

PETRONAS DAGANGAN BERHAD ("PDB")
44TH ANNUAL GENERAL MEETING ("AGM")
27 APRIL 2026



Shareholders' Questions At PDB's 44th AGM

Note: The questions and feedback have been edited for clarity and brevity.



SECTION 1: STRATEGY AND CURRENT ISSUES

No.	Question
1.1	In light of recent geopolitical developments, including the ongoing Middle East conflict, has PDB accelerated, adjusted, or postponed any of its MFT-anchored medium-term strategies? If so, could the Board elaborate on the nature of these adjustments and how external uncertainties have been factored into strategic execution and capital allocation decisions?
Response:	
<p>While recent geopolitical developments continue to contribute to market volatility, PDB has not undertaken any fundamental changes or postponements to its strategic priorities, which was designed with long term view and with inherent flexibility to operate across a range of external conditions.</p>	
1.2	What is the Company's core business, and are there considerations in relation to potential investments in overseas markets, such as the Middle East? With Sabah and Sarawak seeking a greater role in the energy sector, are there updates on the current status and its implications for the Company?
Response:	
<p>PDB's core business focuses on the marketing and retailing of downstream petroleum products across the Retail and Commercial segments. The core business is enhanced by Convenience segment's non-fuel business' offerings.</p> <p>Our principal business operations are primarily to deliver petroleum products and non-fuel offerings across Malaysia, leveraging on competitive advantages of PETRONAS integrated business value chain and brand strength.</p> <p>This development does not have a direct impact on PDB and we continue to supply petroleum products to respective states. PDB and PETROS have also formed a joint venture in Sarawak, named PETROSNiaga, to supply LPG products back in FY2022. PDB has 49% stake in this venture.</p>	
1.3	Given Malaysia's relations with Iran, are there opportunities to source petroleum products such as petrol, diesel, or gas from Iran for supply to Asian markets? Before the share price moves up, let me know first, so I can buy in more shares
Response:	
<p>PDB's core business focuses on the marketing and retailing of downstream petroleum products across the Retail and Commercial segments. The core business is enhanced by Convenience segment's non-fuel business' offerings.</p> <p>The request in the second part, if carried out, is considered illegal according to Section 188 of the Malaysian Capital Markets and Services Act 2007 (CMSA) in Malaysia. It is illegal to use or share confidential information that could affect share prices of a listed company to buy or sell shares. Breaking this law can lead to a severe penalty.</p>	
1.4	The war in the Middle East and closure of the Strait of Hormuz has caused fuel price to escalate. How does this affect PDB's profitability?
Response:	
<p>Based on PDB's commercial arrangements with PETCO, it has been assured that supply to PDB will remain sufficient until end of June 2026.</p> <p>However, the broader operating environment shifts influenced by the fuel price movements are closely monitored by PDB for its potential short to long term risks to</p>	

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	profitability, i.e., increase in operational costs and opportunities or preference for cleaner energy solutions.
1.5	Management had indicated supply visibility up to June 2026, however, could PDB provide assurance on supply continuity thereafter, as well as if there will be potential implications for the Company's revenue and profitability?
Response:	
PDB has a robust and diversified supply chain, supported by PETRONAS Group's integrated capabilities.	
PDB relies on PETRONAS Group's extensive refining capacity, trading expertise, infrastructure network, and inventory buffers, rather than solely on imported finished products. The Group prioritises domestic supply, with PDB being a key beneficiary of this approach. While trading confirmations are typically disclosed within defined contractual windows, planning and sourcing activities extend well beyond June.	
PETRONAS Group has the ability to source crude and products from multiple regions globally, including alternative markets outside the Middle East, and that shipping lead times and logistics are actively modelled and planned. In addition, Malaysia's domestic crude production and existing inventories provide further resilience.	
Operationally, PDB has not experienced any supply disruptions or out-of-stock situations at its stations. The Board and Management are monitoring the situation closely, with operations teams reviewing supply risks on a weekly basis, and the Company remains confident in its ability to ensure supply continuity.	
Accordingly, there is no need for panic, as observations show that PDB's operations, revenue outlook, and profitability are still within the operating plan.	
1.6	Amidst higher oil prices, has any softening in retail demand or station traffic been observed, and how might this impact the Kedai MESRA and convenience segment? Following the implementation of the BUDI MADANI RON95 quota reduction to 200 litres effective 1 April, what are in place to mitigate potential declines in retail footfall and non-fuel sales? How is PDB managing potential volume volatility, and what strategies are in place to safeguard retail margins amid changing consumer refuelling behaviour? Additionally, has the Commercial segment seen any softening in Jet A-1 demand, and are there any supply stability issues?
Response:	
From observation, the current demand trending at stations and Kedai MESRA remains within our operating plan.	
We are experiencing a softening demand for Jet A-1 due to flight cancellations resulting from the Middle East crisis and higher cost of Jet A-1 impacting the route economics. Observations are consistent with the inputs from the airlines and airport authorities.	
On the supply front, no supply stability issues have been observed. We are working closely with our supply distribution partners in ensuring our forecasted demands are met. On the customer front, we are working closely in understanding their operations planning ensuring any spike in demand will be captured in our forecast.	
1.7	Recent media reports have indicated instances of supply interruptions at petrol stations operated by certain industry players. How does PDB ensure continuity of fuel supply at PETRONAS stations and safeguard <i>Rakan Niaga</i> from potential

