



PETRONAS

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

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 second quarter ended 30 June 2013 which should be read in conjunction with the accompanying explanatory notes on pages 8 to 23.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

<i>In RM Mil</i>	Note	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
		2013	2012	2013	2012
Revenue		3,872	3,896	8,327	8,285
Cost of revenue		(2,342)	(2,523)	(5,013)	(5,245)
Gross profit		1,530	1,373	3,314	3,040
Selling and distribution expenses		(153)	(163)	(330)	(346)
Administration expenses		(111)	(139)	(212)	(271)
Other expenses		(24)	(4)	(55)	(37)
Other income		132	113	247	213
Operating profit	B5	1,374	1,180	2,964	2,599
Financing costs		-	(24)	-	(49)
Share of profit of equity accounted investees, net of tax		12	79	73	151
Profit before taxation		1,386	1,235	3,037	2,701
Tax expense	B6	(327)	(302)	(742)	(647)
PROFIT FOR THE PERIOD		1,059	933	2,295	2,054
Other comprehensive income/ (expenses)					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		2	1	1	-
Share of other comprehensive income/ (expenses) of equity accounted investees		7	19	17	(1)
		9	20	18	(1)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,068	953	2,313	2,053



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (continued)**

<i>In RM Mil</i>	Note	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
		2013	2012	2013	2012
Profit attributable to:					
Owners of the Company		958	855	2,063	1,874
Non-controlling interests		101	78	232	180
PROFIT FOR THE PERIOD		1,059	933	2,295	2,054
Total comprehensive income attributable to:					
Owners of the Company		967	875	2,081	1,873
Non-controlling interests		101	78	232	180
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,068	953	2,313	2,053
Basic earnings per share attributable to shareholders of the Company					
Based on ordinary shares issued (sen)	B17	12	11	26	23

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



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM Mil</i>	As at 30 June 2013	As at 31 December 2012
ASSETS		
Property, plant and equipment	12,135	11,697
Investments in associates	469	521
Investments in joint ventures	141	147
Intangible assets	11	12
Long term receivables	20	28
Deferred tax assets	488	661
TOTAL NON-CURRENT ASSETS	13,264	13,066
Trade and other inventories	1,124	1,237
Trade and other receivables	1,786	2,036
Current tax assets	145	119
Cash and cash equivalents	10,534	9,307
	13,589	12,699
Assets classified as held for sale	164	155
TOTAL CURRENT ASSETS	13,753	12,854
TOTAL ASSETS	27,017	25,920
EQUITY		
Share capital	800	800
Reserves	20,472	19,511
Total equity attributable to shareholders of the Company	21,272	20,311
Non-controlling interests	1,707	1,595
TOTAL EQUITY	22,979	21,906
LIABILITIES		
Deferred tax liabilities	1,000	1,040
Other long term liabilities and provisions	556	576
TOTAL NON-CURRENT LIABILITIES	1,556	1,616
Trade and other payables	1,996	2,161
Current tax payables	444	222
	2,440	2,383
Liabilities classified as held for sale	42	15
TOTAL CURRENT LIABILITIES	2,482	2,398
TOTAL LIABILITIES	4,038	4,014
TOTAL EQUITY AND LIABILITIES	27,017	25,920

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



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Attributable to owners of the Company</i>								
	<i>Non-Distributable</i>					<i>Distributable</i>			
	Share Capital RM Mil	Share Premium RM Mil	Foreign Currency Translation Reserve RM Mil	Merger Reserve RM Mil	Other Reserves RM Mil	Retained Profits RM Mil	Total RM Mil	Non- controlling Interests RM Mil	Total Equity RM Mil
As at 1 January 2012	800	8,071	3	(204)	102	9,320	18,092	1,550	19,642
Share of other comprehensive income of equity accounted investees	-	-	-	-	(1)	-	(1)	-	(1)
Total other comprehensive income for the period	-	-	-	-	(1)	-	(1)	-	(1)
Profit for the period	-	-	-	-	-	1,874	1,874	180	2,054
Total comprehensive income for the period	-	-	-	-	(1)	1,874	1,873	180	2,053
Redemption of Redeemable Preference Shares by a subsidiary	-	-	-	-	-	-	-	(54)	(54)
Transfer to capital reserves	-	-	-	-	10	(10)	-	-	-
Dividends	-	-	-	-	-	(640)	(640)	(109)	(749)
Others	-	-	-	-	3	-	3	-	3
Total contribution/(distribution to) owners	-	-	-	-	13	(650)	(637)	(163)	(800)
Balance at 30 June 2012	800	8,071	3	(204)	114	10,544	19,328	1,567	20,895

