

Chairman's Statement



Dear shareholders,

The year under review reaffirmed the importance of sound stewardship and timely execution. PETRONAS Dagangan Berhad (PDB) operated in an environment defined by sustained economic activity, evolving public expectations and the continued importance of reliable energy delivery. Throughout the year, the Board remained focused on ensuring that PDB met its responsibilities with confidence, while positioning the business to remain resilient and well-governed in the years ahead.

PDB's continued progress and commitment to delivering value to shareholders

Dividend Per Share

112 sen

Dividend Payout Ratio

100%

Datuk Anuar Ahmad

Chairman



Malaysia's economy continued to grow in 2025, supported by domestic activity, investment and steady mobility demand. Consumer sentiment remained cautious during the year, driven by external pressures and policy adjustments. We view the Government's continued focus on fiscal discipline and effective policy delivery as supportive of overall market stability and business confidence, and the Board took these realities into account in guiding PDB's priorities and decision-making.

Within this environment, we continued to fulfil our role as a reliable national fuel retailer, ensuring service continuity across our nationwide network. Our performance for the year reflected our ability to maximise cash generation from the core business to strengthen the organisation, while continuing to drive sustainable value creation under our Moving Forward Together strategy. This led to PDB recording an improved Profit After Tax, reflecting solid volumes and disciplined operations against a stable macroeconomic backdrop.

In recognition of PDB's continued progress and commitment to delivering value to shareholders, the Board is pleased to declare dividends totalling 112 sen per share for the year, inclusive of 20 sen special dividend, representing a payout ratio of 100%. We took a prudent approach to capital stewardship, balancing sustainable shareholder returns with the need to preserve financial strength to support future growth.



Stewardship in a Year of Delivery

Throughout the year, the Board remained closely engaged with management on matters affecting service continuity, safety and public confidence. Several initiatives were implemented on a national scale, requiring coordination across technology platforms, dealer networks and frontline teams.

A key area of our focus during the year was oversight of the nationwide rollout of the BUDI MADANI RON95 (BUDI95) targeted fuel-subsidy programme. We monitored preparedness and guided management to prioritise customer experience and service continuity as consumers adapted to new purchase processes. Close engagement with relevant ministries, particularly the Ministry of Finance and the Ministry of Domestic Trade and Cost of Living (KPDN), enabled PDB to contribute industry insights that supported effective policy design and smooth implementation.

Digital capability continued to support consistency and system integrity across the network. The wider use of digital platforms for payments, verification and customer engagement improved efficiency and strengthened assurance at scale. These developments have enhanced operational resilience and reinforced our role as a reliable partner to customers and public stakeholders. We view this as an important differentiator in maintaining trust, consistency and competitiveness across our nationwide network.

We also considered developments in mobility trends and the broader energy transition. While new technologies continue to evolve, internal combustion vehicles remain the primary mode of transport on Malaysian roads. We therefore remain focused on sustaining the strength of our core business while preparing responsibly for future changes in a measured manner that reflects the national context, customer readiness and infrastructure maturity. In doing so, we are mindful of the need to preserve flexibility to support infrastructure enhancement, digital capability and future-ready investments.

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Governance, Safety and Integrity

We continued to place strong emphasis on governance, safety and integrity throughout the year. Oversight across Health, Safety and Environment (HSE), ethics, compliance and succession planning remained a priority. The year under review was characterised by HSE excellence, supported by disciplined safety practices, strong leadership presence and operational vigilance across PDB.

During the year, we strengthened assurance over HSE risks through structured reviews and site-level assurance programmes. Close oversight of compliance with updated regulatory requirements was maintained across the network to ensure consistent standards and adherence in day-to-day operations.

Integrity and ethical conduct remain non-negotiable. Programmes reinforcing ethical behaviour, compliance awareness and accountability continued across the organisation. This expectation of excellence applies throughout PDB, and it begins with the Board and the Leadership Team.

Diversity and leadership balance also remain important to the Board. Women currently represent 37.5% of the Board and 39% of leadership team positions, reflecting our commitment to inclusive leadership.

Sustainability with Practical Discipline

We approach sustainability with realism and responsibility. For us, sustainability is about managing today's responsibilities well, while preparing the business to remain resilient and relevant over the long term. Progress, therefore, depends on credible action, disciplined investment and alignment with national priorities.