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	losses arising from such situations. Is PDB able to guarantee supply stability at stations in the near term?
Response:	
As an independent listed entity, PDB is not in a position to comment on matters concerning other oil companies.	
PDB manages supply security through a few key levers, which are:	
<ul style="list-style-type: none"> • Maintaining adequate fuel inventories across its extensive terminals and retail network; • Leveraging PETRONAS' integrated refining and trading capabilities; and • Diversified sourcing routes to reduce reliance on any single geography. 	
Additionally, PDB continuously collaborates and engage with our <i>Rakan Niaga</i> to ensure business continuity and uninterrupted product supply to the end-customer at stations.	
On supply stability, while no operator can provide an absolute guarantee under all external circumstances, PDB remains focused to its role of ensuring continuity of product supply to customers, particularly during periods of volatility and uncertainty.	
We continuously collaborate with the Government and other oil companies to ensure supply continuity and market stability for Malaysia.	
1.8	The outlook highlights several external drivers, including subsidy rationalisation, potential APM changes, EV adoption, increased public transport usage, and Visit Malaysia Year 2026. Among these assumptions, which is most sensitive to the Company's FY2026 earnings outlook, and what downside scenarios have been factored into planning assumptions?
Response:	
Subsidy rationalisation includes changes to Automatic Pricing Mechanism (APM) and specific programs like BUDI MADANI RON 95, have the most direct and lasting impact on product volume demand and regulated margins, mainly within the Retail segment.	
Structural trends such as EV adoption and increased public transport usage are assessed to have a less immediate impact, with effects expected to be gradual and more evident over the medium- to long-term.	
This, however, may be affected by the evolving market dynamics from ongoing conflict in Middle East.	
PDB strategic and business planning embed corporate risk review by identifying areas that have material impact to PDB business operating environment from short to long-term horizons. Various evolving scenarios were considered to support business resilience.	
1.9	PDB has taken a lead in green mobility by installing 200kW fast chargers via Gentari. As the adoption of electric vehicles increases, the 'time spent' at a station changes from a 5-minute fuel stop to a 20–30-minute charging session. How is PDB redesigning its station layouts and service offerings to capture the spending power of EV owners during this longer waiting period? Is there a plan to integrate charging costs into the Setel ecosystem to maintain customer loyalty?
Response:	
In line with PDB's strategic ambitions, over the past years we are focused on expanding our non-fuel and service offerings.	

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	<p>Today, PETRONAS stations serve purposes beyond refuelling, including fast EV charging, retail, food & beverage (F&B), and enhanced amenities, tailored to the requirements of the station locality.</p> <p>This transformation is central to PDB's strategy of positioning its stations as one-stop mobility and lifestyle destinations, aligned with evolving customer needs.</p> <p>With respect to Setel, the platform has in fact expanded to include EV charging since 2022, covering Gentari and other charging points nationwide as part of enhancing its ecosystem with non-fuel offerings.</p>
1.10	What are PDB's medium- to long-term strategies to ensure sustainable growth and strengthen competitiveness in the current economic environment?
	Response:
	<p>In medium term up to 2030, PDB continues to reinforce its core businesses strength and pacing its new businesses to capture growth in demand for convenient lifestyle and low-carbon solutions, by diversifying its offerings. These efforts will position PDB as an energy superstore, delivering a superior customer experience and driving growth.</p> <p>Looking beyond 2030, PDB anticipates heightened push for energy transition driving customers preference. To remain competitive and resilient, the organisation is future proofing its business by balancing dependency between its core and new businesses. PDB continues to explore for viable opportunities to maximise the value of its PETRONAS stations and other businesses, adapting to the evolving energy landscape.</p>
1.11	Would current geopolitical tensions involving Iran and high oil prices have any impact on PDB's hedging position, and whether this may result in hedging gains affecting profitability?
	Response:
	<p>PDB does not undertake standalone hedging activities, leveraging PETRONAS Group's integrated supply and risk management framework, which focuses on ensuring supply reliability.</p> <p>Geopolitical developments may affect market prices, but PDB's financial performance is primarily driven by regulated margins, commercial terms, volume demand, and operational efficiency.</p> <p>Accordingly, windfall profits arising from geopolitical crises or price volatility through hedging gains are not applicable to PDB.</p>
1.12	Your assumptions for 2026 appear to have been made before the recent crisis, including anticipation of Visit Malaysia Year conditions. Given the changes in the operating environment, how realistic is your outlook for the coming year? How should shareholders assess the potential financial impact, and how confident are you that the Group can achieve performance similar to the current year?
	Response:
	<p>As required under Bursa Malaysia's listing requirements, PDB is obligated to publish the Integrated Report within a prescribed timeline, in which it was released in March 2026. Accordingly, some assumptions underpinning the outlook were formulated prior to recent developments.</p>

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	<p>That said, PDB fully recognises that the operating environment has evolved, and this is something being monitored very closely. Our immediate priority remains ensuring supply security. While we are not insulated from global market dynamics, our infrastructure and operating discipline have enabled PETRONAS stations to remain among the most reliable in terms of product availability.</p> <p>As conditions evolve, shareholders should rely on our latest announcements and disclosures, which reflect the most current information available. At the Board and Management levels, risks and opportunities are concurrently and continuously being assessed, recognising that periods of disruption may also present new opportunities. In addition, PDB actively undertakes scenario planning, including best-case and worst-case scenarios, to stress-test our plans.</p>
1.13	<p>For clarification, is Diesel a by-product of refinery operations? Why is Diesel and Petrol priced so high currently? When Diesel or Petrol prices increase and the Company is able to supply the market, does this mean the Company makes more money?</p>
	<p>Response:</p>
	<p>Diesel is not a by-product. A by-product is an unintended output that arises incidentally from a production process. Diesel, along with Mogas, LPG and Jet A-1, is a highly desirable and intentionally produced product.</p> <p>Product prices, on the other hand, is fundamentally driven by global demand and supply dynamics. For instance, Diesel demand is relatively inelastic, meaning a minimum volume is required to support economic and industrial activity regardless of price movements. Generally, for both products, benchmark prices such as Mean of Platts Singapore (“MOPS”) provide a base reference price, but there is also a premium component, which reflects real-time market conditions, including availability, demand, and competition for supply. As a result, prices are influenced not only by local supply conditions but also by global market competition for the same product.</p> <p>It is important to clarify that higher prices do not automatically translate into higher profits. While headline prices may increase, cost structures also rise. Crude oil prices are elevated due to geopolitical and war-related premiums, while transportation, logistics, and marine insurance costs have also increased. These factors all affect the overall cost of securing supply.</p>
1.14	<p>There have been public perceptions of Diesel shortages locally and concerns that exports to markets such as the Philippines and Australia may have contributed to domestic supply constraints or price pressures.</p>
	<p>Response:</p>
	<p>Reports referring to any Diesel shipments “from Malaysia” need to be verified against official Government statements on the issue.</p> <p>From PDB’s perspective, local fuel supply for the Malaysian market continues to be prioritised, and PDB remains anchored to its operational priorities and domestic supply obligations to ensure continuity of product supply to customers.</p>
1.15	<p>How does Management anticipate EV adoption impacting the Retail fuel business over time, and when does the Company expect EV penetration to reach a material inflection point?</p>