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



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to owners of the Company								Total Equity RM Mil
	Non-Distributable					Distributable		Non-controlling Interests RM Mil	
	Share Capital RM Mil	Share Premium RM Mil	Foreign Currency Translation Reserve RM Mil	Merger Reserve RM Mil	Other Reserves RM Mil	Retained Profits RM Mil	Total RM Mil		
As at 1 January 2013	800	8,071	1	(204)	95	11,548	20,311	1,595	21,906
Foreign currency translation difference for foreign operations	-	-	1	-	-	-	1	-	1
Share of other comprehensive income of equity accounted investees	-	-	-	-	17	-	17	-	17
Total other comprehensive income for the period	-	-	1	-	17	-	18	-	18
Profit for the period	-	-	-	-	-	2,063	2,063	232	2,295
Total comprehensive income for the period	-	-	1	-	17	2,063	2,081	232	2,313
Dividends	-	-	-	-	-	(1,120)	(1,120)	(121)	(1,241)
Others	-	-	-	-	-	-	-	1	1
Total distribution to owners	-	-	-	-	-	(1,120)	(1,120)	(120)	(1,240)
Balance at 30 June 2013	800	8,071	2	(204)	112	12,491	21,272	1,707	22,979

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



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM Mil</i>	2013	Cumulative quarter ended 30 June 2012
Cash receipts from customers	8,663	8,177
Cash paid to suppliers and employees	(5,542)	(5,415)
	3,121	2,762
Interest income received	162	141
Taxation paid	(461)	(550)
Cash flows generated from operating activities	2,822	2,353
Dividends received from equity accounted investees	147	136
Purchase of property, plant and equipment	(498)	(475)
Proceeds from other long term receivables	-	7
Proceeds from finance lease receivables	6	6
Cash flows used in investing activities	(345)	(326)
Dividend paid to:		
- PETRONAS	(721)	(412)
- Other (third parties)	(399)	(228)
- Non-controlling interests of subsidiaries	(121)	(109)
Payment to non-controlling interest on redemption of shares	-	(54)
Interest expenses paid to:		
- PETRONAS	-	(39)
- Others (third parties)	-	(10)
Repayment of :		
- Term loans, notes and bonds	-	(91)
- Revolving credit and bankers' acceptance	-	(15)
- Finance lease liabilities	(34)	(34)
Cash flows used in financing activities	(1,275)	(992)



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(continued)

<i>In RM Mil</i>		Cumulative quarter ended 30 June
	2013	2012
Net increase in cash and cash equivalents	1,202	1,035
Decrease in deposits restricted	-	9
Net foreign exchange difference	25	1
Cash and cash equivalents at beginning of the year	9,307	9,266
Cash and cash equivalents at end of the year	10,534	10,311
Cash and cash equivalents		
Cash and bank balances and deposits	10,534	10,415
Less: Deposits restricted	-	(104)
	10,534	10,311

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



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PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

The condensed financial statements are unaudited and have been prepared in accordance with IAS 34, MFRS 134, *Interim Financial Reporting* and paragraph 9.22 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements. They should also be read in conjunction with the financial statements of the Group for the year ended 31 December 2012 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 joint ventures as at and for the quarter ended 30 June 2013.

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 31 December 2012.

As of 1 January 2013, the Group and the Company have adopted the following MFRSs and amendments (collectively referred to as "pronouncements") which are effective for annual periods beginning on or after 1 January 2013.

Effective for annual periods beginning on or after 1 January 2013

MFRS 10	<i>Consolidated Financial Statements</i>
MFRS 11	<i>Joint Arrangements</i>
MFRS 12	<i>Disclosure of Interests in Other Entities</i>
MFRS 13	<i>Fair Value Measurement</i>
MFRS 119	<i>Employee Benefits (2011)</i>
MFRS 127	<i>Separate Financial Statements (2011)</i>
MFRS 128	<i>Investments in Associates and Joint Ventures (2011)</i>
Amendments to MFRS 1	<i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)</i>
Amendments to MFRS 7	<i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRS 10	<i>Consolidated Financial Statements: Transition Guidance</i>
Amendments to MFRS 11	<i>Joint Arrangements: Transition Guidance</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities: Transition Guidance</i>



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

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Amendments to MFRS 101	<i>Presentation of Financial Statement (Annual Improvements 2009-2011 Cycle)</i>
Amendments to MFRS 116	<i>Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)</i>
Amendments to MFRS 132	<i>Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)</i>
Amendments to MFRS 134	<i>Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)</i>

The adoption of the above pronouncements does not have any material impact on the financial statements.

