



PETRONAS

ACCELERATING *EXCELLENCE*





As the chemical industry faces ever increasing challenges, it is imperative for chemical players to up their game by relying more heavily on their core strengths to boost their competitive edge. For that, PETRONAS Chemicals Group Berhad (PCG) is *accelerating excellence* in operations, marketing and sales, and innovation in order to *hit performance targets*, by leveraging further on our core strengths, which are full integration from feedstock to end-products; well-diversified portfolio of products and customers; world-class operational excellence with good utilisation rate; competitive cost advantage; as well as capable and driven talents.

Accelerating **EXCELLENCE**

Notice is hereby given that the

17th

**ANNUAL GENERAL
MEETING**

of the Company will be held at
Conference Hall 1 and 2,
Kuala Lumpur Convention Centre,
Jalan Ampang, 50088 Kuala Lumpur,
Malaysia on Monday,
13th April 2015 at 10.30 a.m.

Note: Refer to page 271 for complete Notice
of Annual General Meeting.

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OUR VISION

The preferred
chemical company
providing innovative
customer solutions

OUR SHARED VALUES

Loyalty

Integrity

Professionalism

Cohesiveness









Accelerating Safety

In accelerating our commitment to safety, we shall continue to internalise the right safety values and intensify our efforts to sustain world class safety performance. We continuously benchmark our HSE standards against the industry's best practices to sustain operational excellence and reduce potential risks.

2021
TG PMT 2026



Accelerating Performance

Elevating the standards of our performance is key to sharpening our competitive edge. Guided by the strong desire to excel, we aim to deliver distinctive performance in the core areas of operational excellence, marketing and sales as well as innovation to maximise shareholder value.





Accelerating Growth

As one of the largest petrochemical producers in South East Asia, we are enhancing our competitiveness through the execution of profitable growth projects that enable us to achieve our vision to become the preferred chemical company providing innovative customer solutions. We continue to strengthen our petrochemical basic product portfolio while diversifying into derivatives, specialty and solutions.