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	Additionally, what is PDB's strategy and rollout prioritisation for EV charging infrastructure in the coming years, and does this include any current or planned technology partnerships with global players?
Response:	
EV adoption is assessed to have a less immediate impact, with effects expected to be gradual and more evident over the medium- to long-term.	
In parallel, we are future-proofing the business in a disciplined and measured manner. PDB is already participating in low-carbon mobility solutions through 20 Battery Swap Stations with Blueshark under battery-related energy storage. At the same time, we are deliberately diversifying our growth portfolio into businesses that are less dependent on fuel volumes, such as MESRA and Setel.	
Additionally, EV chargers have been installed at 89 of our stations nationwide, accessible via Setel. PDB continues exploring EV charging opportunities to meet evolving customer needs. Expansion is pursued in collaboration and partnership with Gentari, guided by demand and readiness.	
1.16	How does PETRONAS Group assess opportunities in emerging sectors such as healthcare, and could this form part of its long-term diversification strategy?
Response:	
PDB is not in a position to comment on behalf of PETRONAS Group on its long-term strategies.	
For PDB, while healthcare is a growing sector, any potential diversification would be guided by commercial-led assessments, ensuring capital decisions are commercially driven, value-accretive, and aligned with PDB's long-term strategic direction.	
1.17	What inventory buffer (in days of supply) does PDB maintain to mitigate sudden supply disruptions?
Response:	
PDB maintains prudent and sufficient inventory buffers across its supply chain to ensure continuity of supply.	
At the terminal level, the minimum operational buffer is around three days, with actual inventory levels typically maintained above this threshold. At the retail station level, inventory coverage generally ranges between three to five working days, depending on the number of tanks at each station.	
Overall, these buffers provide adequate resilience against short-term supply disruptions.	
1.18	Could management explain PDB's fuel supply and profitability structure, including whether the Company sources crude oil or finished products within the PETRONAS Group, the origin of fuels sold at retail stations (local production versus imports), and how supply locations across different regions in Malaysia are determined?
Response:	
PDB operates as a downstream marketing and retail entity, and we do not purchase crude oil directly. Our fuel supply is sourced primarily through the PETRONAS Group's integrated refining and supply system, where products are produced at Group refineries or sourced through approved import channels when required. This integrated model allows PDB to focus on distribution, retail operations, and customer experience, rather than upstream refining activities.	

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	<p>Fuel supplied to our stations originates from a combination of local refineries and imports, depending on national supply availability, product specifications, and logistics optimisation.</p>
	<p>From a profitability perspective, retail margins are governed largely by regulated mechanisms under the APM, while PDB's role is to manage costs, logistics efficiency, and operational discipline across the value chain, while commercial profitability is managed through market-linked pricing frameworks and disciplined margin management, which allow cost movements to be managed while maintaining business sustainability.</p>
1.19	Why is gas distribution managed via Gas Malaysia and not PDB?
	Response:
	<p>From PDB's perspective, our principal business activities, focus on the marketing and retailing of downstream petroleum products across the Retail and Commercial segments, enhanced by Convenience segment's non-fuel business' offerings.</p>
	<p>This represents the downstream segment and forms only a part of the gas or overall energy supply chain, where our priorities remain on operational excellence, supply reliability, and sustainable value creation within our approved scope.</p>
1.20	Given supply risks like geopolitical disruptions affecting the Strait of Hormuz, should more CAPEX go to storage for supply security?
	Response:
	<p>PDB CAPEX investment decisions stand guided by commercial-led assessments, ensuring capital decisions are commercially driven, value-accretive, and aligned with PDB's long-term strategic direction.</p>
	<p>CAPEX investment for supply security goes beyond storage capacity. PDB looks holistically at the ability to scale throughput, pipeline capacity, operational enhancements such as faster turnaround times through partnerships with hauliers, or improvements like booster pumps to increase flow within existing systems.</p>
	<p>Capacity expansion is therefore a multi-dimensional optimisation exercise, rather than a single infrastructure decision. We have a dedicated team that continuously evaluates these levers to ensure supply resilience while maintaining capital discipline.</p>
1.21	How does Management justify the current speed of the non-fuel expansion (F&B and electric mobility) as a sufficient hedge against the inevitable contraction of the traditional Internal Combustion Engine (ICE) market?
	Response:
	<p>Retail and Commercial will remain significant contributors to PDB value generation in the short- to medium-term, as structural trends such as EV adoption are assessed to have a less immediate impact, with effects expected to be gradual and more evident over the medium- to long-term.</p>
	<p>The current rollout of PDB's new non-fuel businesses is still at an early stage and expected to experience exponential growth, with scaling driven by key success factors encompassing commercial viability and operational requisites.</p>
1.22	Following PDB's exit from the NGV business, what were the key considerations behind this decision, and what is the impact on overall fuel sales?
	Response:
	<p>NGV operations were no longer commercially sustainable and posed increasing health, safety and environmental (HSE) risks. The Government has also indicated its intent to cease NGV supply from retail stations, reinforcing our decision to exit. NGV volumes were</p>

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	relatively small, and the spillover impact on total fuel sales is immaterial. We continue to see robust growth in gasoline and diesel, which more than offsets the NGV exit.

