PETRONAS DAGANGAN BERHAD
INTEGRATED REPORT 2025

PETRONAS

Win the Moment **Shape the Next**



Basis of this Report

The PETRONAS Dagangan Berhad (PDB or the Group) Integrated Report 2025 presents a clear and balanced account of our performance, strategy and priorities for sustainable value creation. The Report explains how we create value over the short, medium and long term by connecting financial performance with how the business is managed and how decisions are made.

The Report explains our approach to business growth and how we manage our responsibilities to stakeholders. Investors remain the primary audience, while other stakeholders may also use the Report to understand how PDB delivers enduring value and strengthens long-term resilience.

OUR REPORTING SUITE

The Integrated Report is PDB's primary platform for communicating a holistic view of our performance, strategy and future direction. It explains how we manage risks and opportunities and deliver outcomes across multiple capitals over time.

The Integrated Report is read together with the Audited Financial Statements (AFS), which provide detailed financial information prepared in accordance with applicable accounting standards, and the Sustainability Report, which contains detailed disclosures on sustainability-related matters, including governance and environmental and social performance.

REPORTING FRAMEWORK

INTEGRATED REPORT 2025



The Integrated Report has been prepared in accordance with applicable statutory requirements and recognised reporting frameworks, including:

- Main Market Listing Requirements (MMLR) issued by Bursa Malaysia
- International Integrated Reporting <IR> Framework issued by the IFRS Foundation
- Malaysian Code on Corporate Governance (MCCG) 2021
- Malaysian Financial Reporting Standards (MFRS)
- Companies Act 2016
- Corporate Governance Guide (4th Edition) issued by Bursa Malaysia
- Bursa Malaysia's Sustainability Reporting Guide (3rd Edition)
- International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards, where relevant and subject to applicable regulatory timelines
  - Climate-related Disclosures (IFRS S2)

SUSTAINABILITY REPORT 2025



The Sustainability Report details our Economic, Environmental, Social and Governance (EESG) performance, highlighting sustainability initiatives and outcomes that drive positive and enduring impact for our stakeholders.

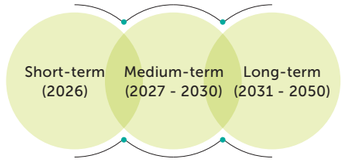
This Report has been prepared in reference to and guided by the following frameworks and requirements:

- MMLR issued by Bursa Malaysia
- Global Reporting Initiative (GRI) Universal Standards 2021
- Bursa Malaysia's Sustainability Reporting Guide (3rd Edition)
- FTSE4Good Bursa Malaysia Index Environmental, Social and Governance (ESG) Indicators
- United Nations Sustainable Development Goals (UN SDGs)
- IFRS Sustainability Disclosure Standards – Climate-related Disclosures (IFRS S2)

For detailed sustainability disclosures, please refer to our standalone Sustainability Report. Scan the QR code to access the full report.

TIME HORIZONS

PDB applies the following time horizons for strategy, performance assessment and target-setting:



REPORTING SCOPE AND BOUNDARY

This Report covers PDB and its subsidiaries, joint ventures and associates, unless stated otherwise in the relevant sections. The reporting period spans 1 January 2025 to 31 December 2025 and includes material events up to the date of Board approval on 24 February 2026.

Subsidiaries are consolidated in accordance with Malaysian Financial Reporting Standards (MFRS) 10: Consolidated Financial Statements. Any differences in scope or boundary are explained in the relevant sections of the Report.

MATERIAL MATTERS

We review our Material Matters annually and conduct a comprehensive materiality assessment every three years.

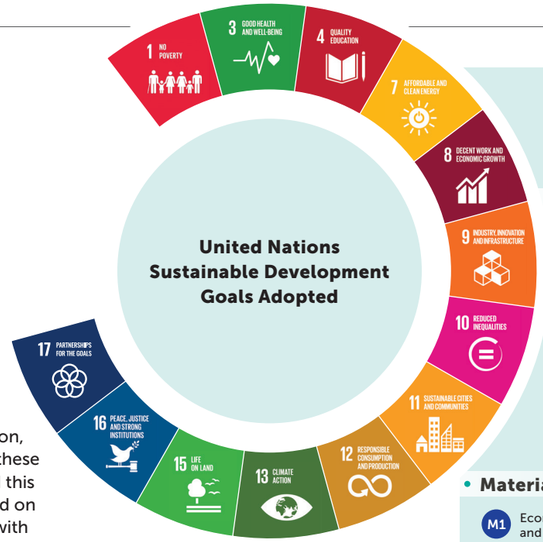
Following the introduction of the PETRONAS Group's refreshed Sustainability Approach in 2024, which is structured around Delivering Net Zero, Thriving with Nature and Fostering a Just Transition, PDB aligned its Material Matters to these pillars. In 2025, we have maintained this alignment, with refinements focused on clarity, consistency and continuity with prior-year disclosures.

INTERNATIONAL SUSTAINABILITY STANDARDS BOARD

The International Sustainability Standards Board (ISSB), established by the IFRS Foundation, develops a global, investor-focused baseline for sustainability-related financial disclosures. The ISSB's IFRS Sustainability Disclosure Standards require organisations to explain how sustainability and climate-related risks and opportunities affect enterprise value.

IFRS S1 establishes general requirements for the disclosure of sustainability-related financial information, while IFRS S2 focuses specifically on climate-related disclosures. Together, these standards build on the Task Force on Climate-related Financial Disclosures (TCFD) framework and strengthen the linkage between sustainability considerations, strategy, risk management and financial performance.

The ISSB Statement of PDB and its subsidiaries has been prepared in accordance with the IFRS Sustainability Disclosure Standards issued by the ISSB, with a focus on IFRS S2 Climate-related Disclosures, in line with Bursa Malaysia's Main Market Listing Requirements. For more information on the ISSB Statement, please refer to pages 84 to 111 in PDB's Integrated Report 2025.



ASSURANCE

We strengthen the credibility of our disclosures through independent external assurance. The financial statements in the Report have been audited by independent external auditors. In addition, selected sustainability indicators have undergone limited independent assurance.

Please refer to page 84 of our ISSB Statement for details of the selected climate-related indicators that were subjected to limited independent assurance by LRQA under ISO 14064. Further information on the selected sustainability indicators assured by KPMG PLT and LRQA under ISAE 3000 (Revised) is available in our Sustainability Report.

FORWARD-LOOKING STATEMENTS

This Report contains certain forward-looking statements that reference future prospects, plans and outlooks. These statements are subject to uncertainties and should not be taken as definite. The forward-looking statements indicated are as of the publishing date of this Report and the company is under no obligation to update these statements and will not necessarily do so. Readers are advised not to rely on the forward-looking statements as guarantees or predictions of future performance.

FEEDBACK

We welcome feedback to continuously enhance our reporting practices and disclosures. Stakeholders are encouraged to share their views on this Report by contacting us at petdagir@petronas.com.

Navigation Icons

Strategic Pillars

Value | Growth | Sustainability

Our Capitals

- F Financial
- M Manufactured
- I Intellectual
- H Human
- SR Social and Relationship
- N Natural

Material Matters

- M1 Economic Growth and Performance
- M2 Customer-centricity
- M3 Ethics and Corporate Governance
- M4 Data Privacy and Security
- M5 Sustainable and Ethical Supply Chain
- M6 Climate Change and GHG Emissions
- M7 Environmental Management
- M8 Safety, Health and Well-being
- M9 Human Capital
- M10 Capability Building
- M11 Community Investment

Our Stakeholders

- S1 Investors
- S2 Customers
- S3 *Rakan Niaga*/ Dealers
- S4 Employees
- S5 Authorities/Regulators/ Financial Institutions
- S6 Contractors/Suppliers/ Business Partners
- S7 Communities
- S8 Media

STATEMENT OF ACKNOWLEDGEMENT ON RELIABILITY AND COMPLETENESS OF PDB'S 2025 INTEGRATED REPORT

The Board of Directors has reviewed and validated this Integrated Report as a fair and balanced representation of PDB's performance for the year under review. The Board affirms its oversight role in the preparation of this Report and in ensuring that it is supported by established governance practices and internal reporting processes, and provides a reliable basis for understanding the Group's ability to create value over time. The Report was approved by the Board on 24 February 2026.

Datuk Anuar Ahmad
Chairman

Azrul Osman Rani
Managing Director/ Chief Executive Officer

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Who We Are and What We Do

ABOUT US

PETRONAS Dagangan Berhad (PDB) serves Malaysians nationwide through an extensive network of service stations, retail offerings, commercial partnerships and digital platforms.

Guided by our promise in making your everyday life simpler and better, we offer a portfolio that supports customers' everyday mobility and energy needs, comprising:

- Retail-Fuel
- Commercial and industrial fuels
- LPG and lubricants
- Convenience and mobility services

For more information, please refer to Business Review on pages 68 to 83.

OUR PATH TO SUSTAINABLE GROWTH

We strengthen our core business in retail-fuel and commercial energy solutions through operational efficiency, while capturing new growth opportunities driven by convenience-led customer solutions, anchored in responsible energy stewardship.