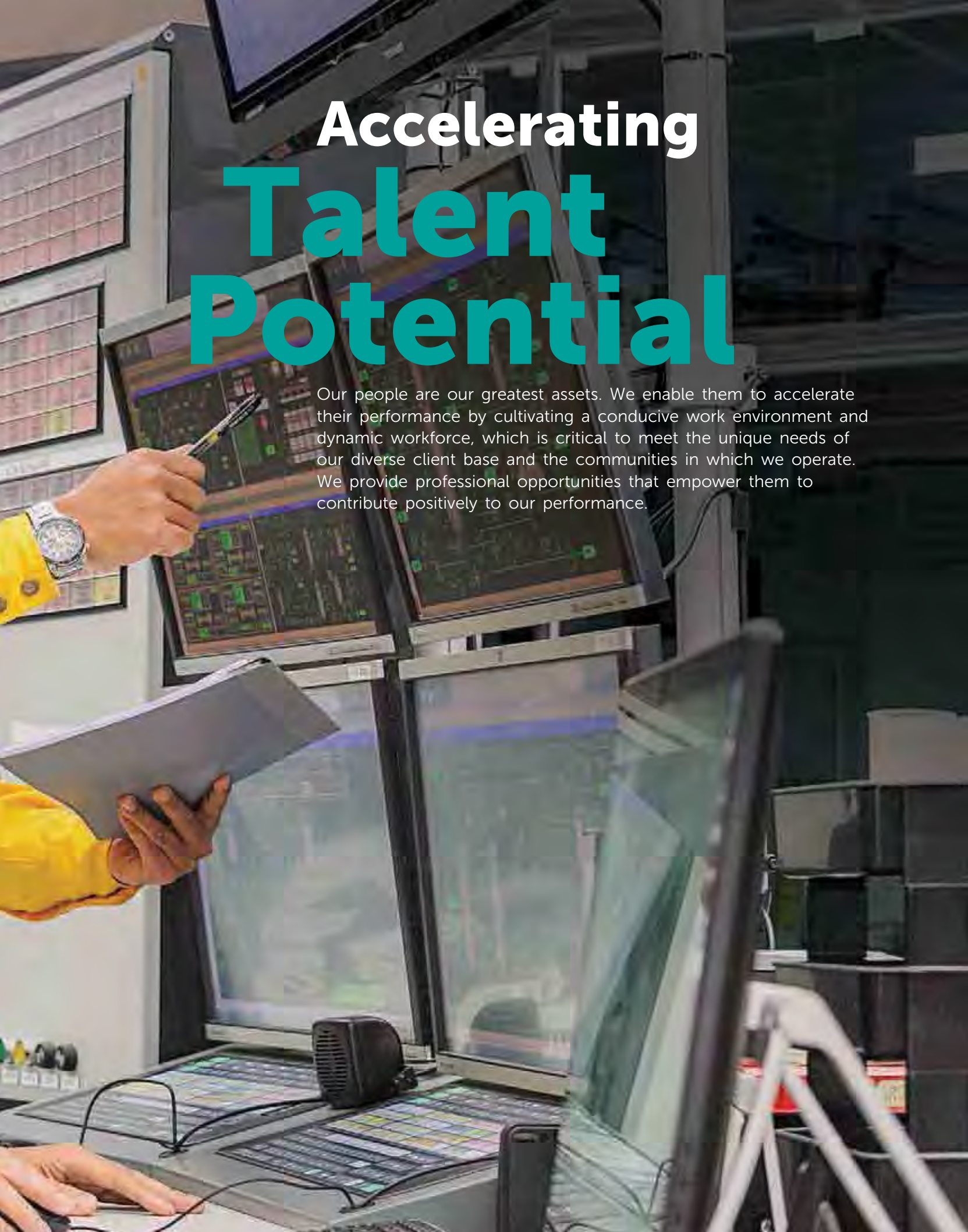


Accelerating Innovative Solutions

The cornerstone of innovation excellence lies in our ability to challenge ourselves and pursue bold ideas to be creative and innovative. By improving existing products, we are able to provide customised solutions to cater to our customers' needs.





A person wearing a yellow shirt and a silver watch is pointing with a pen at a large monitor displaying a complex data visualization. The monitor is part of a larger system with multiple screens and a control panel with many buttons. The background is dark and industrial.

Accelerating Talent Potential

Our people are our greatest assets. We enable them to accelerate their performance by cultivating a conducive work environment and dynamic workforce, which is critical to meet the unique needs of our diverse client base and the communities in which we operate. We provide professional opportunities that empower them to contribute positively to our performance.

Accelerating Environment Conservation

Caring for the environment is central to the way we do our business. At the crux of our efforts is the focus on upholding sustainable practices to conserve the pristine condition of Mother Nature. By utilising innovative and environmentally sound ideas, we endeavour to operate in an economically, environmentally and socially responsible manner.





KEY HIGHLIGHTS

REVENUE

RM14.6
billion

PROFIT BEFORE TAX

RM3.6
billion

EBITDA

RM4.6
billion

TOTAL ASSETS

RM28.5
billion

1st

INTERIM
DIVIDEND

8 sen
PER ORDINARY
SHARE

2nd

INTERIM
DIVIDEND

8 sen
PER ORDINARY
SHARE

OPERATIONAL EXCELLENCE AND HEALTH, SAFETY AND ENVIRONMENT

- One of the best Health, Safety and Environment performance since listing
- Improved plant reliability and utilisation

MARKETING AND SALES

- Secured licence for PETRONAS Chemicals Marketing (Labuan) Ltd as a Labuan International Commodity Trading Company
- Incorporated overseas subsidiaries in Thailand – PCM (Thailand) Company Limited and China – PCM (China) Company Limited

INNOVATION

- Developed and commercialised a new innovative customer solution, CF45, a solar panel cutting fluid