SECTION 2: FINANCIAL MATTERS

No.	Question
2.1	Disclose the Total Shareholders' Returns ("TSR") of PDB for the past 1, 3, and 5 years up to the end of the financial year ended 2025. What would the Board attribute the performance to?
Response:	
<p>Over the past one, three and five years, the Group delivered TSR of 7.5%, 2.9% and 12.7% respectively. The Board attributes these outcomes mainly to resilient performance, operational excellence and consistent dividend payouts, across all periods.</p> <p>The 1-year TSR reflects robust operational delivery and disciplined cost management, with dividends forming a meaningful component of returns.</p> <p>Over the 3-year period, returns were significantly influenced by market sensitivity to regulatory developments, particularly the implementation of targeted fuel subsidy i.e., Diesel and RON95. While the Group continued to deliver stable earnings and dividends, these measures introduced uncertainty around subsidy structures and sector economics, leading to weaker investor sentiment and a moderation in valuation thereby impacting share price performance.</p> <p>Over the 5-year horizon, TSR benefited from post-pandemic recovery with dividends continuing to support total returns despite broader macroeconomic and geopolitical headwinds.</p> <p>Overall, while operational fundamentals remain robust, shareholder returns are closely linked to market perceptions, regulatory clarity and policy direction.</p>	
2.2	We note that in the prior year, the Board identified TSR drivers to include financial performance, dividend payout, impact of COVID-19, and sentiment surrounding the targeted fuel subsidy. Could the Board elaborate on the impact of these drivers on the TSR over the past year, and how these drivers are being monitored or managed by the Company?
Response:	
<p>The TSR was driven primarily by robust financial performance and dividend distribution in a relatively stable operating environment, despite mixed sentiment around Government policy changes, while the impact of COVID-19 has largely normalised.</p> <p>The Board monitors these drivers through regular reviews of financial and operational performance, capital allocation, and dividend sustainability, as well as close engagement on policy developments and regulatory changes.</p> <p>Scenario planning and risk assessments are embedded within planning processes to ensure PDB remains resilient and positioned to deliver sustainable long-term shareholder value.</p>	
2.3	FY2025 dividend was 112 sen per share, including a 20 sen special dividend, implying a 100% payout ratio against the stated policy of 50% of annual PAT. How does the Board justify this distribution level without weakening balance-sheet flexibility if subsidy receipts normalise? Can PDB pay shareholders more dividends, or even a 'special' dividend in future?
Response:	

No.	Question
	<p>The Board's approach to dividends remains guided by the dividend policy, balancing shareholder returns with financial flexibility, capital requirements, and long-term business needs.</p> <p>Historically, PDB has maintained a high payout ratio over the past five years without undermining balance-sheet strength or liquidity, reflecting resilience of the Company's cash-generative profile and financial management despite strains on subsidy receipts in prior years.</p> <p>The FY2025 distribution, including the special dividend, followed a careful Board assessment supported by PDB solid earnings and robust liquidity position to fulfil its commitments.</p> <p>Future dividend distributions remain anchored to the Company's policy of distributing 50% of annual PAT, subject to earnings performance, capital requirements, and overall financial position.</p>
2.4	<p>Please explain the significant year-on-year variance between PDB's revenue and related-party petroleum product purchases, including the nature of the related party involved and whether this reflects pricing, volume, or inventory timing differences?</p>
<p>Response:</p>	
	<p>The difference arises from movements in global oil prices, where in FY2025, market prices were lower than the previous year, therefore, the amount paid to our related company, PETCO, correspond with the price movement even though revenue remained stable.</p> <p>Retail-fuel and a portion of LPG prices are regulated under the APM framework which influences significant portion of revenue. Any differences between product purchase prices and sales prices should be viewed together with subsidy receipts from the Government for a complete picture of cash flows and profitability. For commercial and non-subsidised products, prices and costs largely pass through with the market.</p> <p>Therefore, year-to-year differences mainly reflect price movements, not special pricing, inventory timing, or unusual transactions.</p>
2.5	<p>Retail-Fuel revenue rose only 1% to RM20,482.6 million while Profit Before Taxation ("PBT") fell 21% to RM645.5 million because of weaker MOGAS gross profit and lower diesel demand; What specific pricing, volume and mix actions will management execute in FY2026 to arrest further margin compression?</p>
<p>Response:</p>	
	<p>Although the Retail segment PBT recorded some softening year-on-year, our performance remained resilient despite less favourable market-driven factors in FY2025.</p> <p>From pricing perspective, Retail margin is influenced by average selling price regulated under the Automatic Pricing Mechanism (APM), whereas average product cost reflects variable market dynamics.</p> <p>Driving volume is important for PDB to benefit from economies of scale, and execution will focus on strengthening product branding and value propositions to reinforce preference for PETRONAS' superior fuel solutions.</p>

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	Furthermore, we also ensure continuous improvement of our digital platforms – Setel and Cardless SmartPay – while maintaining operational and supply reliability.
2.6	Convenience revenue declined 12% to RM253.8 million, yet PBT increased 8% to RM121.6 million. Which operating levers are driving this improvement and what recurring Key Performance Indicators (“KPI”) will management use to demonstrate that the segment can scale profitably?
Response:	
The decline in Convenience Revenue is mainly attributable to higher seasonal merchandise (for PETRONAS Shop) sales in previous year, whilst PBT increase was supported by active portfolio refinement, stable cost bases and operating expense discipline.	
Recurring KPIs centre on productivity and efficiency, including profit contribution and cost metrics, complemented by relevant operational indicators. These KPIs provide clear line-of-sight between scaling initiatives and sustainable profitability over time.	
2.7	For LPG and Lubricants businesses, as these are not disclosed as separate reportable segments, which segments are their results reported under? Could Management provide the revenue and profit breakdown for LPG and Lubricants on a standalone basis?
Response:	
The LPG and lubricants businesses are reported across both the Retail and Commercial segments, depending on the customer and market segment served, rather than being disclosed as standalone reportable segments.	
Segment reporting and disclosures are prepared in accordance with applicable accounting standards, based on how performance is reviewed by the Board, and are carefully balanced against considerations of commercial sensitivity, competitive positioning and regulatory obligations. As such, standalone revenue and profit disclosures for these sub-segments are not separately provided.	
2.8	Note 5 of the Financial Statements shows that there is an impairment on investment in subsidiaries of RM 2.03 million. What does it relate to?
Response:	
The impairment relates to one of our subsidiaries, PETRONAS Aviation Sdn. Bhd. as the company is moving towards dormancy post-divestment of our investment in United Fuel Company (“UFC”) in Saudi Arabia.	
UFC is PDB’s final international business presence.	
2.9	The Group’s cash balances increased substantially to RM4.755 billion, mainly arising from the receipt of Government subsidy receivables. What is the normal collection period for subsidised receivables from the Government? Following the recent increase in subsidised RON95 prices and the resulting growth in receivables, has there been any change to the timing of subsidy reimbursements from the Government? Additionally, does this differ between company-owned and dealer-owned stations?
Response:	
Subsidy reimbursements are subject to Government-determined settlement cycles, which are well established and factored into PDB’s cash flow planning and treasury management practices.	
Despite the recent increase in subsidised product prices and receivable balances, no material changes to the timing of subsidy receipts have been observed. PDB continues	

