PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2011

The Board of Directors of PETRONAS Chemicals Group Berhad ("PCG" or "the Company") is pleased to announce the following unaudited condensed consolidated financial statements for the quarter ended 30 June 2011 which should be read in conjunction with the accompanying explanatory notes on pages 7 to 21.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	3 months ended 30 June	
		2011	**2010 Restated**
In RM Mil			
Revenue		3,345	3,162
Cost of goods sold		(2,166)	(2,219)
Gross profit		1,179	943
Selling and distribution expenses		(111)	(77)
Administration expenses		(172)	(77)
Other expenses		(13)	(42)
Other income		98	120
Operating profit		981	867
Financing costs		(38)	(15)
Share of profit after tax and minority interests of equity accounted associates and jointly controlled entities		115	130
Profit before taxation		1,058	982
Tax expense	B5	(244)	(253)
PROFIT FOR THE PERIOD		814	729
Other comprehensive income			
Share of other comprehensive income of associates and jointly controlled entities		(1)	-
		(1)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		813	729

PETRONAS CHEMICALS GROUP BERHAD
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QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

In RM Mil	Note	3 months ended 30 June 2011	3 months ended 30 June 2010 Restated
Profit attributable to:			
Owners of the Company		737	623
Minority interests		77	106
PROFIT FOR THE PERIOD		814	729
Total comprehensive income attributable to:			
Owners of the Company		736	623
Minority interests		77	106
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		813	729
Earnings per share attributable to shareholders of the Company			
Based on weighted average number of shares issued (sen)	B17	9	9

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

PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE QUARTER 30 JUNE 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In RM Mil	Note	As at 30 June 2011	As at 31 March 2011 Restated
ASSETS			
Property, plant and equipment		12,895	13,057
Investments in associates		745	875
Investment in jointly controlled entities		75	70
Intangible assets		2,099	2,142
Long term receivables		56	64
Deferred tax assets		605	623
TOTAL NON-CURRENT ASSETS		16,475	16,831
Trade and other inventories		1,299	1,173
Trade and other receivables		1,515	2,308
Tax recoverable		127	124
Fund and other investments		10	10
Cash and cash equivalents		9,926	8,904
TOTAL CURRENT ASSETS		12,877	12,519
TOTAL ASSETS		29,352	29,350
EQUITY			
Share capital		800	800
Reserves		19,512	18,778
Total equity attributable to shareholders of the Company		20,312	19,578
Minority shareholders' interests		1,438	1,406
TOTAL EQUITY		21,750	20,984
LIABILITIES			
Borrowings	B10	3,279	3,282
Deferred tax liabilities		1,634	1,638
Other long term liabilities and provisions		443	467
TOTAL NON-CURRENT LIABILITIES		5,356	5,387
Trade and other payables		1,735	2,368
Borrowings	B10	310	407
Taxation		201	204
TOTAL CURRENT LIABILITIES		2,246	2,979
TOTAL LIABILITIES		7,602	8,366
TOTAL EQUITY AND LIABILITIES		29,352	29,350

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

PETRONAS CHEMICALS GROUP BERHAD
(459830-K)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Non-Distributable					*Distributable*			
	Share Capital RM Mil	**Share Premium RM Mil**	**Foreign Currency Translation Reserve RM Mil**	**Merger Reserve RM Mil**	**Other Reserve RM Mil**	**Retained Profits RM Mil**	**Total RM Mil**	**Minority Interests RM Mil**	**Total Equity RM Mil**
As at 1 April 2010									
- As previously reported	1	-	(3)	5,925	247	10,899	17,069	1,979	19,048
- Effects of adopting IC 4	-		-	-	-	(65)	(65)	(3)	(68)
As at 1 April 2010, restated	1	-	(3)	5,925	247	10,834	17,004	1,976	18,980
Profit for the period	-	-	-	-	-	623	623	106	729
Pre-merger dividends	-	-	-	-	-	(347)	(347)	(131)	(478)
Others	-	-	-	-	(19)	-	(19)	-	(19)
Total distribution to owners	-	-	-	-	(19)	(347)	(366)	(131)	(497)
Balance at 30 June 2010	1	-	(3)	5,925	228	11,110	17,261	1,951	19,212