GROWTH

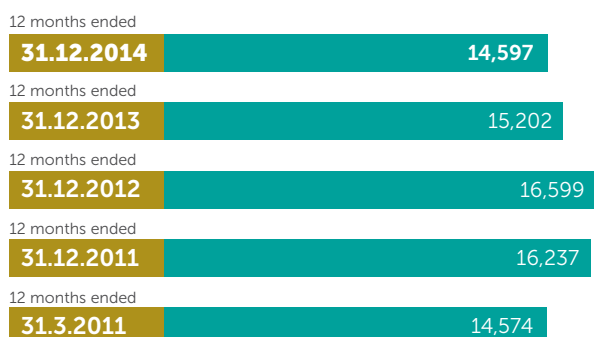
- SAMUR Project is on track for completion and commissioning by 2016
- Integrated aroma ingredients complex is progressing as planned
- Reached final investment decision for 2-Ethylhexanoic Acid (2-EHA) Project at BASF PETRONAS Chemicals Sdn Bhd

GROUP FINANCIAL HIGHLIGHTS

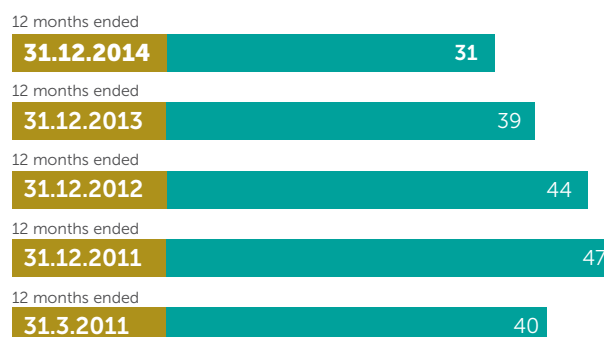
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ITEMS:

	12 months ended 31.3.2011	12 months ended 31.12.2011	12 months ended 31.12.2012	12 months ended 31.12.2013	12 months ended 31.12.2014
Revenue	14,574	16,237	16,599	15,202	14,597
Profit Before Tax	4,256	5,461	4,550	4,547	3,551
Profit Before Tax as % Revenue	29%	34%	27%	30%	24%
Profit After Tax	3,458	4,288	3,837	3,504	2,726
Profit After Tax as % Revenue	24%	26%	23%	23%	19%
Earnings Per Share (sen) – Basic	40	47	44	39	31
EBITDA	4,674	6,076	5,778	5,076	4,644
EBITDA Margin	32%	37%	35%	33%	32%

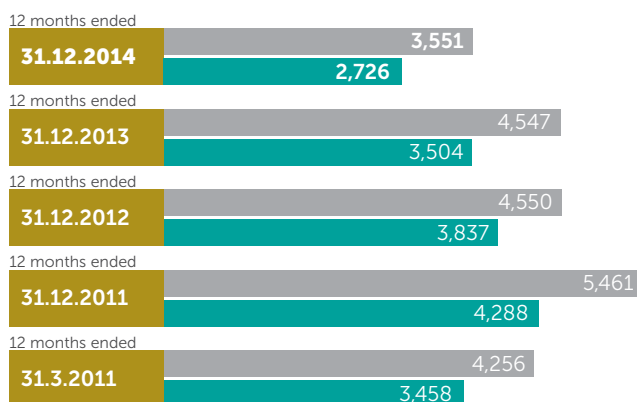
Revenue (RM Million)



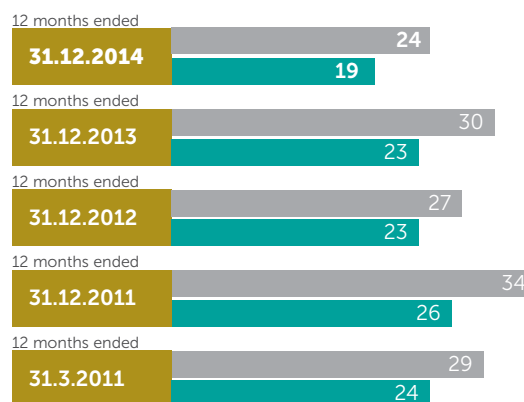
Earnings Per Share (sen) – Basic



Profit (RM Million)