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	to work closely with the relevant authorities to support supply continuity and a sustainable subsidy ecosystem.
	The subsidy reimbursement mechanism governed by the Automatic Pricing Mechanism (APM) is consistent between company-owned (CODO) and dealer-owned (DODO) stations, where dealers are compensated by dealers' commission mandated by the APM.
2.10	Borrowings have increased, with a significant portion coming from lease liabilities. Could Management explain what these lease liabilities relate to?
	Response:
	The increase was due to the right-of-use for vessel charter hire.
2.11	There is a notable increase in profit from ventures. Could Management elaborate on what drove this change?
	Response:
	Improved share of profit of RM12.7 mil from a share of loss of RM4.4 mil in 2024, was mainly driven by PETROSNIAGA Sdn Bhd ("PNIAGA") turnaround as it completes key market acquisition activities and secured 100% household segment and stabilises its operations.
2.12	Greater granularity in the disclosure of key operational drivers would enhance shareholders' understanding of PDB's underlying performance and strengthen confidence in the Company's long-term value creation. Could the Board provide more detailed disclosures on selected operational metrics (for example, sales volume by product or segment) beyond headline growth figures?
	Response:
	The Board recognises the importance of clear and meaningful disclosures in helping shareholders understand PDB's performance and long-term value creation.
	However, the disclosures ought to be carefully balanced against commercial sensitivity, competition, and regulatory obligations.
	The Board continues to review disclosure practices and will consider enhancements that do not disadvantage the Group commercially, while remain aligned with applicable reporting standards and governance requirements.
2.13	Does PDB have any interest in other listed companies?
	Response:
	PDB do not have any direct financial interests in any other listed entities.

SECTION 3: RETAIL-FUEL BUSINESS

No.	Question
3.1	The APM continues to reference MOPS as the benchmark. Given Malaysia's established domestic refining capacity, should the industry consider moving towards a local or alternative benchmark instead of MOPS, to better reflect local supply conditions and improve management of finished product costs?
Response:	
<p>The APM methodology, including the use of MOPS as a benchmark, is determined by the Government as part of the national fuel pricing framework.</p> <p>As an industry player, PDB operates in full compliance with and is guided by the Government's policy decisions, including the benchmarks prescribed under APM.</p>	
3.2	Following the 2019 revision of dealer margins, could Management confirm whether these margins remain unchanged to date? Additionally, how does PDB support dealers in managing operating cost changes across the network?
Response:	
<p>Dealer margins are set under Malaysia's Automatic Pricing Mechanism (APM), and review is guided by government based on their discretion in consideration of industry economics.</p> <p>APM provides certainty for dealers, even when crude or product prices fluctuate.</p> <p>PDB supports <i>Rakan Niaga</i> on cost sustainability through continuous operational improvements and engagements.</p>	
3.3	How sensitive and what is the impact of the Government's petrol subsidy on PDB – does it primarily affect total retail sales volume, revenue, or both?
Response:	
<p>Volumes and revenue are primarily influenced by end-consumer demand and usage patterns, which are affected by various factors, while retail pricing continues to be governed under the APM framework.</p> <p>At this stage, the subsidy mechanism does not fundamentally alter PDB's underlying Retail performance, as margins and pricing parameters remain regulated. That said, Management recognises that changes in market conditions and consumption behaviour may emerge over time.</p> <p>Accordingly, PDB will continue to closely monitor consumption trends and operating impact, while assessing any potential implications on performance as the subsidy environment evolves.</p>	
3.4	Recently, there have been media reports highlighting cases of subsidised fuel allegedly being smuggled from PETRONAS stations. Could Management clarify what measures PDB has taken to curb such activities? Additionally, how does this role complement enforcement actions carried out by the authorities?
Response:	
<p>PDB works very closely with relevant authorities on this matter. Internally, PDB continuously monitors sales volumes across the network, and any irregular patterns or unusual spikes in specific locations are escalated and reported to the Ministry of Domestic Trade and Cost of Living ("KPDN") for further review and action.</p>	

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	<p>PDB takes this matter very seriously. Should any station be found to be involved, appropriate actions will be taken against the dealer in accordance with our governance and compliance framework.</p>
3.5	<p>Out of the Group's 1,000-plus service stations, how many are operated directly by PDB and how many are operated by appointed dealers? How are these operating models differentiated in practice? Additionally, some stations appear to deliver consistently high service standards, while others may require improvement. How does Management ensure service quality and consistency across the network, regardless of the operating model?</p>
<p>Response:</p>	
<p>Across PDB's network of over 1,000 PETRONAS stations, the operating model is approximately 10% Dealer-Owned Dealer-Operated (DODO) and 90% Company-Owned Dealer-Operated (CODO). In essence, all stations are dealer-operated, with the key distinction being who owns the station asset, rather than who runs day-to-day operations.</p> <p>For clarity, while the network is largely dealer-operated, PDB does currently operate one COCO (Company-Owned Company-Operated) station, which was approved by KPDN. The purpose of this station is not commercial expansion, but to serve as a controlled environment for testing operational improvements and solutions, which can later be rolled out across the wider dealer network.</p> <p>Regardless of whether a station operates under CODO or DODO models, we manage all dealers through a balanced scorecard framework, fully integrated into our dealer management process, with customer service being a core KPI. We closely monitor dealer performance, engage regularly with dealers, and address any service-related complaints through structured discussions, coaching and improvement plans.</p> <p>In addition, we appoint an independent third-party auditor to conduct quarterly audits across our stations, covering customer service standards, product quality, amenities and overall station conditions.</p>	
3.6	<p>Why are retail dealers not eligible for incentives from Gentari, despite operating on the same site?</p>
<p>Response:</p>	
<p>Gentari and PDB operate as distinct entities with their own commercial models. Sharing the same site does not automatically create shared incentive structures. Retail dealer incentives and support continue to be managed by PDB through existing commercial terms and dealer programmes, independent of Gentari's offerings.</p> <p>PDB will continue to assess collaboration opportunities with Gentari where mutually beneficial, while ensuring dealer support remains managed through PDB's established programmes.</p>	
3.7	<p>On fuel quality assurance at dealer-operated stations, there may be isolated cases where fuel integrity is compromised at certain outlets. Could PDB share how it monitors and ensures dealer compliance with fuel quality standards, similar to practices observed at other operators?</p>
<p>Response:</p>	
<p>PDB maintains strict fuel quality standards across its network, with controls and regular monitoring in place to ensure compliance by all dealers. We work closely with relevant authorities and take firm action against any non-compliance to safeguard product integrity and customer trust.</p>	