Our short-term focus reinforces the performance and resilience of this core business, while the medium-term advances innovative, customer-centric and lower-carbon mobility solutions.

Over the long-term, we aim to scale our role as an energy provider by accelerating innovation, expanding lower-carbon offerings and enhancing integrated retail solutions.

For more information, please refer to Our Strategy on pages 64 to 65.

OUR WAY OF WORKING

We work in a market that changes fast. Customer needs evolve, technology reshapes behaviour and expectations around sustainability continue to rise. We respond by staying close to our customers, sharpening execution and building new ways to serve beyond fuel. Every decision supports growth, value and sustainability outcomes. We achieve this by:

- Improving efficiency, supply and network performance
- Strengthening customer experience through service, digital and loyalty platforms
- Building partnerships that expand reach and relevance
- Embedding sustainability into operations, investment and decision-making

For more information, please refer to Our Value Creating Business Model on pages 66 to 67.

POWERED BY OUR PEOPLE

Our people drive this journey. Through discipline, care and ownership, they keep PDB moving forward, serving everyday needs today while building a stronger, more responsible business for the future.

For more information, please refer to Human Capital on pages 76 to 85 in our Sustainability Report.

Our Purpose

A Progressive Energy and Solutions Partner Enriching Lives for a Sustainable Future

Our Brand

Passionate About Progress

Our Promise

Making Your Everyday Life Simpler and Better

Our Shared Values

- **Loyalty**
  Loyal to Corporation
- **Integrity**
  Honest and Upright
- **Professionalism**
  Strive for Excellence
- **Cohesiveness**
  United, Trust and Respect for Each Other

PETRONAS Cultural Beliefs

- **Customer Focused**
  I deliver solutions from the customer lens
- **Innovate Now**
  I challenge norms and push boundaries
- **Be Enterprising**
  I seek opportunities and make them happen
- **Speak Up**
  I express my views openly
- **Courage To Act**
  I take action to progress with pace



Who We Are and What We Do

Our Value Chain

PRODUCT SUPPLY



PETRONAS

PETRONAS Lubricants International Sdn. Bhd.

PETRONAS Trading Corporation Sdn. Bhd.

PRIMARY DISTRIBUTION

Vessels

Main Transportation Mode

Direct from Refinery and Gas Plant

- Melaka
- Kertih

Multi-Product Pipeline

- Kuala Lumpur International Airport
- Klang Valley Distribution Terminal

Gas Pipeline

- Prai LPG



TERMINALS AND FACILITIES

- Fuel Terminals
- LPG Terminals and Bottling Facilities
- Aviation Terminals
- Bunkering Facilities
- Lubricant Warehouse



SECONDARY DISTRIBUTION

- Fuel Road Tankers
- Dispensers
- Bowsers
- ROVR
- LPG Pallet Trucks
- LPG Bulk Delivery



CUSTOMERS

- Retail-Fuel
- Commercial
- LPG
- Lubricants



Our Value Chain

Where We Operate

Where We Operate

36 Terminals

Terminal with bunkering facilities
Bunkering terminal only
Non-operational control joint venture (JV)
Hospitality arrangement

17 Fuel Terminals

1 ASB Labuan
2 CODT Tanjung Manis (JV)
3 IOT Kuching (JV)
4 Kertih
5 Kuantan
6 KVDT Dengkil (JV)
7 Labuan
8 Lumut
9 Melaka
10 Miri
11 Pasir Gudang
12 Prai
13 PST Bintulu (JV)
14 PST Tawau (JV)
15 Pulau Langkawi
16 Sandakan
17 Sepangar Bay

13 Aviation Terminals

1 Bayan Lepas
2 Bintulu
3 Kertih
4 KLIA [FFB + KAFS (JV)]
5 Kota Kinabalu
6 Kuala Terengganu
7 Kuching
8 Miri
9 Pulau Langkawi
10 Sandakan
11 Senai
12 Sibu
13 Subang

6 LPG Terminals and Bottling Facilities

1 Kertih
2 Melaka
3 Pasir Gudang
4 Prai
5 PST Tawau (JV)
6 Sepangar Bay

6 Offices

1 Kuala Lumpur
2 Prai
3 Kuantan
4 Johor Bahru
5 Kuching
6 Kota Kinabalu

Legends

Fuel Terminals
Aviation Terminals
LPG Terminals and Bottling Facilities
Offices
Multi-Product Pipeline





Group Corporate Structure

Group Corporate Structure

PETRONAS

Petroliam Nasional Berhad (PETRONAS)

63.94%

PETRONAS

PETRONAS Dagangan Berhad (PDB)

MALAYSIA

KUALA LUMPUR AVIATION FUELLING SYSTEM SDN. BHD.
PDB: **65%**
Malaysia Airports (Properties) Sdn. Bhd.: **20%**
Malaysia Airlines Berhad: **15%**

MALAYSIA

PETRONAS AVIATION SDN. BHD.
PDB: **100%**

MALAYSIA

MESRA RETAIL & CAFE SDN. BHD.
PDB: **100%**

MALAYSIA

PETRONAS LUBRICANTS MARKETING (MALAYSIA) SDN. BHD.
PDB: **100%**

MALAYSIA

SETEL VENTURES SDN. BHD.
PDB: **100%**

MALAYSIA

SETEL EXPRESS SDN. BHD.
PDB: **100%**

MALAYSIA

SETEL PAY SDN. BHD.
PDB: **100%**

MALAYSIA

PDB GROWTH SOLUTIONS SDN. BHD. (PGSSB)
PDB: **100%**

MALAYSIA

BLUESHARK MALAYSIA SDN. BHD.
Blueshark Ecosystem Sdn. Bhd.: **51%**
PGSSB: **49%**

MALAYSIA

P S PIPELINE SENDIRIAN BERHAD
PDB: **50%**
Shell Malaysia Trading Sdn. Bhd.: **50%**

MALAYSIA

P S TERMINAL SENDIRIAN BERHAD
PDB: **50%**
Shell Timur Sdn. Bhd.: **50%**

MALAYSIA

PETROSNIAGA SDN. BHD.
PDB: **49%**
Petroleum Sarawak Berhad: **51%**

MALAYSIA

IOT MANAGEMENT SDN. BHD.
PDB: **20%**
Shell Timur Sdn. Bhd.: **10%**
Senari Synergy Sdn. Bhd.: **70%**

MALAYSIA

TANJUNG MANIS OIL TERMINAL MANAGEMENT SDN. BHD.
PDB: **20%**
Shell Timur Sdn. Bhd.: **20%**
Senari Synergy Sdn. Bhd.: **60%**

Legend
Subsidiary · Joint Venture · Associate

Our Investment Insights



Largest petrol network with fully integrated end-to-end supply chain and services

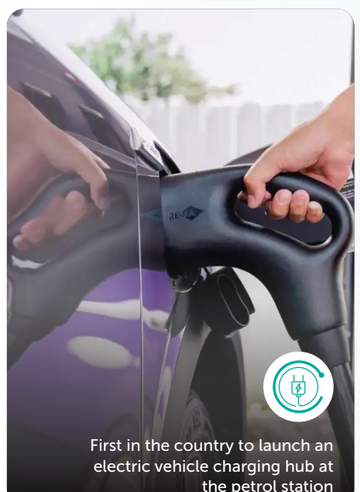

High-quality products and customer-led services designed with a customer-centric perspective


Strengthened shareholder value by an enhanced customer experience

Why Invest in PDB?

As we chart our path forward, we remain focused on staying ahead of change by not only responding to the environment but leading through it. With the right fundamentals and a clear playbook, we are positioned to pursue new opportunities and fuel sustainable, long-term growth.


Experienced leadership team and highly competent workforce with diversified skills and knowledge


First in the country to launch an electric vehicle charging hub at the petrol station


Solid financial performance with consistent dividend payout

2025 KEY HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Sales Volume
17.1 billion litres

Revenue
RM38,269.3 million

Profit After Tax
RM1,136.5 million

Dividend Per Share
112 sen

For more information, refer to CFO's Review on pages 26 to 37.

BUSINESS HIGHLIGHTS

Retail-Fuel
Expanded nationwide access with **12** new PETRONAS stations, strengthening network reach and improving customer convenience

Commercial
Captured higher aviation fuel demand, delivering **20%** growth and a **12%** increase in overall Commercial volumes

LPG
Recorded the **highest sales volume** since 2016, reinforcing leadership in the Southern region

Lubricants
Achieved **14%** volume growth, led by stronger performance across PETRONAS Power Brands

MESRA
Exceeded **RM1 billion** chargeable sales for the fourth consecutive year, reflecting sustained retail momentum

Setel
Enabled frictionless **BUDI95** subsidised fuel access via MyKad verification

For more information, refer to Business Review on pages 68 to 83.

DIGITAL AND CUSTOMER EXPERIENCE HIGHLIGHTS

LPG
Expanded **184** LPG cages, bringing supply closer to lower-income areas and reducing delivery fees

MESRA
Refitted *Kedai Mesra* outlets to enhance shopping experience and strengthen **customer engagement**

Setel
Won the **Best Fuel Payment** and the **Best Petrol Rewards** app awards, recognising continuous innovation and customer experience excellence

For more information, refer to Business Review on pages 68 to 83.