Profit as % Revenue



■ Profit Before Tax
■ Profit After Tax

■ Profit Before Tax as % Revenue
■ Profit After Tax as % Revenue

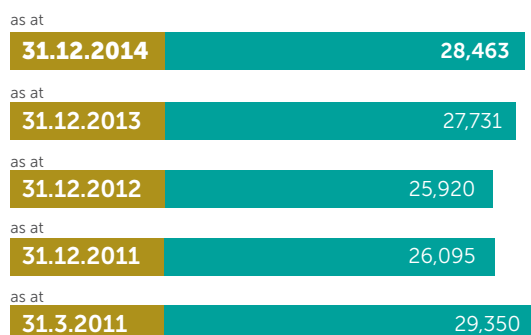
STATEMENT OF FINANCIAL POSITION ITEMS:

RM million/Year ended	As at 31.3.2011	As at 31.12.2011	As at 31.12.2012	As at 31.12.2013	As at 31.12.2014
Total Assets	29,350	26,095	25,920	27,731	28,463
Total Equity	20,984	19,642	21,906	23,389	24,477
Total Liabilities	8,366	6,453	4,014	4,342	3,986
Net Tangible Asset per Share (RM)	2.18	2.26	2.54	2.72	2.84

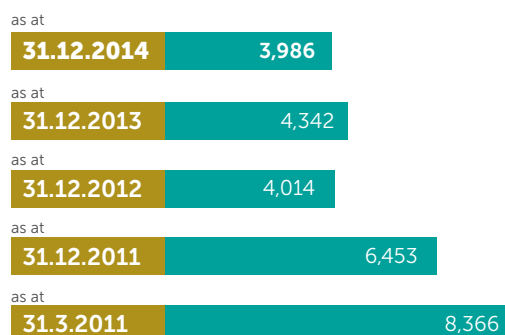
Note: Comparative figures for 31 March 2011 were prepared under FRS while figures for 31 December 2011, 31 December 2012, 31 December 2013 and 31 December 2014 were prepared under MFRS.

The Group changed its financial year end in 2011 from March to December, making it a nine-month reporting period from 1 April to 31 December. To allow for meaningful comparison, comparatives for 31 December 2011 were based on a twelve-month period.

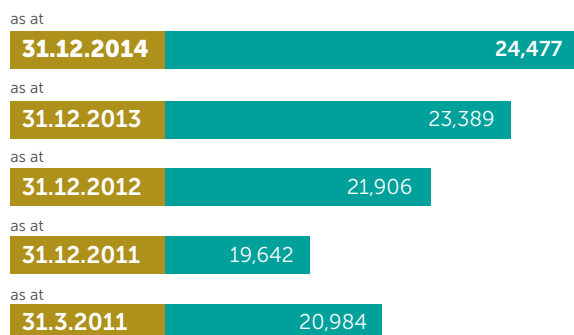
Total Assets (RM Million)



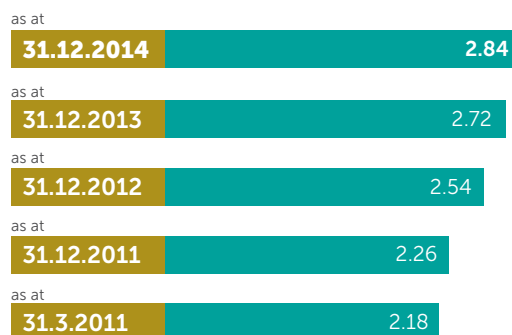
Total Liabilities (RM Million)



Total Equity (RM Million)



Net Tangible Assets per share (RM)



Polyethylene

Polyethylene is a very versatile material that is primarily used in the production of plastics packaging. It is most commonly used for consumer products such as shopping bags, food packaging, toys and detergent bottles.