PETRONAS CHEMICALS GROUP BERHAD
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QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to owners of the Company								
			Non-Distributable			*Distributable*			
	Share Capital RM Mil	**Share Premium RM Mil**	**Foreign Currency Translation Reserve RM Mil**	**Merger Reserve RM Mil**	**Other Reserve RM Mil**	**Retained Profits RM Mil**	**Total RM Mil**	**Minority Interests RM Mil**	**Total Equity RM Mil**
As at 1 April 2011									
- As previously reported	800	8,071	(3)	(204)	61	10,922	19,647	1,409	21,056
- Effects of adopting IC 4	-	-	-	-	-	(69)	(69)	(3)	(72)
As at 1 April 2011, restated	800	8,071	(3)	(204)	61	10,853	19,578	1,406	20,984
Total other comprehensive income for the period	-	-	-	-	(1)	-	(1)	-	(1)
Profit for the period	-	-	-	-	-	737	737	77	814
Total comprehensive income for the period	-	-	-	-	(1)	737	736	77	813
Redemption of Redeemable Preference Shares	-	-	-	-	-	-	-	(36)	(36)
Transfer to capital reserves	-	-	-	-	11	(11)	-	-	-
Dividends to minority shareholders	-	-	-	-	-	-	-	(9)	(9)
Others	-	-	-	-	(2)	-	(2)	-	(2)
Total contribution from / distribution to owners	-	-	-	-	9	(11)	(2)	(45)	(47)
Balance at 30 June 2011	800	8,071	(3)	(204)	69	11,579	20,312	1,438	21,750

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated statements.

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QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Quarter ended 30 June	
In RM Mil	**2011**	**2010 Restated**
Cash receipts from customers	4,167	3,799
Cash paid to suppliers and employees	(2,733)	(3,403)
	1,434	396
Interest income received	66	29
Taxation paid	(197)	(52)
Cash flows generated from operating activities	1,303	373
Dividend received from associates	240	1
Purchase of property, plant and equipment	(128)	(77)
Other long term receivables	8	4
Proceeds from disposal of securities	-	5
Proceeds from finance lease receivables	3	3
Cash flows generated from / (used in) investing activities	123	(64)
Dividends paid to Petroliam Nasional Berhad (“PETRONAS”)	-	(372)
Dividends paid to minority shareholders	(246)	(131)
Redemption of minority shareholders preference shares	(36)	-
Drawdown of:		
- Other facilities	245	1,483
Repayment of:		
- term loans	(3)	-
- other facilities	(345)	(1,610)
- finance lease liabilities	(17)	(17)
- Interest expenses paid	(2)	(2)
Cash flows used in financing activities	(404)	(649)
Net increase/(decrease) in cash and cash equivalents	1,022	(340)
Cash and cash equivalents at beginning of the year	8,821	7,443
Cash and cash equivalents at end of the year	9,843	7,103
Cash and cash equivalents		
Cash and bank balances and deposits	9,926	7,192
Less: Deposits restricted	(83)	(89)
	9,843	7,103

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

PETRONAS CHEMICALS GROUP BERHAD
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QUARTERLY REPORT FOR THE QUARTER ENDED 30 JUNE 2011

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

A1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with FRS 134, *Interim Financial Reporting* and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements ("Bursa Malaysia Listing Requirements"), and should be read in conjunction with the financial statements of the Group for the year ended 31 March 2011 and the accompanying notes attached to the unaudited condensed consolidated financial statements.

Within the context of these condensed consolidated financial statements, the Group comprises the Company and its subsidiaries, and the Group's interest in associates and a jointly controlled entity as at and for the quarter ended 30 June 2011.

A2. 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 consolidated financial statements for the year ended 31 March 2011.