SUSTAINABILITY HIGHLIGHTS

Score of **4.0** for FTSE4Good assessment

Invested more than **RM2.4 million** and impacted over **350,000** individuals through our community-focused initiatives

749 tonnes of used cooking oil collected

Solarised **303** PETRONAS stations

Delivered Malaysia's **1st** locally blended Sustainable Aviation Fuel to Kuala Lumpur International Airport for Malaysia Airlines Group, demonstrating in-house supply capability

For more information, refer to our Sustainability Report.

Awards and Accolades

In 2025, we continued to focus on strengthening the fundamentals of the business while raising standards across our operations. Any recognition received during the year reflects the collective efforts of our people and the Shared Values that guide how we serve customers, work with partners and contribute to the communities in which we operate.

We view awards as an encouragement to keep improving. They reinforce the importance of staying disciplined in execution, listening closely to our stakeholders and translating expectations into practical action as we build long-term value.



Scan the QR code to view our full list of Awards and Recognitions.

Milestones

Our journey continues to evolve as we adapt to changing customer needs and operating conditions. Each milestone reflects steady progress in how we run the business, improve everyday experiences and strengthen the platforms that support future growth.



MAY

PETRONAS Dagangan Berhad (PDB) and Blueshark Ecosystem Sdn. Bhd. (BESB) entered into a strategic joint venture (JV) on 9 May 2025 to advance the distribution and adoption of electric two-wheeler (2W-EV) and related energy solutions in Malaysia, further supporting the country's low-carbon mobility agenda.

SEPTEMBER



Sustainable Aviation Fuel

Marked a significant milestone by delivering Malaysia's first locally blended Sustainable Aviation Fuel (SAF), marking a significant step towards advancing cleaner energy solutions for the aviation sector. This achievement was further reinforced by PDB becoming the first in Malaysia to receive the ISCC CORSIA certification, a globally recognised standard for sustainability and carbon reduction in aviation fuels. These milestones underscore PDB's commitment to innovation, environmental stewardship and alignment with global decarbonisation goals, positioning PDB as a trusted partner in shaping a more sustainable future for air travel.

BUDI95 Launch

Supported the Government's implementation of the BUDI95 programme by facilitating customer readiness and helping motorists adapt to the new targeted fuel subsidy requirements. Through coordinated communications, partnerships and on-ground engagement, PDB contributed to clearer public understanding and smoother customer transition. Working closely with relevant authorities, we aligned operational processes with policy direction to support a functional pump-to-app experience for users.

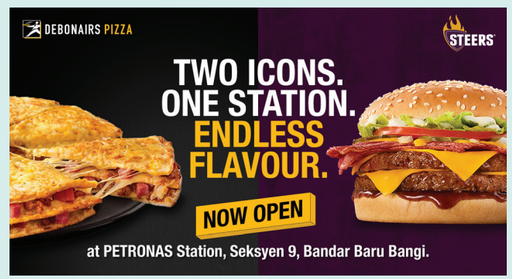
OCTOBER

Marked a significant milestone in October with the opening of two new highway stations, PETRONAS R&R on the MEX Highway and PETRONAS R&R Seri Kembangan. These projects exemplify PDB's commitment to innovation, safety and customer experience, delivering modern facilities and optimised layouts that redefine convenience for travellers. Both stations feature premium amenities and advanced fuelling infrastructure, including lighted dispensers, a spacious surau and upgraded restrooms, ensuring comfort and efficiency on the go. The achievement reflects agile project execution and operational excellence, cost optimisation and industry-leading compliance approvals. By combining innovative design with superior service standards, PDB continues to help raise standards for highway mobility and enhance the travel experience for Malaysians.



DECEMBER

Expanded our retail offerings with the official launch of the first two franchise outlets, Steers and Debonairs Pizza at PETRONAS station Seksyen 9, Bangi. This milestone reflects PDB's commitment to enhancing customer convenience and diversifying on-the-go dining options at our stations. By introducing internationally recognised quick-service brands within PDB's network, this strengthens our position as a one-stop destination for fuel and lifestyle needs, delivering greater value and choice to motorists. This initiative underscores PDB's strategy to innovate beyond traditional fuelling, creating holistic experiences that cater to evolving consumer expectations.



Follow our full story by scanning the QR code.

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.

Chairman's Statement

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

MD/CEO's Statement

MD/CEO's Statement

Dear shareholders,

The financial year ended 31 December 2025 reaffirmed a belief that continues to guide how we lead the business: performance matters, but people give it purpose. Customers, employees, partners and communities are the ones who turn those outcomes into lasting value, especially when conditions are demanding.

Those conditions defined much of 2025. Global trade uncertainty and shifting market dynamics softened oil prices, increased cost pressures and stretched parts of our infrastructure. Domestic economic fundamentals nevertheless remained relatively supportive. Steady gross domestic product (GDP) growth, driven by sustained investment activity, positive inbound tourism and expansion across the construction and services sectors, supported continued mobility and fuel demand. The nationwide rollout of the targeted fuel subsidy represented a significant national effort, reshaping customer behaviour and placing new demands on systems, operations and frontline delivery across the country.



Azrul Osman Rani
Managing Director/
Chief Executive Officer

We recorded our highest-ever sales volume of **17.1 billion litres** and achieved a Profit After Tax of **RM1,136.5 million**.

Within this environment, PETRONAS Dagangan Berhad (PDB) delivered another year of resilient performance. We recorded our highest-ever sales volume of 17.1 billion litres and achieved a Profit After Tax of RM1,136.5 million. These results reflect focused execution under pressure, but they matter most because they were achieved with strong customer centricity, an uncompromising approach to people safety and deep respect for those who sustain the business.

Safety remained non-negotiable throughout the year. I am deeply grateful that we closed 2025 without major incidents, fatalities or significant operational events. In our industry, this outcome reflects rigour, clear leadership tone and sustained investment in equipment, systems and training. We take seriously the responsibility entrusted to us to ensure everyone returns home safely at the end of each day.

This safety culture is reinforced through visible leadership presence, regular engagement with teams and clear accountability, with Health, Safety and Environment (HSE) key performance indicators (KPIs) embedded into personal scorecards for employees and contractors to guide day-to-day operations.



MD/CEO's Statement

Value
Sustain PDB Core Businesses

Value creation in 2025 required restraint and a clear focus on fundamentals. Throughout the year, we strengthened our businesses through operational excellence, cost control and consistent product availability. This allowed us to respond to near-term policy shifts without drifting from our longer-term strategic direction.

In the Retail-Fuel business, we prepared early for the national fuel subsidy adjustments under the BUDI MADANI RON95 (BUDI95) programme, working closely with the Government to ensure readiness across our nationwide network, supported by deeper digital integration. These measures enabled smooth execution at scale, supported government objectives and helped manage customer transition during rollout. The nationwide rollout required a coordinated, organisation-wide effort, from internal teams managing subsidy receivables to dealers setting up help desks across the network. What stood out was how the organisation responded as one. This collective, all-hands-on-deck effort reinforced trust and demonstrated our ability to execute complex transitions with cohesiveness and reliability.

We supported the rollout with appropriate financial discipline to maintain service continuity, protect customers and strengthen the platform on which the business continues to grow. As a result, execution remained consistent and customer experience was preserved.

Within the Commercial business, demand across key sectors held up well as increased aviation activity, recovery in marine demand and stable industrial consumption supported performance through the year. We continued to prioritise reliability, safety and key customer commitments, while carefully managing volumes as capacity-enhancing projects progressed. This disciplined approach, combined with a focus on high-value segments, enabled the business to deliver a 12% year-on-year increase in volume, reinforcing service continuity and long-standing customer relationships.

In the LPG business, we remained agile in responding to commercial segment opportunities, ensuring sufficient supply and faster speed-to-market to capture demand as it emerged. LPG volumes increased by 5% year-on-year, making it our highest LPG volume recorded since 2016 and reinforcing our market leadership, particularly in the Southern region and the commercial segment.

We prepared early for the national fuel subsidy adjustments under the BUDI MADANI RON95 (BUDI95) programme, working closely with the Government to ensure readiness across our nationwide network, supported by deeper digital integration.



The Lubricant business delivered strong momentum in 2025, with volumes growing by 14% compared to the previous year, led by stronger performance across PETRONAS Power Brands, reflecting improved product mix and more effective channel execution. Distribution reach continued to widen through the establishment of new PETRONAS AutoExpert outlets, supported by differentiated branding and expanded concepts such as PETRONAS MotoExpert.

MD/CEO's Statement

Growth
Diversification Through Convenience

Our integrated retail solution approach continued to evolve as customer expectations shifted beyond purely transactional fuel stops. PETRONAS stations increasingly serve as preferred convenience destinations for both transient and destination travellers. We advanced the forecourt as a fully connected mobility and retail ecosystem, placing greater emphasis on seamless customer experience through digitalisation and improved site offerings. Building on this shift, we reimagined PETRONAS stations to support longer dwell time, broader use cases and deeper engagement. Integrated formats create space for new services, partnerships and experiences that reflect how forecourts now function as part of customers' daily routines, going further than refuelling alone.