About Us

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PCG AT A GLANCE

Listed on Bursa Malaysia Securities Berhad with three decades of experience in the chemicals industry, PETRONAS Chemicals Group Berhad was established as part of PETRONAS Group to maximise value from Malaysia's natural gas resources.

As the leading integrated chemicals producer in Malaysia and one of the largest producers in South East Asia, PETRONAS Chemicals Group Berhad's portfolio covers a wide range of chemicals.



QUICK FACTS

➤ **Comprises 26 companies producing and marketing a wide range of chemical products.**

- Operates two integrated petrochemical complexes, one in Kertih, Terengganu and the other in Gebeng, Pahang.
- Four manufacturing complexes in Gurun, Kedah; Bintulu, Sarawak; and Federal Territory of Labuan that produce fertilisers and methanol including a new fertilisers manufacturing complex in Sipitang, Sabah (SAMUR Project) which will commence production in 2016.

➤ **5 major operating business segments:**

- Olefins, Glycols & Derivatives
- Polymers
- Aromatics and MTBE
- Methanol
- Ammonia and Fertilisers

➤ **Current total production capacity of over 10 million metric tonne per annum (mtpa).***

- The largest producer of methanol in South East Asia and fourth largest in the world*.
- The second largest producer of urea in South East Asia with the completion of SAMUR Project*.
- The third largest producer of LDPE in South East Asia*.

➤ **Sole producer of methanol, urea, paraxylene, methyl tertiary butyl ether (MTBE), ethanolamines, ethoxylates, glycol ethers, butanol and butyl acetates in Malaysia.**

➤ **Joint-venture partners include BASF, BP, Idemitsu Kosan, Mitsubishi Corporation, Sasol Limited, Vopak, Dialog, NAFAS and Japan Energy Corporation.**



* Based on installed capacity, includes our equity share of joint venture and associate companies' capacities accordingly.

OUR MILESTONES

1985-1995

> **1985**

Commenced first commercial production of Urea and Ammonia in Bintulu Complex.

> **1992**

- Achieved first production of Propylene, Polypropylene and MTBE in Gebeng Complex.
- Acquired Methanol plant in Labuan Complex.

> **1995**

Commenced production of Ethylene and Polyethylene in Kertih Integrated Petrochemical Complex.



1996-2000

> **1997**

Commenced production of Styrene Monomer in Pasir Gudang.

> **2000**

- Commenced production of Acrylic Acid in Gebeng Complex.
- Commenced production of Benzene, Paraxylene, Ammonia, Vinyl Chloride Monomer, Polyvinyl Chloride and Acetic Acid in Kertih Integrated Petrochemical Complex.

> **1999**

Commenced production of Urea, Ammonia and Methanol in Gurun Complex.



OUR MILESTONES

2001-2010

> 2002

- Commenced production of Olefins, Glycols and Derivatives plants in Kertih Integrated Petrochemical Complex.
- Commenced production of Polyvinyl Chloride in Baria-Vung Tau, Vietnam.

> 2004

Expanded production capacities of Urea and Ammonia in Bintulu Complex.

> 2006

Expanded production capacities of Urea and Ammonia in Gurun Complex.

> 2009

- Commissioned Mega Methanol plant in Labuan Complex.
- Acquired interest in PETRONAS Chemicals Olefins, PETRONAS Chemicals Glycols and PETRONAS Chemicals Derivatives from Dow Chemicals.

> 2010

- Acquired interest in PETRONAS Chemicals Ethylene and PETRONAS Chemicals Polyethylene from BP.
- Listed on Main Market of Bursa Malaysia Securities Berhad.