(a) As of 1 April 2011, the Group and the Company have adopted the following FRSs and Statement of Interpretation which are effective for annual periods beginning on or after 1 July 2010 and 1 January 2011:

Effective for annual periods beginning on or after 1 July 2010

FRS 1	*First-time Adoption of Financial Reporting Standard (Revised)*
FRS 3	*Business Combinations (Revised)*
FRS 127	*Consolidated and Separate Financial Statements (Revised)*
Amendment to FRS 127	*Consolidated and Separate Financial Statements*
Amendment to FRS 138	*Intangible Assets*
Amendments to IC 9	*Reassessment of Embedded Derivatives*

Effective for annual periods beginning on or after 1 January 2011

Amendment to FRS 1	*First-time Adoption of Financial Reporting Standard - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
Amendments to FRS 7	*Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments*
IC Interpretation 4	*Determining whether an arrangement contains a lease*
IC Interpretation 18	*Transfer of Assets from Customers*

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The adoption of the above FRSs, amendments to FRSs and statement of interpretations does not have any material impact on the financial statements other than as discussed below.

IC Interpretation 4 addresses the determination on whether certain arrangements are, or contain, leases that are required to be accounted for in accordance with FRS 117, Leases. Where an arrangement is within the scope of FRS 117, the Group applies FRS 117 in determining whether the arrangement is a finance or an operating lease. The adoption of IC Interpretation 4 results in certain arrangements being accounted for as finance leases. This change has been applied retrospectively in accordance with FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors. The financial impact of this change has been disclosed in Note A15.

A3. AUDIT QUALIFICATION

The audited financial statements of PCG Group for the year ended 31 March 2011 were not subject to any audit qualification.

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 periods of tight supply, leading to high capacity utilisation rates and margins, followed by periods of oversupply, primarily resulting from significant capacity additions, leading to reduced capacity utilisation rates and margins.

A5. EXCEPTIONAL ITEMS

There were no exceptional items during the quarter ended 30 June 2011.

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 March 2011 that may have a material effect in the current financial period results.

A7. DEBTS AND EQUITY SECURITIES

There were no material issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the quarter ended 30 June 2011.

A8. DIVIDENDS PAID

There were no dividends paid during the current quarter by the Company.

A9. SEGMENT RESULTS AND REPORTING

- Olefins and Derivatives - activities include the supply and trading, manufacturing, marketing and transportation of a wide range of olefins 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 producing and selling methanol and a range of nitrogen, phosphate and compound fertilisers.
- Others - comprises other businesses that support the petrochemicals' business operations and unallocated income and expenses.

(i) Revenue

	Quarter ended 30 June					
	External customers		**Inter segment**		**Gross total revenue**	
In RM Mil	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
		Restated		**Restated**		**Restated**
Olefins and Derivatives	2,406	2,288	1	1	2,407	2,289
Fertilisers and Methanol	931	863	21	16	952	879
Others	8	11	5	9	13	20
Total	3,345	3,162	27	26	3,372	3,188

A9. SEGMENT RESULTS AND REPORTING (Continued)

(ii) Profit for the period [(1)]

In RM Mil	Quarter ended 30 June 2011	Quarter ended 30 June 2010 Restated
Olefins and Derivatives	611	551
Fertilisers and Methanol	198	176
Others	5	2
Total	814	729

(1) Included within profit for the period for Olefins and Derivatives, Fertilisers and Methanol and Others segments are depreciation and amortisation expenses amounting to RM235 million (2010: RM180 million), RM93 million (2010: RM81 million) and RM3 million (2010: RM3 million) respectively.

A10. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluation of property, plant and equipment during the quarter under review. As at 30 June 2011, all property, plant and equipment were stated at cost less accumulated depreciation and impairment losses.

A11. MATERIAL SUBSEQUENT EVENTS

There were no material events subsequent to the end of the quarter under review.