Within the Convenience segment, *Kedai Mesra* delivered year-on-year growth in chargeable sales for the fourth consecutive year, supported by targeted enhancements and refits that improved in-store experience, customer engagement and sales performance.

We took steps to diversify income streams and broadened our partnership base through the introduction of an unincorporated joint venture model, together with new partner launches and the Master License Agreement with Famous Brands, alongside advancing our Fodd and Beverage and PETRONAS Shop portfolios.

Digitalisation remains central to this evolution, with capability-reinforced execution embedded across PDB's digital ecosystem. Setel, scaled steadily over several years, proved critical during the BUDI95 rollout. With more than 11 million registered users, the platform strengthened customer engagement and loyalty across the network. Data continues to show that repeated engagement drives retention, validating the long-term value of early digital investments. Enterprise-wide digital and artificial intelligence initiatives also delivered measurable efficiency gains, sharper targeting and stronger decision-making.

Setel, scaled steadily over several years, proved critical during the BUDI95 rollout. With more than 11 million registered users, the platform strengthened customer engagement and loyalty across the network.



MD/CEO's Statement



Sustainability
Creating Positive Environmental, Economic and Social Impact

Sustainability remains integral to how we operate and plan. Our core business continues to rely on hydrocarbons, and this will remain the case for the foreseeable future. We are taking practical steps to reduce operational emissions, improve energy efficiency and support national transition goals in a way that is practical and economically responsible.

During the year, we strengthened governance under our Sustainability Framework and advanced alignment with the International Sustainability Standards Board's International Financial Reporting Standards (IFRS) S2 requirements.

Operationally, we advanced selective site solarisation, upgraded energy-efficient equipment and maintained disciplined management of Scope 1 and Scope 2 emissions, while steadily laying the groundwork for Scope 3 management across the value chain. We approach this challenge with realism rather than haste, recognising the need to balance ambition with practicality.

As part of our lower-carbon solutions efforts, we continued to build capability and readiness to support the decarbonisation of transport and mobility. In 2025, we achieved International Sustainability and Carbon Certification (ISCC) CORSIA certification for Sustainable Aviation Fuel (SAF). Building on this foundation, we supplied a locally blended SAF batch to Malaysia Airlines Group in September 2025, representing an initial operational use of SAF through our internal blending and supply arrangements. We also established trial B20 and B30 supplies and piloted their use at selected airports and seaports to build operational readiness for mandated adoption.

In 2025, we achieved International Sustainability and Carbon Certification (ISCC) CORSIA certification for Sustainable Aviation Fuel (SAF).

The used cooking oil collection points at our stations nationwide were expanded, encouraging public participation in circular economy efforts while delivering tangible community benefits. This initiative helps build readiness for future lower-carbon fuel pathways as domestic production capacity develops.

Electric mobility initiatives remain exploratory but intentional. Adoption rates reflect fuel economics, infrastructure readiness and technology cycles. We therefore invest selectively, focusing on use cases that align with customer needs and system readiness rather than short-term signals. Through partnerships, including with Blueshark Malaysia Sdn. Bhd., we are deploying both battery-swap and charging solutions to prepare our infrastructure for the transition ahead while maintaining customer convenience.

MD/CEO's Statement

We enter 2026 with confidence in PDB's preparedness and direction. Visit Malaysia 2026 is expected to support higher mobility and travel activity, presenting opportunities for growth. Infrastructure optimisation and capacity management will remain priorities as demand patterns evolve.

People: Development, Inclusion and Leadership Through Change

We place strong emphasis on building capability and supporting our organisation through change. Throughout 2025, this shaped how we set priorities, made decisions and guided teams through a demanding year. Reliability for customers, consistency in operations and steady execution across the business reflected the professionalism and commitment of our people.

We continued to strengthen inclusion across our workforce. Employment pathways for Persons with Disabilities expanded and Disability Equality Training was rolled out to reinforce awareness and inclusion across the organisation and ecosystem.

During a year that required adjustment and change, we maintained purposeful leadership engagement across the organisation, ensuring people understood not just what was changing, but why it mattered. The recently concluded Workforce Productivity Exercise met its objective and improved efficiency without compromising service quality. These efforts reflect a steady approach to strengthening processes while supporting our people through transition.

Looking Forward to Winning the Moment and Shaping the Next

Looking ahead to 2026, we expect a relatively stable operating environment, supported by resilient domestic consumption. Global trade uncertainty and inflationary pressures remain watch points, and we will continue to manage these risks with rigour.

We enter 2026 with confidence in PDB's preparedness and direction. Visit Malaysia 2026 is expected to support higher mobility and travel activity, presenting opportunities for growth. Infrastructure optimisation and capacity management will remain priorities as demand patterns evolve.

Policy developments may also act as catalysts for further operational and business transformation. We see emerging cross-border opportunities as neighbouring markets tighten requirements on higher-emission vehicles, which could increase demand for cleaner and more efficient alternatives.

As we advance our strategy, we will remain closely aligned with our customers, invest in reliable, resilient infrastructure and strengthen the agility needed to respond as conditions change. We will continue investing in our people, technology and risk management practices to sustain growth and protect stakeholder interests. Winning today's moment depends on diligent execution, and shaping the next depends on foresight and measured investment. The capability, dedication and shared sense of responsibility across our organisation give me confidence that we are well positioned to deliver.

We extend our sincere appreciation to our Chairman for his guidance and stewardship, and to the Board of Directors for their oversight and counsel throughout the year. Their direction provided stability and clarity as the organisation navigated a dynamic operating environment.

Our leadership team drove execution across the Group, translating strategic direction into operational focus and delivery. Within the leadership team, we acknowledge the contributions of Farzlina Ahmad Murad, former Chief Financial Officer; Ian Malcolm Cruddas, former Chief Executive Officer of MESRA; and Ahmad Yusmadi Mohamed Yusoff, former Head of Legal. Each brought valuable expertise and judgement during their time with the organisation, and we remain appreciative of their service.

We thank our employees for their dedication, professionalism and commitment throughout 2025. Their efforts sustained day-to-day operations and supported consistent delivery across the Group.

We also extend our appreciation to our dealers, contractors, government stakeholders and customers for their continued trust and support throughout the year, which enabled us to remain focused and resilient as we advanced our strategic priorities.

Azrul Osman Rani
Managing Director/Chief Executive Officer

CFO's Review

Evolving global trade measures, geopolitical developments and changing supply-demand dynamics in oil markets defined the broader external backdrop in 2025. Brent crude prices moderated year-on-year as markets moved from relative tightness toward surplus conditions, while policy transitions and energy reform continued to influence domestic market structures.

Against this environment, PETRONAS Dagangan Berhad (PDB) exercised disciplined financial stewardship, maintaining focus on capital allocation, risk management and operational efficiency. Our strategy guides risk management, capital discipline and the balance between near-term delivery and longer-term priorities, while sustainability considerations remain embedded in investment decisions.



2025 Key Milestones

Revenue of **RM38,269.3 million,** supported by higher sales volumes

Profit After Tax of **RM1,136.5 million,** highest level post-pandemic

Sales volume growth of **2%,** driven by stronger Commercial demand, particularly Jet A-1

Earnings per share of **110.6 sen,** reflecting improved profitability

Mazlie Minhat
Chief Financial Officer

CFO's Review

In 2025, PDB delivered a resilient financial performance in a more constrained operating environment.

Sustaining Performance with Discipline

In 2025, PDB delivered a resilient financial performance in a more constrained operating environment. The year demanded tighter cost control, sharper execution and focused approach to managing our products and customer mix as pricing volatility, fuel subsidy rationalisation dynamics and inflationary pressures shaped market conditions.

Profit Before Tax (PBT) was marginally higher than the previous year, supported by strong demand from the aviation sector for Jet A-1 as well as Commercial Diesel. In line with this, Profit After Tax (PAT) continued to exceed the RM1 billion mark.

Sales volumes increased by 2% to 17.1 billion litres, the highest-ever recorded by PDB, supported by stronger Commercial demand, particularly Jet A-1, which cushioned weaker Retail Diesel performance. This uplift contributed to a 1% year-on-year increase in revenue, helping to offset the impact of lower average selling prices. These results reflect PDB's continued ability to deliver steady growth while navigating an increasingly competitive and price-sensitive operating environment.