A3. AUDIT QUALIFICATION

The audited financial statements of PCG and its subsidiaries for the year ended 31 December 2012 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.



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

A5. EXCEPTIONAL ITEMS

There were no exceptional items during the period ended 30 June 2013.

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 2012 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 period ended 30 June 2013.

A8. DIVIDENDS PAID

A single tier final dividend of 14 sen per ordinary share amounting to RM1,120 million in respect of the financial year ended 31 December 2012 was paid to shareholders on 25 June 2013.

A9. SEGMENT RESULTS AND REPORTING

- Olefins and Derivatives - activities include the supply and trading, manufacturing, marketing and transportation 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 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.



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

A9. SEGMENT RESULTS AND REPORTING (continued)

9.1 Revenue

<i>In RM Mil</i>	Cumulative quarter ended 30 June					
	External customers		Inter segment		Gross total revenue	
	2013	2012	2013	2012	2013	2012
Olefins and Derivatives	5,936	5,964	6	4	5,942	5,968
Fertilisers and Methanol	2,369	2,298	116	113	2,485	2,411
Others	22	23	20	19	42	42
Total	8,327	8,285	142	136	8,469	8,421

9.2 Profit for the period ⁽¹⁾

<i>In RM Mil</i>	Cumulative quarter ended 30 June	
	2013	2012
Olefins and Derivatives	1,501	1,394
Fertilisers and Methanol	740	634
Others	54	26
Total	2,295	2,054

⁽¹⁾Included within profit for the period for Olefins and Derivatives, Fertilisers and Methanol and Others segments are depreciation and amortisation expenses amounting to RM336 million (2012: RM370 million), RM187 million (2012: RM180 million) and RM6 million (2012: RM6 million) respectively.

A10. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the year under review. As at 30 June 2013, all property, plant and equipment were stated at cost less accumulated depreciation and impairment losses.



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

A11. CONTINGENCIES

There were no material contingent liabilities or contingent assets since the last consolidated statement of financial position as at 31 December 2012.

A12. CAPITAL COMMITMENTS

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

<i>In RM Mil</i>	As at 30 June 2013	As at 31 December 2012
Property, plant and equipment:		
Approved and contracted for	3,180	3,786
Approved but not contracted for	1,491	904
	4,671	4,690

Included in the above is an amount of RM3,190 million relating to the development of a new world scale fertiliser plant in Sipitang, Sabah (referred to as the “SAMUR” project).



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PART B - NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENT

B1. REVIEW OF GROUP PERFORMANCE

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

<i>In RM Mil</i>	Quarter ended 30 June					
	Group		Olefins and Derivatives		Fertilisers and Methanol	
	2013	2012	2013	2012	2013	2012
Revenue	3,872	3,896	2,778	2,734	1,142	1,211
Profit	1,059	933	679	573	347	314
EBITDA ⁽¹⁾	1,552	1,385	1,005	863	550	488

Group revenue decreased slightly by RM24 million or 1% at RM3.9 billion compared to the corresponding quarter following lower average product prices, particularly attributable to the Fertiliser & Methanol segment. This is despite higher sales volume achieved.

Operationally, the Group's plant performance improved on the back of lower level of maintenance activities.

Profit for the quarter was higher by RM126 million or 14% with improved spreads mainly driven by lower feedstock. Similarly, Group EBITDA grew by RM167 million or 12% to RM1.6 billion.

⁽¹⁾ EBITDA refers to earnings before interest, taxation, depreciation and amortisation, share of profit of equity accounted investees and other exceptional items.



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

B1. REVIEW OF GROUP PERFORMANCE (continued)

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

Olefins and Derivatives

Market conditions for olefins and derivatives products were slightly more favourable compared to the corresponding quarter following languid recovery in demand for end-products.

The Group's Olefins and Derivatives Segment maintained its operational performance at similar levels to the corresponding quarter.

Consequently, the segment recorded higher revenue by RM44 million or 2% at RM2.8 billion.

Profit for the quarter rose by RM106 million or 18% to RM679 million on the back of improved product spreads with higher product prices and lower feedstock costs. EBITDA moved in tandem, registering an increase of RM142 million or 16% at RM1,005 million.

Fertilisers and Methanol

The market for fertilisers and methanol products was mixed. Both methanol and ammonia prices were higher, supported by limited supply availability. In contrast, urea prices dropped significantly with demand slackening as poor weather constrained fertiliser application for planting.