No.	Question
	Should customers detect any non-conformity or doubt, we encourage reporting via www.mymesra.com.my or the Mesralink hotline at 1-300-88-8181 for prompt investigation and follow-up
3.8	Following the implementation of BUDI95, PETRONAS e-voucher users were previously only able to redeem e-vouchers individually rather than combining multiple vouchers in a single transaction. Has there been any improvement or update to this functionality?
Response:	
E-vouchers can now be combined with other e-vouchers, as well as with cash or credit/debit card payments following a system enhancement implemented in April 2026, providing greater convenience and seamless transaction experience.	
3.9	PETRONAS fuel performance appears less powerful as compared to competitor brands.
Response:	
The research, formulation skills, and rigorous testing behind our fuels help improve our everyday products, with our fuel expertise having been proven at the highest level of motorsport, such as Formula One. These insights enhance the quality of our fuels, bringing cutting-edge technology from track to road. We remain dedicated to delivering high-quality fuels, consistently affirmed by our customers as being superior in the market.	

SECTION 4: LPG BUSINESS

No.	Question
4.1	Currently, households need to place orders for PETRONAS gas cylinders via the hotline. Would PDB consider integrating this ordering function into the SETEL app to improve customer convenience?
Response:	
<p>Your suggestions are well noted and thank you to our shareholders for the constructive input.</p> <p>For the time being, LPG is available through Gas PETRONAS Home Delivery (GPHD) by calling 1300-88-8427, as well as at selected dealers and PETRONAS Stations.</p> <p>However, we will continue to take such feedback into consideration to further improve our products and services to make your everyday life simpler and better.</p>	
4.2	Can my outlet be registered as a merchant under the MyKasih programme to facilitate the sale of subsidised LPG? As cooking gas is a basic essential for households, enabling MyKasih transactions at my outlet would help low-income families in the community access this necessity more conveniently, while also supporting the sustainability of our business.
Response:	
<p>The MyKasih programme is a Government-led social assistance initiative. Registration, eligibility and merchant onboarding under MyKasih are determined by the relevant Government authorities, not by PDB.</p>	
4.3	How does the Company ensure accountability among gas delivery partners in cases of silent order cancellations (i.e. cancellations without prior customer notification)? Beyond broadcasting surveys, what closed-loop measures are in place to ensure that affected customers are proactively contacted by a human representative to reschedule cancelled orders?
Response:	
<p>PDB takes service reliability seriously and holds delivery partners accountable through structured performance monitoring and clear service expectations. We apply a closed-loop approach by identifying affected cases and ensuring customers are proactively contacted to reschedule, with customer service support where necessary.</p> <p>We encourage you to report it immediately so that appropriate action can be taken. For assistance or to report any issues, customers can visit www.mymesra.com.my or contact the Mesralink hotline at 1-300-88-8181.</p>	
4.4	There are increasing scam concerns, including from dealers. Some dealers are telling customers that the 12kg PETRONAS LPG cylinder is being phased out and that all domestic cylinders will be moved to 14kg, with an additional RM20 required. Could management clarify if this is true?
Response:	
<p>The 12kg cylinder is still available, however it has been phased out of selected regions. The current price of bottled LPG is RM22.80 for 12kg and RM26.60 for 14kg cylinders, however it may vary based on delivery charges.</p> <p>Should you detect any non-conformity or doubt, we encourage you to report it immediately so that appropriate action can be taken. For assistance or to report any issues, customers can visit www.mymesra.com.my or contact the Mesralink hotline at 1-300-88-8181.</p>	

SECTION 5: MESRA

No.	Question
5.1	With the recent introduction of South African brands such as 'Steers' and 'Debonairs Pizza,' can management share early performance data for these franchises? What is the 'success map' for the new franchise brands like Steers and Debonairs to ensure they become a genuine earnings hedge rather than just a niche experiment?
Response:	
The introduction of Steers and Debonairs Pizza is still at an early stage, with outlets being rolled out in a measured and selective manner, focusing first on locations with strong catchment and footfall. Performance so far is meeting expectations with positive customer feedback on the offerings and we are evaluating future expansion to unlock benefits from economies of scale.	
5.2	How do you intend to scale these non-fuel retail ventures to ensure our stations remain a 'destination' for customers even when they aren't pumping petrol?
Response:	
On scaling, growth will be driven by key success factors encompassing commercial viability and operational requisites. More broadly, PDB non-fuel retail ventures are part of its strategy, where PETRONAS stations serve purposes beyond refuelling, which includes variety of food & beverage (F&B), retail, EV charging and enhanced amenities, tailored to the requirements of the station locality.	

SECTION 6: SETEL

No.	Question
6.1	<p>It is encouraging to see Setel reaching 11 million users and playing a central role in the government's BUDI95 targeted subsidy program. However, as these subsidies become the 'new normal,' how does management plan to turn Setel into a standalone profit centre?</p>
<p>Response:</p>	
<p>Setel is already on a clear path as a standalone business. Setel achieved positive EBITDA in FY2025, and focus now is on scaling that performance sustainably, leveraging on the PDB ecosystem.</p> <p>Programmes like BUDI95 have accelerated user growth and engagement significantly. Setel's strategy is to convert this expanded base into higher-frequency usage across fuel, payments, and everyday services within the app.</p> <p>This allows Setel to monetise beyond one-off transactions – by increasing customer lifetime value, improving retention, and building a stronger, more predictable revenue base over time.</p>	
6.2	<p>Beyond fuel transactions, what is the strategy to ensure Setel contributes significantly to the Group's bottom line, especially if fuel margins are squeezed by future policy changes?</p>
<p>Response:</p>	
<p>Beyond fuel, the strategy is to position Setel as a broader mobility and lifestyle platform. Setel is expanding into areas such as parking, EV charging, diversified payment services, where transaction-based revenue, platform fees from external mini app partnerships, and advertising income can be generated.</p> <p>This diversification reduces reliance on fuel margins and allows Setel to capture value from mobility, i.e., how customers move and spend daily. Ultimately, Setel's role is twofold: to be a profitable digital business on its own, and at the same time strengthen customer retention and spend across the wider PETRONAS retail ecosystem.</p>	
6.3	<p>I have a concern on Setel's recent implementation of the cooling period feature.</p> <p>Introducing a waiting period of up to 6 hours feels excessive and unnecessary, especially since Setel is not a financial institution subject to such stringent regulatory requirements. This significantly affects user convenience and overall experience</p> <p>A device binding approach would already provide a reasonable level of security without disrupting usability. Additionally, the frequency of card verification prompts could be reduced, as repeated verification creates friction for regular users.</p> <p>I strongly encourage a review of these measures to strike a better balance between security and user experience.</p>
<p>Response:</p>	
<p>Setel is governed by Bank Negara under e-money, and both them are mandatory and complementary controls.</p> <p>On cooling-off period: When new devices are registered, the intent is to stop fraudsters from acting immediately and give customers time to detect and report any suspicious</p>	