2011-Current



> 2014

- Completed divestment of Phu My Plastics & Chemicals Company Limited pursuant to decision to discontinue vinyl business.
- PETRONAS Chemicals Marketing (Labuan) Ltd secured licence as Labuan International Commodity Trading Company.
- Incorporated overseas subsidiaries offices in Thailand – PCM (Thailand) Company Limited and China – PCM (China) Company Limited.

> 2013

Sanctioned development and construction of Asia Pacific's largest aroma ingredients chemicals complex at BASF PETRONAS Chemicals Sdn Bhd in Gebeng Complex.

> 2012

- Took over marketing of Chemicals and Performance Chemicals in Indonesia and Singapore from Dow Chemicals.
- Decision to discontinue vinyl business.

> 2011

Sanctioned development and construction of a new world-scale fertiliser plant in Sipitang, Sabah (SAMUR Project).



OUR OPERATIONS

1. Kertih Integrated Petrochemical Complex, Terengganu

- ⊗ Ammonia
- ⊗ Benzene
- ⊗ Butanol
- ⊗ Butyl Acetate
- ⊗ Carbon Monoxide
- ⊗ Ethanolamines
- ⊗ Ethoxylates
- ⊗ Ethylene
- ⊗ Ethylene Glycols
- ⊗ Glycol Ethers
- ⊗ Oxogas
- ⊗ Paraxylene
- ⊗ Polyethylene
- ⊗ Propylene
- ⊗ Acetic Acid*

2. Gebeng Integrated Petrochemical Complex, Pahang

- ⌚ Methyl Tertiary Butyl Ether (MTBE)
- ⌚ N-Butane
- ⌚ Propylene
- ⌚ Acrylics*
- ⌚ Butanediol*
- ⌚ Oxo-alcohols*

3. Federal Territory of Labuan

- ⌚ Methanol

4. Bintulu, Sarawak

- ⌚ Ammonia
- ⌚ Urea



5. Gurun, Kedah

- ⌚ Ammonia
- ⌚ Methanol
- ⌚ Urea
- ⌚ NPK Fertilisers*

6. Pasir Gudang, Johor

- ⌚ Styrene Monomer*

* Products produced by joint venture and associate companies.

OUR PRODUCT PORTFOLIO

We are driven by our passion to improve the quality of life for millions of people around the world. Besides offering value-added products that benefit customers, we seek to build a future of continuous innovation through customised solutions.

Our portfolio covers a wide range of olefins, glycols and derivatives, polymers, aromatics, MTBE, methanol, ammonia and fertilisers products. Besides ethylene and propylene, which are used as feedstock for other products, we also market intermediate products such as butanol including performance chemicals.

We host a worldwide network of distribution centres and distribution partners as well as tailor-made logistics solutions and packaging types. Through effective product delivery and product handling, We ensure that customers are able to reap the benefits of excellent service through effective product delivery and product handling.

OLEFINS, GLYCOLS & DERIVATIVES



Key Product	Description	Feedstock	Application
Ethylene	An olefinic hydrocarbon recovered from petrochemical processes in the form of a colourless gas	Ethane	Feedstock for production of polyethylene and other derivatives, including ethylene oxide, an intermediate product in the production of ethylene glycol, surfactants also used to produce styrene monomer
Propylene	An olefinic hydrocarbon recovered from petrochemical processes in the form of a colourless gas	Propane	Feedstock for the production of polypropylene, acrylic acids, acrylic esters and oxo-alcohols
Mono-Ethylene Glycol (MEG)	An ethylene oxide derivative as a versatile intermediates in wide range of applications	Ethylene Oxide Water	Polyester resins for fibres and polyethylene terephthalate (PET) containers and bottles, antifreeze, electronic applications and brake fluid formulation
Di-Ethylene Glycols (DEG)	Diethylene glycols has a significant role in the industry as a versatile intermediates in wide range of applications	Ethylene Oxide	Fibreglass application and brake fluid formulation
Performance Chemicals	Chemicals produced in smaller volume with higher unit values and used for critical applications requiring stringent performance	Ethylene Oxide, Ammonia, Fatty Alcohol	Production of surfactants, personal care products, cement and construction applications, detergents and emulsifiers