The Group's Fertilisers and Methanol segment recorded improved operational performance with lower level of maintenance activities during the quarter. This translated into higher sales volumes.

Revenue for the segment was lower by RM69 million or 6% to RM1,142 million as the impact from declining urea prices offset higher volumes attained.

Despite lower revenue, profit for the quarter increased by RM33 million or 11% to RM347 million largely attributable to lower product purchases to mitigate system shortfall this quarter. Similarly, EBITDA also rose by RM62 million or 13% to RM550 million.



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

B1. REVIEW OF GROUP PERFORMANCE (continued)

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

<i>In RM Mil</i>	Cumulative quarter ended 30 June					
	Group		Olefins and Derivatives		Fertilisers and Methanol	
	2013	2012	2013	2012	2013	2012
Revenue	8,327	8,285	5,942	5,968	2,485	2,411
Profit	2,295	2,054	1,501	1,394	740	633
EBITDA ⁽¹⁾	3,332	3,004	2,199	2,018	1,149	1,005

Against the corresponding period, Group revenue was marginally higher by RM42 million or 1% at RM8.3 billion as a result of slightly higher prices.

The Group recorded stronger operational performance with improved gas supply for methanol facilities. However, there was higher level of maintenance activities during the period for Olefins and Derivatives segment.

Profit for the period was higher by 12% or RM241 million at RM2.3 billion driven by stronger product spreads, with higher product prices and lower feedstock costs recorded. EBITDA grew by RM328 million or 11% at RM3.3 billion.

⁽¹⁾ EBITDA refers to earnings before interest, taxation, depreciation and amortisation, share of profit of equity accounted investees and other exceptional items.



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

B1. REVIEW OF GROUP PERFORMANCE (continued)

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

Olefins and Derivatives

Olefins and derivatives product prices and spreads strengthened in the current period largely driven by limited supply availability and cost-push factors. This was particularly evident in the first quarter of the year.

Operational performance for Olefins and Derivatives segment was affected by higher level of maintenance activities this period. Consequently, slightly lower sales volume was recorded.

The segment registered revenue of RM5.9 billion, at par with the corresponding period as the lower volumes offset the positive impact of higher prices.

Profit for the period was higher by RM107 million or 8% at RM1.5 billion driven by improved product spreads. Similarly, EBITDA increased by RM181 million or 9% to RM2.2 billion.

Fertilisers and Methanol

The fertilisers and methanol market was mixed during the period. Urea prices softened on weaker demand whilst supply constraints led to higher methanol and ammonia prices.

The Group's Fertilisers and Methanol segment achieved stronger operational performance and hence, higher volumes with improved gas supply availability for the Group's methanol facilities.

With improved operational performance, revenue for the segment was higher by RM74 million or 3% at RM2.5 billion.

The segment posted increased profits of RM740 million, higher by RM107 million or 17%, further supported by lower product purchases to mitigate system shortfall this period. EBITDA also increased by RM144 million or 14% to RM1,149 million.



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

B2. VARIATION OF RESULTS AGAINST THE PRECEDING QUARTER

The Group's revenue declined by RM583 million or 13% compared to preceding quarter to RM3.9 billion attributable to both lower volumes and product prices.

Operationally, the Group undertook higher plant maintenance activities in the current quarter which resulted in lower plant utilisation and sales volumes.

Group profit decreased by RM177 million or 14% whilst EBITDA fell by RM228 million or 13% at RM1.6 billion.

B3. COMMENTARY ON PROSPECTS

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

Subject to sufficient availability of feedstock, we expect that the results of our operations for the financial year ending 31 December 2013 to be satisfactory.

Olefins and Derivatives

Demand for olefins and derivatives products is anticipated to continue outstripping supply, driven by economic growth in key markets of Asia Pacific albeit at slower pace than anticipated. In the near term, the level of prices and demand may be affected by continuing economic uncertainties in Europe and US, and its impact on GDP growth in Asia-Pacific, particularly China. Barring severe economic downturn, we expect the Olefins and Derivatives Segment to generate satisfactory results.

Fertilisers and Methanol

Global demand for fertilisers is driven by the agriculture industry and should remain steady, backed by world population growth. In the near term, price for urea is likely to be affected by new capacity addition as well as seasonal changes in demand. Demand for methanol is expected to recover in line with anticipated economic growth in key markets. With this and subject to sufficient availability of methane supply, we expect the performance of the Fertilisers and Methanol Segment to be satisfactory.