PERFORMANCE SUMMARY

Revenue *(RM' million)*
YoY 1%



Operating Profit *(RM' million)*
YoY (0.9%)



Profit Before Tax *(RM' million)*
YoY 0.02%



Profit After Tax *(RM' million)*
YoY 2%



Earnings Per Share (EPS) - Basic *(sen)*
YoY 1%

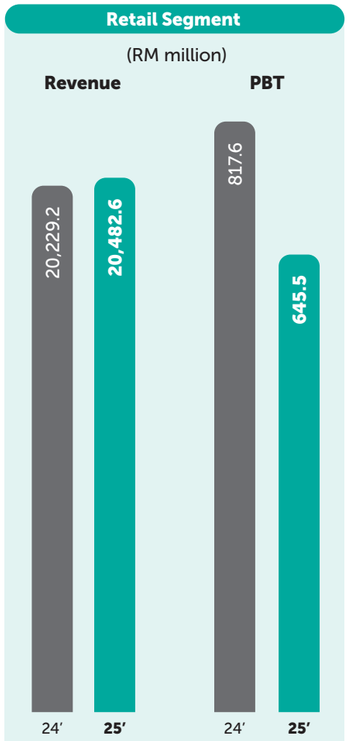


CFO's Review

Segmental Financial Performance Overview

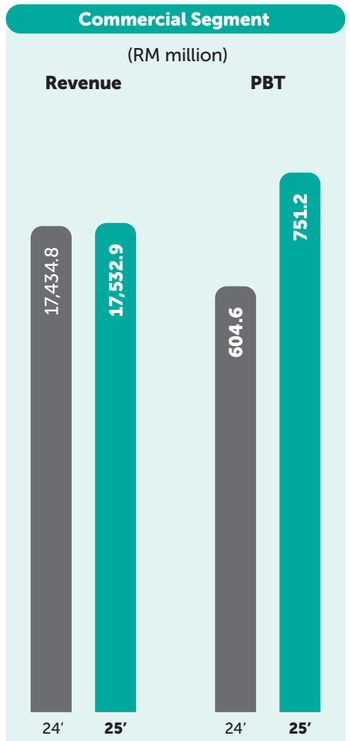
Overall revenue growth was supported by higher sales volumes, particularly from the aviation sector, while profitability outcomes varied by segment due to differing demand dynamics, pricing movements and cost profiles. Focused cost management and active portfolio optimisation helped sustain earnings quality across PDB.

Retail Segment



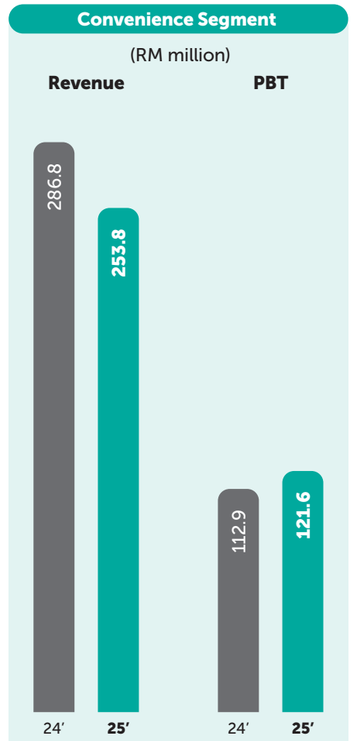
The Retail segment recorded revenue of RM20,482.6 million, an increase of 1% compared with FY2024, supported by a 6% improvement in average selling prices. This was partially offset by a 4% decline in sales volume. Profit Before Tax (PBT) declined by 21% to RM645.5 million, driven by lower gross profit from MOGAS, in line with less favourable Mean of Platts Singapore (MOPS) price trend and reduced demand for Diesel.

Commercial Segment



The Commercial segment generated revenue of RM17,532.9 million, representing a 1% year-on-year increase. Sales volume rose by 12%, primarily from stronger demand for Jet A-1 and Commercial Diesel, which was partially offset by a 10% reduction in average selling prices. PBT increased by 24% to RM751.2 million, reflecting higher gross profit from stronger sales volume, supported by effective expenditure management. The segment benefited from continued recovery in the aviation sector and stable industrial activity.

Convenience Segment



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. The segment continued to enhance its value proposition through targeted offerings and digitally enabled platforms, including Setel, to improve customer experience in line with PDB's promise of *Making Your Everyday Life Simpler and Better.*

Group Financial Position

Total Assets

Total assets stood at RM11,083.9 million, a decrease of RM31.8 million or 0.3%, mainly due to lower trade and other receivables.

Total Liabilities

Total liabilities decreased by RM14.1 million or 0.3%, primarily from lower trade and other payables.

Cash Flow

Net cash generated from operating activities increased by RM2,409.6 million, largely driven by subsidy receipts during the year. Net cash used in investing activities rose by RM85.6 million, reflecting higher spending in capital expenditure, partially offset by increased interest income. Net cash used in financing activities increased by RM290.2 million, mainly due to higher dividends paid.

Shareholder Returns

PDB continues to prioritise shareholder value while maintaining balance sheet strength. 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. Dividend for FY2025 is 112 sen per share, inclusive of 20 sen special dividend, representing a payout ratio of 100%, well above our dividend payout policy rate.

Cost Discipline and Spending

Cost control and expenditure management remained central to sustaining profitability in a more constrained pricing environment. OPEX and CAPEX are monitored through productivity and efficiency lenses, with clear accountability for profitability outcomes.

CAPEX allocation continues to prioritise projects assessed for commercial viability and alignment with our strategy. Investment focus is on strengthening core operations, enhancing digital capabilities and supporting transition-ready initiatives, supported by sound investment governance and return thresholds.

Management of Working Capital and Liquidity

PDB actively manages working capital to maintain adequate liquidity buffers and financial flexibility. Trade receivables, payables and inventory positions are closely monitored, supported by robust credit governance, early warning indicators and regular reviews through established management forums.

Risk Management and Financial Resilience

PDB manages risk within a structured Enterprise Risk Management (ERM) framework to protect financial resilience, support informed and well-governed decision-making and sustain earnings quality amid market volatility, regulatory change and evolving sustainability expectations.

In 2025-2026, PDB's key financial risk relates to credit risk. Credit risk arises from counterparties failing to meet payment obligations, with potential impacts on profitability through credit loss provisions and bad debt. The likelihood of material losses remains low, supported by a robust risk management framework and complemented by early warning indicators and multi-layered governance oversight.

PDB also manages pricing and regulatory risks arising from regulated and deregulated pricing structures, contract terms and supply chain costs, as well as potential policy and subsidy changes that may affect demand and profitability. These risks are managed through close regulatory engagement, timely pricing actions under established governance processes such as the Automatic Pricing Mechanism, and continuous market monitoring.

Risk Implications for Financial Strategy

The prevailing risk landscape continues to shape financial strategy, with emphasis on balance sheet resilience, prudent cash flow management and disciplined working capital control. PDB also continues to diversify revenue beyond traditional fuel-based activities to manage volatility and support longer-term sustainability.

Enhancements to the ERM Framework

Following the annual review, we strengthened the ERM framework by integrating sustainability-related transition and physical risks into governance processes and the corporate risk profile register, aligned with the emerging International Sustainability Standards Board (ISSB) requirements. The use of digital tools has expanded to improve risk monitoring and data-driven insights across the organisation.

CFO's Review

Building a Risk-Aware Culture

PDB continues to strengthen risk awareness through structured initiatives that embed risk considerations into daily decision-making. Digital tools support risk assessment in business decisions, bespoke upskilling programmes enhance middle-management capability, and leadership storytelling reinforces accountability through practical experience sharing.

Governance and Compliance

Strong governance and compliance support financial discipline and effective decision-making. During the year, we reviewed and enhanced the Limits of Authority (LOA) to enable faster execution while maintaining appropriate controls. Committee structures and processes were also reviewed to sharpen focus, improve efficiency and strengthen decision quality.

Ongoing enhancements to data governance, internal controls and compliance processes address evolving requirements, including data privacy risk management and anti-corruption measures. These are guided by the five principles of adequate procedures known as T.R.U.S.T. and ISO 37001, an internationally recognised anti-bribery management system standard.

Sustainability and Financial Connectivity

Sustainability considerations are embedded within PDB's strategy and investment portfolio, particularly under the Growth and Sustainability pillars. Financial measures supporting these objectives include operational and infrastructure readiness for lower-carbon offerings, including biodiesel and Sustainable Aviation Fuel (SAF).

From the reporting perspective, FY2025 marks a significant milestone for PDB, as the Group adopts the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards for the first time. In this initial phase, PDB focused on IFRS S2 and applied the available transition reliefs, enabling PDB to provide qualitative disclosures while concentrating on principal business segments and Climate-Related Risks and Opportunities (CRRO). IFRS S1 will be adopted in the FY2026 reporting cycle, with full implementation of both standards targeted by FY2027.

The adoption of IFRS Sustainability Disclosures enhances the transparency, consistency and comparability of sustainability-related information presented to investors. By aligning sustainability risks and opportunities, particularly climate-related considerations with financial reporting, the framework strengthens risk assessment, reinforces governance accountability and supports more disciplined capital allocation. This enables stakeholders to better evaluate PDB's long-term value creation, resilience and cost of capital.

For more information, refer to the ISSB Statement on pages 84 to 107.

Outlook

Malaysia's economic outlook for 2026 remains supportive, driven by resilient domestic demand, stable inflation, infrastructure investments and tourism momentum ahead of Visit Malaysia Year 2026. These factors provide a constructive operating backdrop despite ongoing global uncertainties and oil price pressures.