Sound governance provides the foundation for this approach. In 2025, we endorsed key shifts in sustainability governance to align with PETRONAS Group's direction, strengthen readiness for the International Sustainability Standards Board's International Financial Reporting Standards (IFRS) S1 and S2, and support alignment with Malaysia's National Sustainability Reporting Framework (NSRF). Under IFRS S2, the Board and management committees oversee climate-related risks and opportunities across our operations and value chain, with these considerations integrated into the Corporate Risk Profile, strategic planning, financial planning and capital allocation processes. Climate-related matters are regularly deliberated at both Board and management levels to support coordinated decision-making and informed trade-offs. The Board committee maintains formal oversight of Economic, Environmental, Social and Governance (EESG) targets as part of its governance responsibilities.

Our Sustainability Approach focuses on three core components: Delivering Net Zero, Thriving with Nature and Fostering a Just Transition, which are all collectively centred on creating sustainable value through responsible governance. This framework provides clarity on priorities and ensures that sustainability considerations remain integrated into business planning and decision-making.

Operationally, we continued to make measured progress through initiatives such as station solarisation and energy-efficiency improvements, supporting our near-term decarbonisation efforts while maintaining reliable service delivery. We recognise that achieving Net Zero Carbon Emissions by 2050 will require sustained effort over time. Looking ahead, we will continue to assess and pursue appropriate pathways to advance this transition in a disciplined manner, guided by feasibility, readiness and alignment with national policies.

Our sustainability efforts also extend beyond environmental considerations. Social initiatives during the year focused on practical outcomes, including employment pathways for persons with disabilities at PETRONAS stations and programmes that promote inclusion and participation across the organisation. From a broader social perspective, initiatives such as expanding used cooking oil collection and inclusive employment across our retail network delivered tangible outcomes and strengthened engagement across our ecosystem.

People's capability remains central to delivering these ambitions. Leadership continuity and capability development

received focused attention during the year, with reviews of talent readiness for critical roles and continued efforts to strengthen leadership pipelines across the organisation and its subsidiaries. We prioritised equipping our workforce with the skills required for the future of the energy transition, ensuring that our people remain relevant, capable and resilient as the business adapts.

Beyond our operations, we continue to contribute to the wellbeing of the communities we serve. In 2025, PDB invested over RM2.4 million in programmes spanning education, environmental stewardship and grassroots sports development, benefiting more than 350,000 individuals nationwide. These efforts reflect our role as a responsible corporate citizen and our commitment to creating positive social impact alongside business performance.

Recognition for ESG and Corporate Governance Excellence

Our commitment to high ESG standards was once again recognised by our continued inclusion in the FTSE4Good Bursa Malaysia (F4GBM) Index and the FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index. PDB retained a 4-star ESG Rating, placing us among the top quartile of public listed companies on the FBM EMAS by ESG disclosures.

We also earned recognition for transparency, governance and social impact. During the year, PDB received the 3G Best CG Reporting Award 2025 and the 3G Championship Award for Community Development and Philanthropy 2025 at the Global Good Governance (3G) Awards. PDB was further honoured

with an Overall Excellence Award at the National Corporate Governance and Sustainability Awards, reflecting discipline corporate conduct and responsible business practices.

Positioning for the Years Ahead

As we prepare for the years ahead, we have focused on strengthening readiness across capacity management, customer engagement and digital capability, recognising that competition in the retail energy landscape will increasingly extend beyond price to experience, convenience and trust.

We will continue to work closely with government stakeholders and regulators to support effective implementation of policies that strengthen service delivery and national outcomes. Preparedness, transparency and collaboration will guide how we respond to change while preserving operational reliability.

PDB has demonstrated the ability to act decisively when it matters, while investing thoughtfully for what lies ahead. The Board remains confident in PDB's capacity to deliver consistent performance and sustain trust as it shapes its next phase of growth.

Appreciation

As I reflect on the year, I am grateful for the collective effort that has enabled PDB to continue serving the nation reliably. I would like to thank our management team and employees for their dedication, professionalism and resilience, particularly in navigating change while maintaining high standards of service and safety.

I would also like to extend my appreciation to Tunku Alizakri Raja Muhammad Alias, who concluded his tenure as Independent Non-Executive Director during the year. His leadership and insight contributed to PDB's progress, and we remain grateful for his service.

I would also like to thank my fellow Board members for their guidance and counsel, and the Leadership Team for their steady support and commitment to disciplined execution. To our customers, thank you for your continued trust and loyalty. Your confidence in PDB reinforces the responsibility we carry and guides our efforts to serve you better each day.

On behalf of the Board, I extend my deepest appreciation to all our shareholders and stakeholders for the trust, support and partnership you have shown over the years. It gives us confidence as we move forward, serving the nation responsibly and shaping a resilient and sustainable future for PDB.

DATUK ANUAR AHMAD
Chairman