POLYMERS

Key Product	Description	Feedstock	Application
Polyethylene (LLDPE, HDPE, LDPE)	A polymer derived from polymerisation of ethylene	Ethylene	Feedstock in the manufacture of plastic products, including film, pipes, wires, cables and ducting



AROMATICS

Key Product	Description	Feedstock	Application
Paraxylene	An aromatic hydrocarbon in the form of a colourless, flammable liquid	Heavy Naphtha	Production of purified terephthalic acid, which in turn is used in the manufacture of polyester for packaging applications, soft drink bottles, fibres and film
Benzene	An aromatic hydrocarbon in the form of a colourless, flammable liquid	Heavy Naphtha	Feedstock for styrene monomer production and raw material for derivatives used in manufacture of disposable food containers, cutlery and packing electrical appliances



MTBE

Key Product	Description	Feedstock	Application
Methyl Tertiary Butyl Ether (MTBE)	An organic ether that is volatile, combustible in the form of a colourless liquid that is categorised as an oxygenate due to its ability to boost the oxygen content and octane rating of gasoline	Butane, Methanol	Gasoline additive to boost octane levels to improve burning of fuel and reduce level of emissions

OUR PRODUCT PORTFOLIO

METHANOL



Key Product	Description	Feedstock	Application
Methanol	Simplest organic alcohol and is a colourless, flammable liquid	Methane	Use in the production of formaldehyde, acetic acid, chloromethanes and methyl methacrylate, which in turn are used in the production of resins, adhesives, paints, plastics, flavourings, silicones and plexiglass

AMMONIA & FERTILISERS



Key Product	Description	Feedstock	Application
Urea	A high nitrogen content fertiliser for plant nutrient	Ammonia, Carbon Dioxide	Commercial fertiliser used in the production of many crops; raw material for the manufacture of adhesives, moulding powders, varnishes and foams
Ammonia	A nitrogen and hydrogen compound in the form of colourless gas with a characteristic pungent odour	Methane, Hydrogen, Nitrogen	Feedstock for the production of urea and other industrial applications, including as a refrigerant and latex anti-coagulant

JOINT VENTURE AND ASSOCIATE PRODUCTS



Key Product	Description	Feedstock	Application
Acrylics	Clear colourless liquid with a characteristic odour. Forms homopolymers and copolymers; readily undergoes polymerization and addition reactions with a wide variety of organic acid and inorganic compounds	Propylene	Use in manufacturing superabsorbents, detergents, flocculants and fibres
Oxo-Alcohols	Clear and neutral liquid with a characteristic odour. It is miscible with all common solvents, eg alcohols, ketones, aldehydes, ethers, glycols and aromatic and aliphatics hydrocarbons	Propylene	Use in coatings, pharmaceuticals and cosmetics
Butanediol	Colourless liquid, highly polar with an odour characteristic of acetone. This hygroscopic diol is soluble in water, alcohols, esters, ketones, glycol ether and glycol ether acetates; immiscible in aromatic and aliphatics hydrocarbons	Butane	Production of polyesters and polyurethanes
Styrene Monomer	Raw materials in liquid form derived from complex petrochemical processes. It is a clear, colourless, flammable liquid, distinctive aromatic odour	Benzene, Ethylene	Raw material for the production of polystyrene which is used to make packaging containers. Used in high-impact plastic such as acrylonitrile butadiene styrene (ABS), latex paints and most synthetic rubber
Acetic Acid	Chemical intermediate in the form of colourless liquid	Methanol, Carbon Monoxide	Raw material for petrochemical intermediates and end-products, including vinyl acetate monomer for coatings and adhesives, acetate esters, cellulose acetate, acetic anhydride and monochloroacetic acid