In 2026, our focus remains on operational excellence, disciplined capital allocation and deeper customer engagement. PDB remains vigilant in monitoring regulatory developments, subsidy rationalisation, evolving customer behaviour and geopolitical risks.

Through prudent financial management, strong governance and a resilient balance sheet, PDB is positioned to manage volatility while sustaining returns and advancing strategic priorities.



CFO's Review

5-YEAR GROUP FINANCIAL HIGHLIGHTS

OPERATING RESULTS (RM MILLION)

Revenue

FY2021	22,674.0
FY2022	36,748.9
FY2023	37,549.3
FY2024	37,950.8
FY2025	**38,269.3**

Operating profit

FY2021	751.2
FY2022	1,148.9
FY2023	1,351.1
FY2024	1,548.1
FY2025	**1,534.2**

Profit before tax

FY2021	740.8
FY2022	1,135.0
FY2023	1,331.6
FY2024	1,530.7
FY2025	**1,531.0**

Net profit attributable to shareholders of the Company

FY2021	529.8
FY2022	776.6
FY2023	943.1
FY2024	1,086.6
FY2025	**1,099.2**

Profit after tax

FY2021	531.2
FY2022	787.8
FY2023	966.8
FY2024	1,116.6
FY2025	**1,136.5**

KEY BALANCE SHEET DATA (RM MILLION)

Property, plant and equipment

FY2021	4,017.5
FY2022	4,115.3
FY2023	4,116.9
FY2024	3,995.3
FY2025	**4,117.3**

Total assets

FY2021	9,600.8
FY2022	11,257.5
FY2023	11,487.0
FY2024	11,115.7
FY2025	**11,083.9**

Total borrowings

FY2021	116.4
FY2022	184.3
FY2023	152.2
FY2024	108.0
FY2025	**163.0**

Total liabilities

FY2021	3,985.4
FY2022	5,470.2
FY2023	5,650.2
FY2024	5,046.5
FY2025	**5,032.4**

Share capital

FY2021	993.5
FY2022	993.5
FY2023	993.5
FY2024	993.5
FY2025	**993.5**

Equity attributable to shareholders

FY2021	5,582.1
FY2022	5,742.7
FY2023	5,768.4
FY2024	5,970.9
FY2025	**5,967.3**

CFO's Review

5-YEAR GROUP FINANCIAL HIGHLIGHTS

SHARE INFORMATION PER SHARE

Basic earnings (sen)

FY2021	53.3
FY2022	78.2
FY2023	94.9
FY2024	109.4
FY2025	**110.6**

Gross dividend (sen)

FY2021	70.0
FY2022	76.0
FY2023	80.0
FY2024	107.0
FY2025	**112.0**

Share price as at financial year end (RM)

FY2021	20.60
FY2022	23.00
FY2023	21.84
FY2024	19.32
FY2025	**19.96**

FINANCIAL RATIOS

Return on revenue (%)

FY2021	2.3
FY2022	2.1
FY2023	2.6
FY2024	2.9
FY2025	**3.0**

Return on equity (%)

FY2021	9.5
FY2022	13.7
FY2023	16.8
FY2024	18.7
FY2025	**19.0**

Return on total assets (%)

FY2021	5.5
FY2022	7.0
FY2023	8.4
FY2024	10.0
FY2025	**10.3**

Debt to equity ratio (%)

FY2021	2.1
FY2022	3.2
FY2023	2.6
FY2024	1.8
FY2025	**2.7**

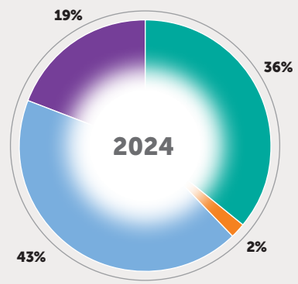
Dividend payout (%)

FY2021	102.0
FY2022	100.0
FY2023	91.0
FY2024	100.0
FY2025	**100.0**

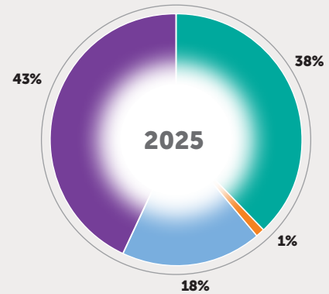
SIMPLIFIED GROUP STATEMENT OF FINANCIAL POSITION

TOTAL ASSETS

RM11,115.7 million



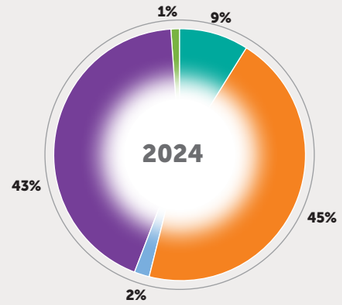
RM11,083.9 million



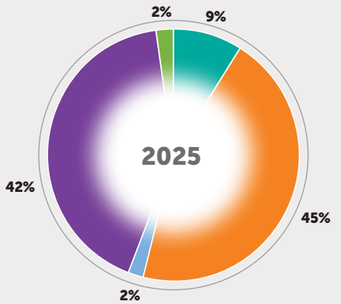
- Non-current Assets
- Trade and Other Inventories
- Trade and Other Receivables
- Cash and Cash Equivalents

TOTAL EQUITY AND LIABILITIES

RM11,115.7 million



RM11,083.9 million

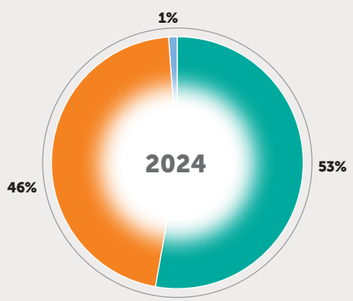


- Share Capital
- Reserves
- Non-current Liabilities
- Trade and Other Payables
- Other Current Liabilities

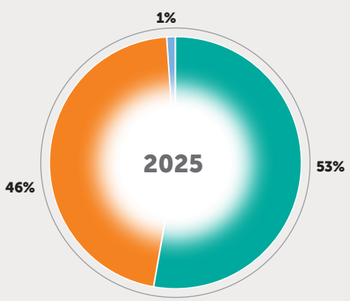
SEGMENTAL ANALYSIS

TOTAL REVENUE

RM37,950.8 million



RM38,269.3 million

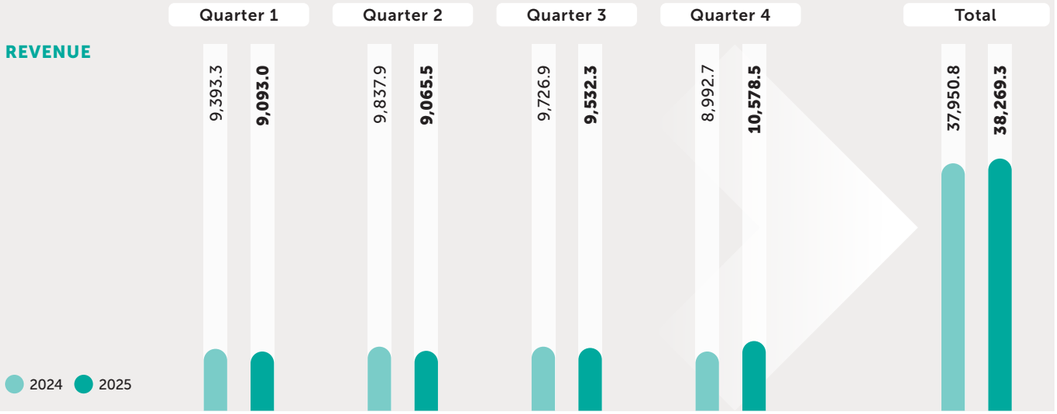


- Retail
- Commercial
- Convenience

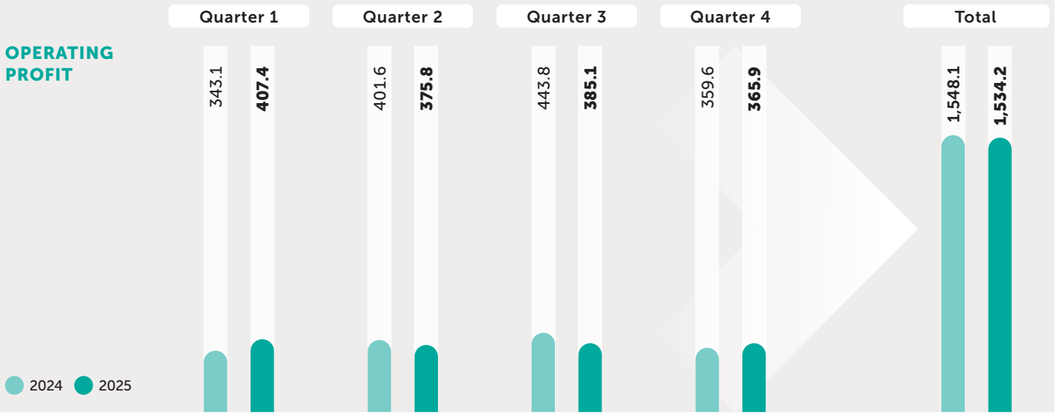
CFO's Review

GROUP QUARTERLY FINANCIAL PERFORMANCE (IN RM MILLION)

