>In RM Mil</i>	As at 31 December 2024	As at 31 December 2023
Total assets	60,020	60,206
Total equity	39,979	42,074
ROE (%)	2.9	3.8

The Group's total assets were comparable at RM60 billion.

(e) Highlight on consolidated statement of cash flows

<i>In RM Mil</i>	2024	Year ended 31 December 2023
Net cash generated from operating activities	4,626	5,119
Net cash used in investing activities	(2,495)	(2,593)
Net cash used in financing activities	(1,266)	(2,175)

Net cash generated from operating activities was lower by RM493 million or 10% at RM4.6 billion in line with movement in working capital.

Net cash used in investing activities was lower by RM98 million or 4% at RM2.5 billion primarily due to redemption of preference shares in an associate, partially offset by higher purchase of property, plant and equipment.

Net cash used in financing activities for the period was lower by RM909 million or 42% at RM1.3 billion as compared to corresponding year mainly due to lower dividend payment to shareholders.

B2. COMMENTARY ON PROSPECTS

The results of the Group's operations are primarily influenced by global economic conditions, petrochemical products prices which have a high correlation to crude oil price, particularly for the Olefins and Derivatives segment, utilisation rate of our production facilities and foreign exchange rate movements.

The utilisation of our production facilities is dependent on plant maintenance activities and sufficient availability of feedstock as well as utilities supply. The Group will continue with its operational excellence programme and supplier relationship management to sustain plant utilisation level at above industry benchmark.

The Group anticipates product prices for olefins and derivatives to be stable amidst supply outages, balanced by limited downstream demand. Fertiliser and methanol product prices are forecasted to be firm, supported by India's urea seasonal demand and methanol restocking activities. For specialties, the Group remains cautiously optimistic for the demand recovery in specific end markets, attributable to the uncertain global macroeconomic environment.

B3. PROFIT FORECAST OR PROFIT GUARANTEE

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

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B4. OPERATING PROFIT

<i>In RM Mil</i>	Individual quarter ended 31 December		Year ended 31 December	
	2024	2023	2024	2023
Included in profit for the period/year are the following charges:				
Depreciation and amortisation	608	521	2,288	1,978
Inventories written down to net realisable value				
- net write-down to net realisable value	—	34	125	74
- written off	2	4	2	4
Net loss on foreign exchange	—	115	160	—
Write off of investment in a joint venture	—	—	24	—
and credits:				
Interest income	135	131	414	386
Finance income	223	125	595	133
Reversal of write-down of inventory to net realisable value	11	—	—	—
Amortisation of deferred income	21	22	87	87
Net gain on foreign exchange	748	—	—	70

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

Foreign exchange exposure / hedging policy

The Group is exposed to varying levels of foreign exchange risk when they enter into transactions that are not denominated in the respective companies' functional currencies and when foreign currency monetary assets & liabilities are retranslated at the reporting date. The main underlying economic currencies of the Group's cash flows are Ringgit Malaysia and US Dollar.

The Group's foreign exchange management policies aim to minimise transactional exposure arising from currency movements. The Group mainly relies on the natural hedge arising from most of its revenue and expenses being denominated in US Dollar. In addition, the Group, where applicable, hedge using derivative instruments in respect of current and forecasted transactions.

B5. TAX EXPENSE

<i>In RM Mil</i>	Individual quarter ended 31 December		Year ended 31 December	
	2024	2023	2024	2023
Current tax expenses				
Current period/year tax	75	91	294	365
Under/(over) provision in respect of prior period/year	2	—	7	(12)
	77	91	301	353
Deferred tax expenses				
Origination and reversal of temporary differences	(14)	10	102	(14)
(Over)/under provision in respect of prior period/year	—	(3)	(2)	21
	(14)	7	100	7
	63	98	401	360

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B5. TAX EXPENSE (continued)

The Group's effective tax rates for the individual and cumulative quarter ended 31 December 2024 are 10% and 24% respectively which, are reflective of the various tax legislation within which the Group operates including among others Malaysia Income Tax Act 1967 and Global Incentive for Trading (GIFT) under Labuan Financial Services and Securities Act 2010.

The lower effective tax rate for the current quarter ended 31 December 2024 against the Malaysian income tax rate of 24% is due to non-assessable income in relation to unrealised foreign exchange gain on payables and shareholder's loan revaluation related to the Group's joint operation entity. Cumulative quarter's effective tax rate is comparable to the Malaysian income tax rate of 24%.

B6. STATUS OF CORPORATE PROPOSALS

There were no new corporate proposals during the period under review since the last audited consolidated financial statements for the year ended 31 December 2023.

B7. TRADE AND OTHER RECEIVABLES

(a) Details of Group trade and other receivables

<i>In RM Mil</i>	As at 31 December 2024	As at 31 December 2023
Trade receivables:		
– Third party	3,011	2,355
– Associates and joint ventures	127	190
– Related companies	149	93
Other receivables	1,418	1,219
Total	4,705	3,857

Average credit term for trade receivables granted to related parties and non-related parties is 51 days.