No.	Question
	<p>activity.</p> <p>On device binding: this allows one secure device per account for and any change to the device requires additional verification to ensure it is genuine.</p> <p>We appreciate all the feedback and understand the need to balance customer experience without compromising customer safety.</p>
6.4	<p>Proposals for improvements to further enhance Setel's user experience:</p> <ul style="list-style-type: none"> i. Performance: At times, payment processing takes longer compared to other e-wallet platforms. ii. Wallet Limit Visibility: Introduction of a feature that allows users to view their DuitNow transaction limits (e.g. remaining monthly and annual limits), similar to other e-wallets to inform users when limits are exceeded iii. Spending Insights: Introduction of a dashboard showing spending trends and category breakdowns (e.g. fuel, retail, etc.), similar to features available on other e-wallet platforms. iv. Payment References: Introduction of a user-editable reference or remark function in future updates? v. User Feedback Platform: Introduction of a dedicated feature within the app for loyal users to submit suggestions to further improve functionality.
Response:	
<p>Thank you for the feedback, we fully agree that speed, reliability, and transparency are critical to the overall user experience.</p> <p>On (i) performance, this remains a continuous priority. As transaction volumes grow, we are strengthening our infrastructure. Please try our One tap Fuelling feature, payment within seconds through pre-auth and simplified flows. We now operate with dual payment gateways, to ensure continuity and your payment remains fast and stable.</p> <p>For (ii) to (iv), we do recognise the importance of giving users clearer control and understanding of their usage. Your feedback is always taken into consideration as we release the app version, every 2 weeks making it better as guided by of our roadmap.</p> <p>For (vi), Customers can also share feedback directly via the app under Account > Support > Send Feedback, selecting the relevant feature such as fuelling or MESRA.</p>	
6.5	Does Setel plan to introduce a debit card?
Response:	
<p>At the moment, Setel does not issue its own debit or credit card. Instead, we focus on keeping the experience simple and seamless through the Setel app, where customers can easily link their existing debit or credit cards for payments and top-ups. This gives users the flexibility and convenience they expect, without needing to carry an additional physical card.</p> <p>We continue to listen closely to customer feedback and evolving needs. While there are always ideas being explored to make everyday payments even more convenient, any future enhancements including card-related offerings will depend on what truly adds value to customers and supports our long-term direction.</p>	

SECTION 7: SUSTAINABILITY

No.	Question
7.1	With more than 300 stations solarised, a biorefinery targeted for 2028 and only partial Scope 3 coverage today, what CAPEX envelope, payback threshold and external-assurance timetable will the Board apply to decarbonisation investments and full Scope 3 reporting?
Response:	
<p>In terms of CAPEX investment and payback thresholds, PDB remains guided by commercial-led assessments, ensuring capital decisions are commercially driven, value-accretive, and aligned with the Group's long-term strategic direction. All decarbonisation initiatives continue to be deliberated and endorsed at Management and Board levels, in line with existing investment governance frameworks.</p>	
<p>In terms of external assurance, particularly on Scope 3 emissions, PDB has been consistently disclosing Scope 3 for the past three years, adopting a phased and pragmatic approach focusing on the most material categories.</p>	
<p>Current disclosures include Category 1 (Purchased Goods & Services), Category 6 (Business Travel), Category 7 (Employee Commuting), and Category 11 (Use of Sold Products), with independent assurance for categories 1, 7 and 11.</p>	
<p>Moving forward, the approach is to conduct periodic review of Scope 3 materiality, as well as enhance quantification and disclosure for material categories, guided by data maturity, value chain readiness, and practical assurance considerations.</p>	
7.2	Are initiatives related to the upcoming B15 biodiesel mandate, expected to be commercially viable?
Response:	
<p>Any incremental cost from biodiesel blending mandates is managed within the APM for Retail fuels, while for Commercial fuels costs largely pass through to customers. PDB is operationally ready, having already supported other blends, ensuring compliance without disrupting profitability.</p>	
7.3	When can Malaysia scale the conversion of palm oil into biodiesel, similar to Indonesia?
Response:	
<p>PDB stands guided by Government policy on biodiesel adoption and scaling. The pace and extent of palm oil conversion into biodiesel is a national policy decision. As such, PDB is not in a position to comment.</p>	

SECTION 8: DIGITAL AND CYBERSECURITY

No.	Question
8.1	Following the 2024 third-party SMS incident, and given the expansion of digital channels such as Setel and the 98.2% cyber-security training completion rate, what additional third-party assurance and incident-testing controls will be applied to customer-facing vendors and critical service providers?
Response:	
<p>Since the incident, internal controls were further strengthened through enforcement of mandatory cybersecurity business risk assessments and corresponding mitigation plans to proactively identify, assess, and manage these risks.</p> <p>One example of the incident-testing controls is relevant vendors are contractually obligated to maintain System and Organisation Controls ("SOC") 2 compliance, an independent auditor's confirmation that they have effective security controls, providing assurance that vendors operate in accordance with recognised industry standards.</p> <p>As a result, in 2025, PDB did not record any cybersecurity incidents that were detrimental to business and operations.</p>	
8.2	Does Management have any plans to adopt Artificial Intelligence ("AI") or enhanced digital systems to improve efficiency and optimise manpower utilisation? In areas such as budgeting and forecasting, automation could potentially reduce processing time and improve accuracy. Could the Company share its approach towards leveraging AI to drive productivity and manage labour costs more effectively?
Response:	
<p>While AI can improve efficiency and reduce manual work, our business remains highly operational in nature, where safety, asset reliability and supply continuity are critical and these require a strong on-ground workforce.</p> <p>Not all activities can be fully automated, and maintaining sufficient manpower, including overlap, is important to ensure operational resilience. That said, we are actively deploying AI across various parts of the business — some applications are still at an early stage, while others are being scaled more broadly, particularly in analytics where our capabilities have improved significantly.</p> <p>A good example is Setel, which as a digital-native platform has been able to leverage AI effectively, including in areas like software development, market insights and searched content optimisation. Importantly, while pursuing efficiency, we are also committed to building Malaysian digital talent, and Setel is a strong example of a homegrown, high-capability digital organisation that we are proud of.</p>	