A12. CHANGES IN COMPOSITION OF THE GROUP

(i) On 30 June 2011, the Company acquired two ordinary shares of RM1.00 each representing 100% equity interest in Styrene Monomer (Malaysia) Sdn Bhd ("SMSB") from Petroliam Nasional Berhad ("PETRONAS") for a total cash consideration of RM2.00.

SMSB was acquired as a special purpose vehicle to undertake the development of the new world-scale fertiliser plant in Sipitang, Sabah.

(ii) On 30 June 2011, PETRONAS Chemicals Marketing Sdn Bhd (formerly known as Malaysian International Trading Corporation Sdn Bhd), a wholly-owned subsidiary of the Company has incorporated a wholly-owned subsidiary, PETRONAS Chemicals Trading (Labuan) Ltd ("PCTL") in the Federal Territory of Labuan, Malaysia under the Labuan Companies Act 1990. The certificate of incorporation of a Labuan company dated 30 June 2011 was received on 5 July 2011.

A13. CONTINGENCIES

There were no material contingent liabilities or contingent assets since the last consolidated statement of financial position as at 31 March 2011.

A14. CAPITAL COMMITMENTS

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

In RM Mil	**As at 30 June 2011**	**As at 31 March 2011**
Property, plant and equipment:		
Approved and contracted for	222	274
Approved but not contracted for	400	340
	622	614

On 30 June 2011, the Company has reached the decision to develop a new world-scale fertiliser plant in Sipitang, Sabah (referred to as the "SAMUR" project). The project is conditional upon reaching agreement with the Sabah State Government on land related matters. The estimated development cost of USD1.5 billion is not included in the capital commitments above.

A15. COMPARATIVE FIGURES

Comparative figures of the Group have been restated as a result of application of IC Interpretation 4 as stated in Note A2.

	31 March 2011	
In RM Mil	**As restated**	**As previously stated**
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Property, plant and equipment	13,057	12,706
Long term receivables	64	28
Deferred tax assets	623	597
Trade and other receivables	2,308	2,296
EQUITY		
Reserves	18,778	18,847
Minority shareholders' interests	1,406	1,409
LIABILITIES		
Deferred tax liabilities	1,638	1,637
Other long term liabilities and provisions	467	24
Trade and other payables	2,368	2,315

	30 June 2010	
In RM Mil	**As restated**	**As previously stated**
STATEMENT OF COMPREHENSIVE INCOME		
Revenue	3,162	3,165
Cost of goods sold	(2,219)	(2,211)
Selling and distribution expense	(77)	(86)
Other income	120	119
STATEMENT OF CASH FLOWS		
Cash receipts from customers	3,799	3,800
Cash paid to suppliers and employees	(3,403)	(3,415)
Other long term receivables	4	1
Proceeds from lease receivables	3	-
Repayment finance lease liabilities	(17)	-

PART B - NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS

B1. REVIEW OF GROUP PERFORMANCE

Performance of the current quarter against the corresponding quarter

The Group recorded revenue of RM3.3 billion in the current quarter, representing an increase of RM183 million (6%) from the corresponding quarter. The increase was primarily driven by strong prices seen across most petrochemical products, partially offset by a stronger Ringgit Malaysia against US Dollar.

During the quarter, there was methane gas supply limitation for the Fertiliser and Methanol segment. This affected the production of fertiliser, methanol and ammonia. The gas supply constraint, however, did not affect the availability of ethane and propane for Olefins and Derivatives segment, which continues to be the key contributor to the Group's results.

In addition, there was significant level of maintenance activities, which combined with the gas supply limitations, led to lower plant utilisation and reduced production volume for the quarter.

Despite these challenges, the Group's operating profit increased by RM114 million (13%) on the back of higher product prices and lower feedstock costs. The Group continues to see higher amortisation expenses in the current quarter, arising from reclassification of goodwill from acquisition of subsidiaries to other intangible assets in September 2010 and March 2011.

Share of profits from associates and jointly controlled entities remained a sizeable contributor to the Group's results, albeit decreasing slightly by RM15 million.

Overall, profit for the period increased by RM85 million (12%) to RM814 million.