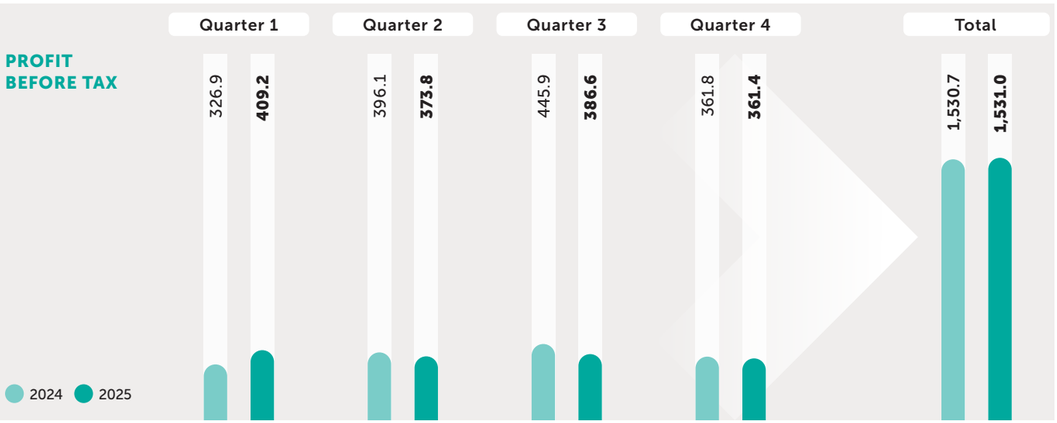
REVENUE



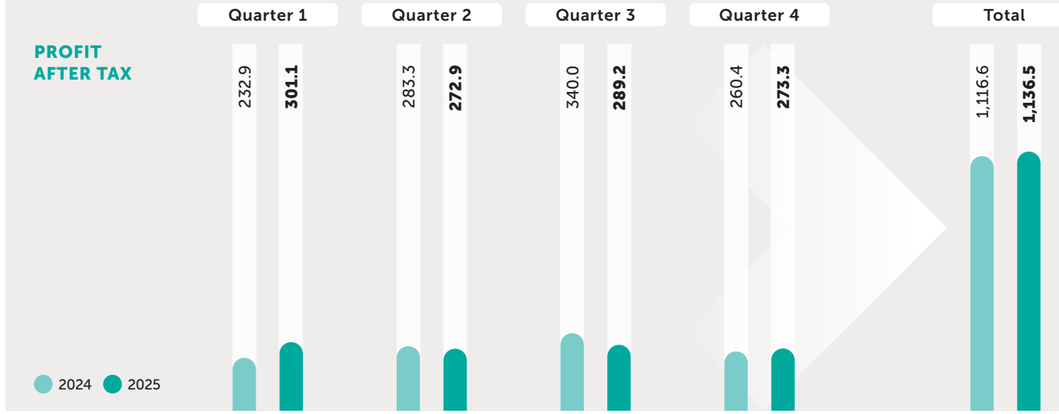
OPERATING PROFIT



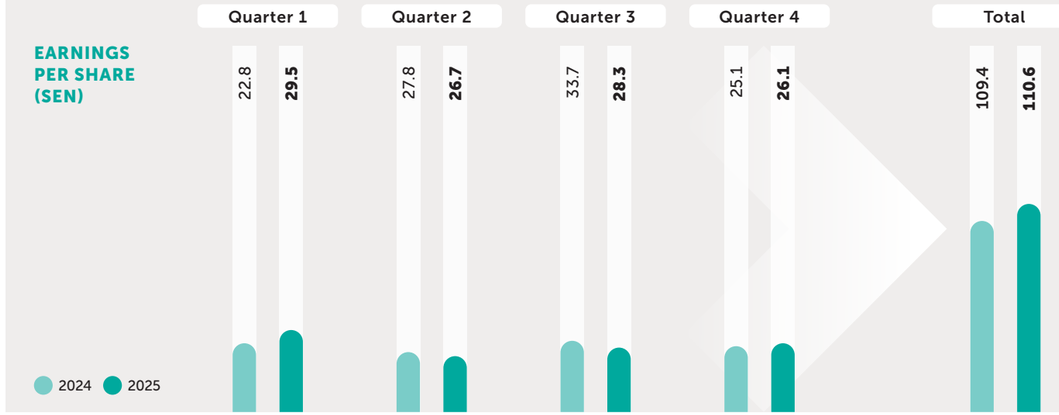
PROFIT BEFORE TAX



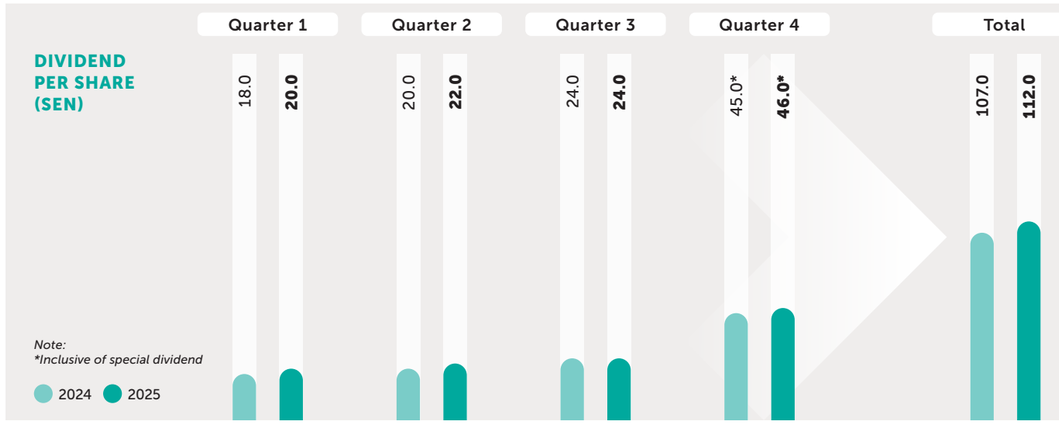
PROFIT AFTER TAX



EARNINGS PER SHARE (SEN)



DIVIDEND PER SHARE (SEN)



CFO's Review

KEY INTEREST BEARING ASSETS AND LIABILITIES

	Interest earning assets		Interest bearing liabilities			
	Cash and cash equivalents		Lease liabilities		Sukuk facilities	
As at 31 December (RM Million)	1,991.9	**4,652.0**	108.0	**163.0**	-	**-**
Effective Interest Rate (%)	3.0-3.1	**2.8-3.0**	3.4-8.4	**3.5-8.4**	3.7	**-**
Interest Income/ (Expenses) (RM Million)	160.9	**193.7**	(8.8)	**(12.9)**	-	**-**
	2024	**2025**	2024	**2025**	2024*	**2025**

**Figures are rounded to one decimal place. Values below 0.05 are presented as 0.0 as per Integrated Report 2024.*

STATEMENT OF VALUE ADDED/DISTRIBUTION OF VALUE ADDED

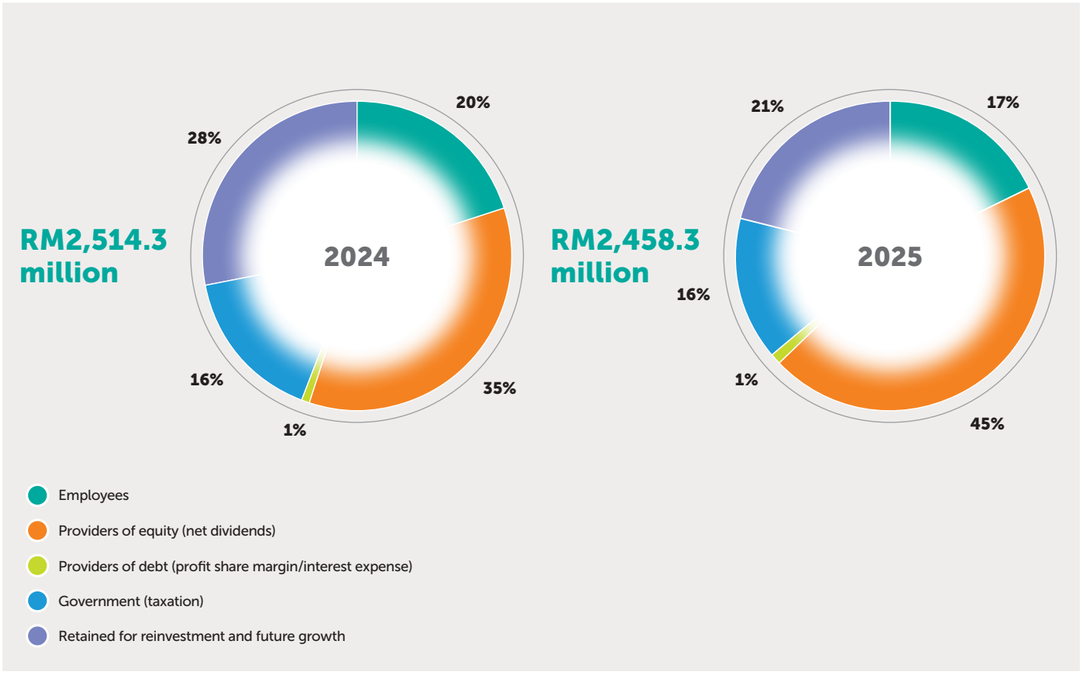
Value added is defined as the value created by the activities of a business and its employees, and in the case of PDB, it is determined as revenue less the cost of goods and services. The value added statement reports on the calculation of value added and its application among the stakeholders in the Group. This statement shows the total wealth created and how it was distributed, taking into account the amounts retained and reinvested in the Group for future growth.