SECTION 9: CORPORATE GOVERNANCE

No.	Question
9.1	PDB states that it has departed from Malaysian Code on Corporate Governance (“MCCG”) Practice 5.2 because the Board has 8 members with only 4 Independent Non-Executive Director (“INEDs”); What is the Board’s explicit timeline and search process to restore a majority-independent board, and how will the Nomination and Remuneration Committee (“NRC”) monitor progress?
Response:	
<p>The Board has not set a specific timeline to have majority INEDs.</p> <p>The Board believes that the current 4 INEDs provide sufficient and diverse range of independent views and perspectives to make decisions that are in the best interests of the Company</p> <p>The Board Audit Committee (“BAC”), NRC, and Board Sustainability and Risk Committee (“BSRC”) are each chaired by an INED. BAC and BSRC comprise majority INEDs, while NRC comprises all INEDs. This provides alternative measures to ensure objective decision making.</p> <p>The BAC reviews all Related Party Transactions, conflict of interest situations prior to Board deliberations, ensuring transparency. Directors with vested interests abstain from participation in discussions and voting on such matters and, in some instance, recuse themselves from the meeting.</p> <p>The Board regularly evaluates its composition and, when necessary, considers prospective candidates based on required skills, experience, and capabilities. Appointments are made based on merit and aligns with the Company’s future growth objectives.</p> <p>However, from time to time, the Board will continue to review effectiveness of this arrangement in meeting the intended outcome of Practice 5.2 of MCCG.</p>	
9.2	Could clarification be provided on the succession planning for the Chairman position, including whether the role is expected to continue to be held by a Non-Independent Non-Executive Director (“NINED”) or an INED going forward? Additionally, what do the relevant provisions in PDB’s Constitution state regarding whether the Chairman must be a nominee of Petroliam Nasional Berhad (PETRONAS)?
Response:	
<p>The appointment of the Chairman is always considered in the best interests of the Company and its shareholders and is made in line with established governance practices.</p> <p>The Constitution does not specifically stipulate a requirement to appoint either NINED or INED as the Chairman, nor does it state that the Chairman must be a nominee of Petroliam Nasional Berhad or any other major shareholder of the Company.</p> <p>The succession planning for the Chairman position will continue to focus on identifying the candidate with the right leadership, experience and strategic alignment to effectively guide the Board, ensuring the long-term success of the Company and value creation for all shareholders.</p>	
9.3	It is noted that none of the Directors or senior leadership appear to hold shares in the Company. Could clarification be provided on whether this is due to policy, regulatory considerations, or other factors?

No.	Question
Response:	<p data-bbox="193 271 1394 409">There are no policy restrictions on share ownership, nor does this reflect on the Company's performance. Rather, personal investment decisions vary based on individual considerations and compliance obligations, including fiduciary duties, conflict of interest guidelines and governance requirements.</p> <p data-bbox="193 445 1394 537">Focus remains on serving the long-term interests of the Company and all stakeholders. The Directors remuneration and performance evaluations are specifically structured to align with shareholder outcomes, regardless of personal equity holdings.</p>

SECTION 10: AGM AND OTHER ADMINISTRATIVE MATTERS

No.	Question
10.1	PDB's adoption of hybrid meeting arrangements for the AGM enhances flexibility for shareholders while also supporting efforts to reduce travel and promote more efficient use of energy.
Response:	
<p>PDB adapts accordingly and acknowledges the benefits to balance accessibility with meaningful shareholder engagement, recognising our diverse shareholders demography; elderly, remote-based, or time-constrained shareholders.</p> <p>This approach aligns with good governance expectations, reinforcing transparency, accountability and inclusive participation.</p>	
10.2	Would any door gifts or tokens of appreciation will be provided to shareholders in conjunction with this AGM?
Response:	
<p>In appreciation to the commitment and continued support shown by shareholders and proxies towards PDB, door gifts of RM100 Setel voucher are provided as a token of appreciation to the shareholders and proxies who were validly registered and attend the AGM in person or virtually.</p>	
10.3	Will there be any plant tours for shareholders this year?
Response:	
<p>At this point in time, there are no confirmed plans for plant tours, as these are highly secured facilities and form part of our critical supply infrastructure. As such, access is strictly controlled and subject to stringent security and safety protocols, and plant tours are not generally open to the public.</p> <p>We appreciate the interest and will take this into consideration when planning future shareholder engagement initiatives.</p>	
10.4	Some AGMs prohibit photography and recording. Could the Company clarify the basis for this policy, how it is enforced, and whether shareholders are allowed to take photos of presented materials for personal reference?
Response:	
<p>The restriction on photography and recording is a standard governance and meeting-control measure adopted across many AGMs to ensure orderly proceedings and consistency of information dissemination.</p> <p>While the information presented is intended for shareholders, there are considerations around selective capturing, misinterpretation, or unauthorised redistribution outside the formal communication channels.</p> <p>Accordingly, shareholders are encouraged to rely on official materials (e.g. presentations, announcements and minutes) provided by the Company, which ensure accurate and complete information is communicated to all stakeholders.</p>	
10.5	Previously, the Company offered discounted engine oil for shareholders during AGMs. Could the Company consider reintroducing similar offers or promotions for shareholders going forward?
Response:	
<p>Management appreciates the suggestion and recognises the interest from shareholders in such initiatives. Past offerings were arranged on a case-by-case basis, subject to operational and logistical considerations at the time.</p>	

No.	Question
	This feedback will be considered for future AGMs, while ensuring practicality and consistency with overall event arrangements.