



Ref. No: GCGS/DPT/PDB/ADMIN/COMM/CORR/2026/17

25 April 2026

Minority Shareholders Watch Group
Level 23-2, Menara AIA Sentral
No. 30 Jalan Sultan Ismail
50250 Kuala Lumpur

Attention: Dr. Ismet Yusoff
Chief Executive Officer

Dear Sir,

44TH ANNUAL GENERAL MEETING (“AGM”) OF PETRONAS DAGANGAN BERHAD (“PDB” or “the Company”) TO BE HELD ON 27 APRIL 2026

Thank you for your letter dated 20 April 2026 and for sharing your questions after reviewing our Integrated Report 2025. Our responses are set out below and will also be included in the AGM agenda. These responses will be made publicly accessible on PDB’s corporate website (www.mymesra.com.my) from 27 April 2026 onwards.

Operational & Financial Matters

1. In 2025, operation risk is elevated due to ageing assets, and dependency on critical infrastructure.
(Source: Page 61 of Annual Report 2025)

With supply risk emerging in 2026 amid tensions in the Strait of Hormuz, and fuel supply secured only until end-June 2026, how does PDB mitigate the risk of supply disruptions from PETCO Trading Labuan Company Ltd. (PETCO) to ensure continuity of operations and product availability across its service station network under the New Operating Model?

PDB:

Based on our commercial arrangements with PETCO (a wholly owned subsidiary of PETRONAS), it has been assured that supply to PDB will remain sufficient until end of June 2026.

PDB’s supply chain is among the strongest in Malaysia, supported by our extensive logistics and terminal infrastructure, which allows us to maintain adequate inventories and respond quickly to disruptions.

This is further reinforced by PETRONAS’ integrated ecosystem – combining domestic refining capacity with PETCO’s ability to source both local and international supply – reducing reliance on any single source. We also continue to work closely with the Government and industry to ensure overall supply stability for the country.

PETRONAS DAGANGAN BERHAD (198201008499 (88222-D)

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2. The Retail segment recorded revenue of RM20,482.6 million or 1% higher compared with FY2024, supported by a 6% improvement in average selling prices. Profit Before Tax (PBT) declined by 21% to RM645.5 million, driven by lower gross profit from MOGAS, in line with less favourable Mean of Platts Singapore (MOPS) price trend and reduced demand for Diesel.

(Source: Page 28 of Annual Report 2025)

If MOPS levels remain elevated, how does management expect retail segment margins to trend in FY2026, and what are the key mitigating factors?

PDB:

Retail margins are regulated under the APM framework; hence margins remain equitable across the industry despite the elevated MOPS levels.

In periods of volatile price movements, PDB remains cautious of other pressures on margins, mainly petroleum product and its associated costs – like logistics, insurance, etc. – and other indirect impact to PDB operating costs.

Key mitigation efforts include close collaboration with the Government and key industry players while internally continuing disciplined cost control, defend and grow market share through its focus to ensure supply reliability, and reinforcing its Convenience segment offerings to support overall profitability.

Fuel demand continues to be a key variable, shaped by consumer behaviour amid prevailing economic conditions, i.e., inflation, labour market, changes within the subsidy landscape, and increased appetite on EV due to its affordability despite infrastructure limitations.

2. The Convenience segment recorded revenue of RM253.8 million, a decrease of 12%, mainly attributable to lower merchandise sales during the year. Despite lower revenue, PBT increased by 8% to RM121.6 million, supported by lower operating costs and continued focus on efficiency.

(Source: Page 28 of Annual Report 2025)

Amid the current oil crisis, rising cost of living, and potentially softer commuting-related consumption due to work-from-home (WFH) practices, does PDB expect continued pressure on convenience segment revenue, and are current margins sustainable?

PDB:

Looking ahead, Convenience segment revenue performance continues to be shaped by consumer behaviour, and these trends are closely monitored for its risks and opportunities, especially given the current operating environment.

Revenue and margins of more matured Convenience segments are expected to remain stable due to its scale. Other newer ventures are supported by active portfolio reviews, with offerings selectively refined or adjusted based on performance traction and commercial viability to ensure sustainable profitability, over time.

PETRONAS DAGANGAN BERHAD (198201008499 (88222-D)

- 44TH ANNUAL GENERAL MEETING ("AGM") OF PETRONAS DAGANGAN BERHAD ("PDB" or "the Company") TO BE HELD ON 27 APRIL 2026 (cont')

PDB remains steadfast in growing its Convenience segment and takes a pragmatic approach in monitoring the progress and performance of its businesses, keeping a medium to long-term strategic view.

4. The Group recorded net impairment losses on trade and other receivables of RM8.3 million in 2025, compared to a reversal of RM12.1 million in 2024, alongside a notable increase in receivables write-offs to RM4.1 million in 2025 compared to RM1.0 million in 2024.

(Source: Page 202 of Annual Report 2025)

What were the key drivers behind the impairment and higher write-offs of receivables in 2025? Were the impairments and write-offs concentrated among specific customer segments?

PDB:

The higher impairment in FY2025 was primarily driven by an increase in expected credit loss provision, continuously adhering to applicable accounting standards. The write-off was mainly from a specific and non-recurring customer, and there is no broad-based deterioration across any specific customer segment.

PDB continues to maintain a robust credit risk management framework, which includes proactive early warning indicators oversight, enhanced monitoring of higher-risk accounts, and disciplined credit controls to enable timely intervention and minimise potential exposures.

Sustainability

5. Employee turnover at the manager and above level increased significantly to 25 in 2025, compared to 7 in 2024 and 3 in 2023.

(Source: Page 21 of Sustainability Report 2025)

In addition, with PETRONAS' planned rightsizing initiatives in July 2026, how is PDB managing the potential loss of institutional knowledge and safeguarding leadership continuity?

PDB:

The attrition in 2025 represents only ~2% of total PDB workforce. The industry average for Oil & Gas Services & Equipment ("OGSE") is between 9% to 12% **(Source: McKinsey & Company, 2024).**

In managing potential loss of knowledge and to safeguard leadership continuity, key measures have been reinforced, such as succession planning, knowledge transfer, governance oversight, and targeted development programmes.

PETRONAS DAGANGAN BERHAD (198201008499 (88222-D)

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Overall, these transitions are being carefully managed, with continued focus on leadership continuity, institutional knowledge, and delivery confidence.

Yours faithfully

for **PETRONAS DAGANGAN BERHAD**



Norhashema Saleh

Company Secretary

- c.c.
1. YBhg Datuk Anuar Ahmad
Chairman
PETRONAS Dagangan Berhad
 2. Encik Azrul Osman Rani
Managing Director/Chief Executive Officer
PETRONAS Dagangan Berhad
 3. Encik Mazlie Minhat
Chief Financial Officer
PETRONAS Dagangan Berhad
 4. Puan Hazleena Hamzah
Joint Company Secretary
PETRONAS Dagangan Berhad