(b) Ageing analysis of trade receivables

<i>In RM Mil</i>	As at 31 December 2024	As at 31 December 2023
Current	3,168	2,599
Past due 1 to 30 days	122	47
Past due 31 to 60 days	7	5
Past due more than 60 days	6	9
Total	3,303	2,660

With respect to the Group's trade receivables, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B8. BORROWINGS

	Denominated currency	<i>In denominated currency</i>		<i>In presentation currency</i>	
		As at 31 December 2024 Mil	As at 31 December 2023 Mil	As at 31 December 2024 RM Mil	As at 31 December 2023 RM Mil
Non-current					
Term loans - secured	USD	313	341	1,396	1,570
Term loan - unsecured	USD	165	161	736	741
Term loans - unsecured	EUR	1	32	4	162
Revolving credit - unsecured	SEK	700	—	283	—
				2,419	2,473
Current					
Term loans - secured	USD	30	31	134	141
Term loans - unsecured	CNY	20	20	13	13
Term loans - unsecured	EUR	31	1	143	4
Revolving credit - unsecured	SEK	800	525	323	242
Revolving credit - unsecured	RM	—	100	—	100
Revolving credit - unsecured	USD	38	—	168	—
Revolving credit - unsecured	EUR	2	—	9	—
Bank overdraft - unsecured	SEK	14	—	5	—
				795	500

The USD unsecured term loan is pursuant to the co-borrowing agreement between the joint operation entity and a related party under an integrated borrowing structure. The loan which bears nil interest was fair valued as a Level 3 fair value on initial recognition with an effective interest rate ranging from 2.33% to 4.18% per annum and is repayable between 2027 to 2029.

There are two EUR unsecured term loans which bear interest rate of 0.71% per annum and interest margin above EURIBOR of 0.85% per annum respectively. These loans are repayable on various dates between 2025 and 2027 respectively.

There are two CNY term loans which bear interests of 3.05% and 3.60% per annum respectively.

The SEK unsecured revolving credits bear interests ranging from 3.39% to 3.69% per annum.

The USD unsecured revolving credits bear interests ranging from 5.23% to 6.20% per annum.

The EUR unsecured revolving credit bears interest rate of 3.83% per annum.

The SEK unsecured bank overdraft bears interest rate of 1.50% above STIBOR.

The USD secured term loans relate to 50% share of project financing facility of a joint operation entity. The loans bear interest margin above 6-month synthetic USD LIBOR ranging from 0.80% to 1.74% per annum and is repayable on various dates between 2021 and 2034.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B8. BORROWINGS (continued)

The term loans are secured in the following manner:

- i. Completion guarantee from the ultimate holding company, which is a fully recourse guarantee to the Company, where the ultimate holding company guarantee on several and not joint basis which will be uplifted and terminated upon meeting all project completion requirements;
- ii. Cross-guarantee arrangement under an integrated borrowing structure due to the nature of the project with a related party; and
- iii. Charge over ordinary shares and the land lease rights of the said joint operation entity.

The Guaranteed Project Completion Date ("PCD") was extended from 31 December 2023 to 31 December 2025.

B9. DERIVATIVE FINANCIAL INSTRUMENTS

There were no changes to the Group's derivative financial instruments since the last audited consolidated financial statements for the year ended 31 December 2023, other than as disclosed in note A17.

B10. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

The Group does not have any financial liabilities that are measured at fair value (other than derivative financial instruments) for the year under review.

B11. MATERIAL LITIGATION

There was no pending material litigation since the last audited consolidated financial statements for the year ended 31 December 2023.

B12. DIVIDENDS

The Directors of the Company have declared a second interim single tier dividend of 3 sen per ordinary share, amounting to RM240 million in respect of the financial year ended 31 December 2024 (2023: second interim single tier dividend of 5 sen per ordinary share, amounting to RM400 million in respect of the financial year ended 31 December 2023).

The dividend is payable on 20 March 2025 to depositors registered in the Records of Depositors at the close of business on 11 March 2025.

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

- a. Shares transferred into the Depositor's Securities Account before 4.00 pm on 11 March 2025 in respect of ordinary transfers.
- b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

QUARTERLY REPORT

FOR FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2024

PART B – OTHER EXPLANATORY NOTES (continued)

B13. BASIC EARNINGS PER SHARE

Basic earnings per share is derived based on the profit attributable to shareholders of the Company and number of ordinary shares of the Company.

<i>In RM Mil</i>	Individual quarter ended 31 December		Year ended 31 December	
	2024	2023	2024	2023
Profit for the period/year attributable to shareholders of the Company	519	112	1,175	1,696
<i>In millions of shares</i>				
Number of ordinary shares issued	8,000	8,000	8,000	8,000
<i>In sen</i>				
Basic earnings per share	6	1	15	21

As at the date of the statement of financial position, the Company does not have any instruments which may have a dilutive impact on the basic earnings per share.

B14. EXCHANGE RATES

	31 December	Individual quarter ended		31 December	Year ended
	2024	30 September 2024	31 December 2023	2024	31 December 2023
USD/MYR					
Average rate	4.3950	4.4566	4.6976	4.5768	4.5602
Closing rate	4.4600	4.1065	4.5995	4.4600	4.5995
EUR/MYR					
Average rate	4.6895	4.8939	5.0543	4.9520	4.9316
Closing rate	4.6402	4.5874	5.0949	4.6402	5.0949
SEK/MYR					
Average rate	0.4080	0.4273	0.4411	0.4333	0.4299
Closing rate	0.4043	0.4073	0.4611	0.4043	0.4611

By order of the Board

Azira Marini Binti Ab Rahim (SSM Practising Certificate No. 201908001107)
Mek Yam @ Mariam Hassan (SSM Practising Certificate No. 201908000788)
Company Secretaries

Kuala Lumpur
21 February 2025