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

B4. PROFIT FORECAST OR PROFIT GUARANTEE

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

B5. OPERATING PROFIT

<i>In RM Mil</i>	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	2013	2012	2013	2012
<i>Included in operating profit are the following charges:</i>				
Interest expense	-	24	-	49
Depreciation and amortisation	263	278	529	556
Impairment losses on trade receivables	-	-	1	-
Loss on foreign exchange	17	3	43	24
Derivative loss	5	2	10	6
<i>and credits:</i>				
Interest income	85	80	161	157
Other income	4	4	5	8
Gain on foreign exchange	43	30	77	47
Derivative gain	-	-	4	-

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



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

B6. TAX EXPENSE

<i>In RM Mil</i>	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	2013	2012	2013	2012
Current tax expenses				
- Current period tax	283	288	609	592
- Over provision in respect of prior periods	-	(2)	-	(3)
	<u>283</u>	<u>286</u>	<u>609</u>	<u>589</u>
Deferred tax expenses				
- Origination of temporary differences	41	11	126	56
- Under provision in respect of prior periods	3	5	7	2
	<u>44</u>	<u>16</u>	<u>133</u>	<u>58</u>
	<u>327</u>	<u>302</u>	<u>742</u>	<u>647</u>

The Group's effective tax rates for the period ended 30 June 2013 and period ended 30 June 2012 are 24.4% and 24.0% respectively.

B7. SALES OF UNQUOTED INVESTMENTS/PROPERTIES

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

B8. QUOTED SECURITIES

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

B9. STATUS OF CORPORATE PROPOSALS

There was no new corporate proposal during the quarter under review since the last audited financial statements of 31 December 2012.



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B10. 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 is as follows:

	Proposed utilisation RM Mil	Actual utilisation RM Mil	Transfer RM Mil	Balance at 30 June 2013 RM Mil	Intended timeframe for utilisation from the date of listing
Expansion of business and synergistic growth acquisitions	2,344	(1,138)	1,221	2,427	Within 5 years
Working capital requirement and general corporate purposes	1,200	-	(1,200)*	-	Within 2 years
Estimated listing expenses	96	(75)	(21)*	-	Within 1 year
Total	3,640	(1,213)	-	2,427	

* The unutilised balance for working capital requirement of RM1,200 million and listing expenses of RM21 million have been reallocated towards business expansion and synergistic growth acquisitions.

B11. DERIVATIVE FINANCIAL INSTRUMENTS

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



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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 2013.

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 Requirement*, 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 profits as at 30 June 2013 is disclosed as follows:

<i>In RM Mil</i>	As at 30 June 2013	As at 31 December 2012
Total retained profits of the Group:		
Realised	16,624	15,423
Unrealised	(481)	(386)
	<u>16,143</u>	<u>15,037</u>
Total share of retained profits from associates:		
Realised	220	264
Unrealised	5	(21)
	<u>225</u>	<u>243</u>
Total share of retained profits from jointly controlled entities:		
Realised	177	77
Unrealised	(32)	(16)
	<u>145</u>	<u>61</u>
Total realised and unrealised	16,513	15,341
Less: Consolidation adjustments	(4,022)	(3,793)
Total group retained profits as per consolidated account	<u>12,491</u>	<u>11,548</u>



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(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

There is no pending material litigation since the last audited financial statements of PCG and its subsidiaries for the year ended 31 December 2012.

B16. DIVIDENDS

The Board of Directors of the Company has declared an interim single tier dividend of 8 sen per ordinary share, amounting to RM640 million to shareholders (2012 : interim dividend for the year ended 31 December 2012 of 8 sen per ordinary share, amounting to RM 640 million).

The dividends are payable on 25 September 2013 to depositors registered in the Records of Depositors at the close of business on 10 September 2013.

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 10 September 2013 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.



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B17. BASIC EARNINGS PER SHARE

<i>In RM Mil</i>	Individual quarter ended 30 June		Cumulative quarter ended 30 June	
	2013	2012	2013	2012
Profit for the period attributable to shareholders of the Company	958	855	2,063	1,874

***Earnings per share attributable to
shareholders of the Company:***

In thousands of shares

Number of ordinary shares issued	8,000,000	8,000,000	8,000,000	8,000,000
Basic earnings per share (sen)	12	11	26	23

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

Noryati Mohd Noor (LS 0008877)

Kang Shew Meng (MAICSA 0778565)

Joint Secretaries

Kuala Lumpur

22 August 2013