The Group's EBITDA[1] of RM1,242 million for the current quarter, therefore, represents a 14% increase from RM1,087 million recorded in the corresponding quarter.

[1] *EBITDA refers to earnings before interest, taxation, depreciation and amortisation, share of associates and jointly controlled entities and other exceptional items. EBITDA in the corresponding quarter have also been restated retrospectively due to the impact of adopting IC Interpretation 4 - "Determining whether an arrangement contains a lease". The restatement is as follows:*

In RM Mil	*As restated*	*As previously stated*
EBITDA		
For the quarter ended 30 June 2010	*1,087*	*1,079*

B2. VARIATION OF RESULTS AGAINST THE PRECEDING QUARTER

The Group's revenue decreased by RM1.0 billion (23%) compared to corresponding quarter. Despite stronger prices for most of the petrochemical products, the Group's performance was substantially affected by the significant level of maintenance activities and methane gas supply limitations during the quarter. The methane gas supply limitations affected the production level of Fertiliser and Methanol segment only as there was sufficient supply of ethane and propane to the Olefins and Derivatives segment during the quarter.

With lower production volume, the Group registered lower costs of revenue by RM805 million (27%), whilst operating expenditures remained at par with the preceding quarter. Accordingly, the Group's operating profit declined by RM185 million (16%) to RM981 million.

Share of profits from associates and jointly controlled entities was lower by RM49 million. This was due to higher average effective tax rates of our associates during the quarter.

Tax expense of the Group of RM244 million was higher by RM106 million due to a once-off recognition of deferred tax assets in the preceding quarter.

Profit for the quarter, therefore, decreased by RM345 million (30%).

Whilst the Group's EBITDA[(1)] decreased by RM262 million from preceding quarter, EBITDA margin in the current quarter improved from 34.6% to 37.1%.

[(1)] *EBITDA refers to earnings before interest, taxation, depreciation and amortisation, share of associates and jointly controlled entities and other exceptional items. EBITDA in the preceding quarter have also been restated retrospectively due to the impact of adopting IC Interpretation 4 - "Determining whether an arrangement contains a lease". The restatement is as follows:*

	As restated	*As previously stated*
In RM Mil		
EBITDA		
For the quarter ended 31 March 2011	*1,504*	*1,496*

B3. COMMENTARY ON PROSPECTS

Moving forward, the results of our operations are expected to be primarily influenced by fluctuations in international petrochemical products prices, global economic conditions and utilisation rate of our production facilities.

The Board expects the plant maintenance activities to be at a reduced level for the remaining quarters in the current financial period. Consistent with previous periods, the Olefins and Derivatives segment will continue to be the key contributor to the Group's results. Subject to sufficient availability of methane gas supply, we expect that the results of our operations for the financial period ending 31 December 2011 to be satisfactory.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as the Group does not publish any profit forecast.

B5. TAX EXPENSE

	3 months ended 30 June	
In RM Mil	**2011**	**2010**
Current tax expenses		
Malaysia	230	240
Deferred tax expenses		
- Origination and reversal of temporary differences	15	13
- Underprovision in respect of prior years	(1)	-
	14	13
	244	253

The Group's effective tax rates for the quarter ended 30 June 2011 was 23%.

The lower effective tax rate as compared to statutory tax rate of 25% was due to share of profit after tax and minority interests of equity accounted associates and jointly controlled entities, excluding which the effective tax rate would be 26% ("normalised tax rate").

Normalised tax rate was higher mainly due to non-recognition of deferred tax assets relating to unutilised tax losses.

B6. SALES OF UNQUOTED INVESTMENTS/PROPERTIES

There were no material disposals of unquoted investments or properties by the Group for the current quarter and financial year under review.

B7. QUOTED SECURITIES

There were no material dealings in quoted securities during the financial year under review.

B8. STATUS OF CORPORATE PROPOSALS

(i) Memorandum of Understanding between PETRONAS and BASF

On 6 December 2010, PETRONAS and BASF signed a Memorandum of Understanding to undertake a joint feasibility study to produce specialty chemicals in Malaysia. The final scope of the investments will be determined following the outcome of the joint feasibility study, which is targeted to be completed in 2011.

For the subsequent phases of the collaboration, PCG will jointly evaluate with BASF, the outcome of the feasibility study and may adopt it as part of PCG's strategic growth plans, if technically and commercially viable.

(ii) Development of fertiliser plant in Sipitang, Sabah

On 30 June 2011, the Company has reached the decision to develop a new world-scale fertiliser plant in Sipitang, Sabah (referred to as the "SAMUR" project), conditional upon reaching agreement with the Sabah State Government on land related matters.

B9. UTILISATION OF PROCEEDS

The status of the utilisation of listing proceeds of RM3,640 million raised from the Public Issue as at date of this report are as follows;

In RM Mil	**Proposed utilisation**	**Actual utilisation**	**Balance at 30 June 2011**	**Intended timeframe for utilisation from the date of listing**
Expansion of business and synergistic of growth acquisitions	2,344	-	2,344	Within 5 years
Working capital requirement and general corporate purposes	1,200	-	1,200	Within 2 years
Estimated listing expenses	96	76	20	Within 1 year
Total	3,640	76	3,564	

B10. BORROWINGS

The details of the Group borrowings as at 30 June 2011 are as follows:

In RM Mil	**As at 30 June 2011**	**As at 31 March 2011**
Current		
Secured		
Term loans (USD)	171	169
Islamic financing facilities	66	65
	237	234
Unsecured		
Revolving credits (RM)	32	132
Others	41	41
	73	173
	310	407
Non-current		
Secured		
Term loans (USD)	86	89
Islamic financing facilities	273	273
	359	362
Unsecured		
PETRONAS loans and advances	2,920	2,920
	3,279	3,282
Total	3,589	3,689

B11. DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not have any material derivative financial instruments as at the date of this report.

B12. 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 current quarter ended 30 June 2011.

B13. DISCLOSURE OF REALISED AND UNREALISED PROFIT

This information has been properly compiled, in all material respects, in accordance with the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia.

The Group's balance of realised and unrealised retained profit as at 30 June 2011 are disclosed as follows:

In RM Mil	**As at 30 June 2011**	**As at 31 March 2011 Restated**
Total retained profits of PCG and its subsidiaries:		
Realised	13,331	12,620
Unrealised	(614)	(665)
	12,717	11,955
Total share of retained profits from associates:		
Realised	391	539
Unrealised	10	(26)
	401	513
Total share of retained profits from jointly controlled entity:		
Realised	103	98
Unrealised	(21)	(21)
	82	77
Total realised and unrealised	13,200	12,545
Less: Consolidation adjustments	(1,621)	(1,692)
Total group retained profits as per consolidated accounts	11,579	10,853

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.

PART B - NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS (continued)

B14. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group does not have any off balance sheet financial instruments as at the date of this report.

B15. MATERIAL LITIGATION

Since the last audited financial statements of PCG and its subsidiaries for the year ended 31 March 2011, there is no pending material litigation.

B16. DIVIDEND

A single tier final dividend of 19 sen per ordinary share, amounting to RM1,520 million in respect of the financial year ended 31 March 2011 was approved by the shareholders during the Annual General Meeting held on 26 July 2011. The dividend was paid to the shareholders on 25 August 2011.

B17. EARNINGS PER SHARE

	3 months and year ended 30 June	
In RM Mil	**2011**	**2010**
Profit for the period attributable to shareholders of the Company	737	623
Earnings per share attributable to shareholders of the Company:		
In thousands of shares		
Weighted average number of shares issued	8,000,000	7,300,000
Earning per share (sen)*	9	9

** Based on weighted average number of shares issued.*

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.

By order of the Board
Muhammad Isa Bin Othman (LS 0004695)
Kang Shew Meng (MAICSA 0778565)
Joint Secretaries

Kuala Lumpur
26 August 2011