Group	2024 RM'000	2025 RM'000
Revenue	37,950,762	**38,269,332**
Less: Cost of goods and services	(35,735,131)	**(36,161,892)**
Value added	2,215,631	**2,107,440**
Other income	316,109	**354,006**
Financing costs	(13,062)	**(15,880)**
Share of (loss)/profit after tax of equity associates and joint ventures	(4,418)	**12,690**
Value created	2,514,260	**2,458,256**

CFO's Review

Group	2024 RM'000	2025 RM'000
Distributed to:		
Employees	495,227	**424,475**
Providers of equity (net dividends)	884,174	**1,102,734**
Providers of debt	13,062	**15,880**
Government (taxation)	414,030	**394,495**
Retained for reinvestment and future growth:		
Depreciation and amortisation	475,309	**486,924**
Unappropriated profit	232,458	**33,748**
Value Distribution	2,514,260	**2,458,256**

VALUE DISTRIBUTED



Our Approach to Value Creation

We create shared value for our customers, partners, shareholders and communities by making everyday life simpler and better. This purpose guides how we grow our business, allocate capital and strengthen resilience across our portfolio to deliver sustainable returns and lasting impact.

PDB operates an integrated downstream business spanning Retail-Fuel, Commercial, LPG, Lubricants, MESRA and Setel. Each segment responds to different customer needs, market dynamics and regulatory developments. We balance operational discipline with growth investments to deliver sustainable returns while adapting to evolving energy, mobility and consumer trends.

SHAPING OUR STRATEGY

Understanding Our Operating Landscape

We continuously assess macroeconomic trends, energy demand patterns, regulatory developments, technology shifts and consumer behaviour. These insights inform pricing, supply planning, network optimisation and portfolio prioritisation.

For more information, refer to Operating Environment and Market Outlook on pages 42 to 49.

Managing Risk with Discipline

We safeguard business continuity, financial resilience and operational reliability through structured risk management and strong internal controls. We actively monitor market volatility, supply disruptions and regulatory shifts to protect performance and customer confidence.

For more information, refer to Key Risks and Mitigation on pages 58 to 63.

Strengthening Partnerships

We cultivate long-term relationships with customers, dealers, suppliers and business partners. Transparent engagement and fair collaboration enable ecosystem growth and support sustainable performance across our network.

For more information, refer to Engaging with Our Stakeholders on pages 50 to 53.

Focusing on What Drives Value

We prioritise initiatives that materially influence business growth, profitability, customer experience and brand strength. Clear capital allocation discipline ensures resources flow to high-impact areas with measurable outcomes.

For more information, refer to Material Matters on pages 54 to 57.

Advancing Sustainability

We integrate safety, people development and environmental responsibility into daily operations. Operational efficiency, emissions management and responsible retail practices support long-term resilience and value preservation.

For more information, refer to our Sustainability Report.

IMPLEMENTING OUR STRATEGY

We translate strategic priorities into measurable actions across all business segments. Operational excellence, disciplined cost management and targeted growth investments support consistent delivery.

Our Moving Forward Together (MFT) strategy reinforces collaboration across business units, ensuring we execute with clarity and speed while staying aligned to our promise of *Making Your Everyday Life Simpler and Better.*

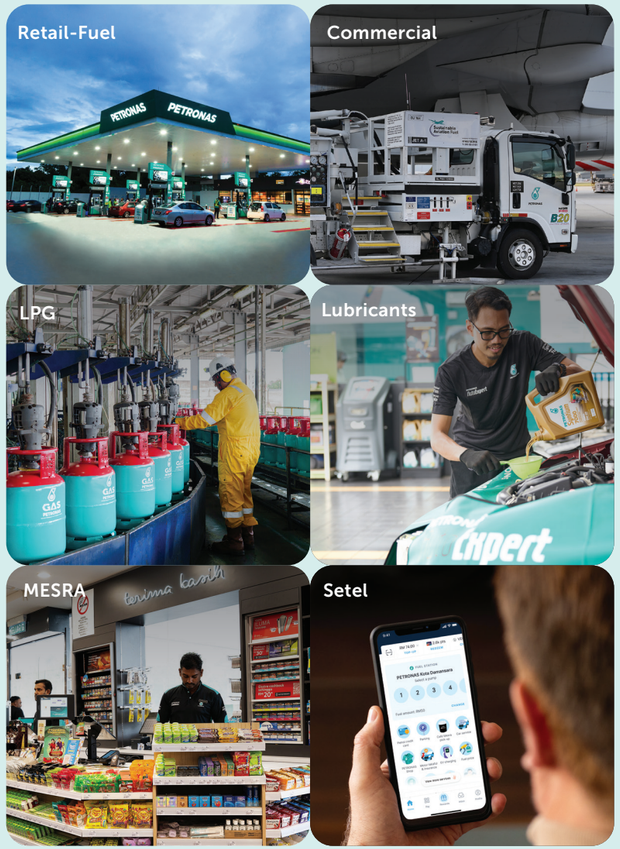
ALLOCATING OUR RESOURCES

We deploy resources across six capitals to sustain competitive advantage and long-term value creation:

- F Financial
- M Manufactured
- I Intellectual
- H Human
- SR Social and Relationship
- N Natural

Our Approach to Value Creation

OUR INTEGRATED BUSINESS MODEL AT WORK



Our integrated platform connects infrastructure, supply capabilities and customer reach across Retail-Fuel, Commercial, LPG, Lubricants, MESRA and Setel. Operational scale and supply chain integration improve reliability and cost efficiency. Digital platforms strengthen customer engagement and data-driven decision-making. Brand trust reinforces loyalty across fuel and non-fuel offerings. This model enables reinvestment, innovation and consistent service delivery, creating value for customers, employees, partners, shareholders and communities.

OUR PROMISE

Making Your Everyday Life Simpler and Better

For more information, refer to Our Value Creating Business Model on pages 66 to 67.

CREATING VALUE FOR OUR STAKEHOLDERS

We create value by delivering reliable products and services, enhancing customer experience and operating responsibly. Performance is measured through operational excellence, customer satisfaction, financial returns and responsible business conduct.

- QUALITY PRODUCTS
- CLEAR VALUE PROPOSITION
- NETWORK STRENGTH
- RELIABILITY OF SUPPLY
- INNOVATION AND DIGITAL INTEGRATION
- STRONG CULTURE AND TALENT
- DIVERSITY AND INCLUSION

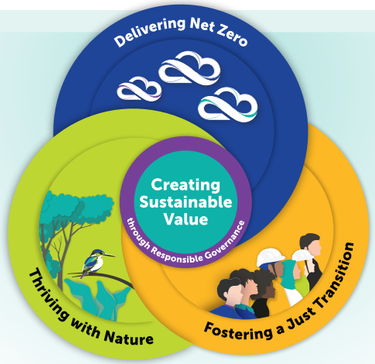
Sustainability Agenda

PDB's position as a major downstream petroleum retailer and marketer in Malaysia places us at the centre of a diverse national stakeholder landscape, shaping our approach beyond product delivery. We continue to strengthen responsible practices across our value chain to support sustainable growth and create long-term value for society and the environment. Through accessible networks and value-based pricing, we maintain our commitment to providing customers with quality products and services that support their daily needs.

PETRONAS Sustainability Approach

As a framework for our sustainability journey, we are guided by the PETRONAS Sustainability Approach, first adopted in 2024. Guided by three core components: **Delivering Net Zero** and **Thriving with Nature** advances our environmental stewardship, while **Fostering a Just Transition** reflects our commitment to social responsibility. These efforts are anchored by our approach in **Creating Sustainable Value through Responsible Governance**, reinforcing strong governance practices and long-term economic resilience.

For more information, refer to our Sustainability Report.



DELIVERING NET ZERO

The evolving energy landscape, shaped by the urgency and scale of the climate challenge, demands action. In aligning with PETRONAS' Net Zero Carbon Emissions (NZCE) ambition for 2050, we are committed to reducing emissions across our operations while investing in opportunities for lower-carbon business growth.

FOSTERING A JUST TRANSITION

The role of a leading domestic retailer and marketer carries responsibility for how change is delivered. We are committed to advancing a just transition that respects human rights and ensures equitable socio-economic opportunities for stakeholders, especially employees, suppliers and communities.

THRIVING WITH NATURE

The protection of nature and biodiversity is fundamental to sustaining life on Earth. We recognise both the impact of our operations on natural systems and our reliance on them. As such, we are committed to the responsible use of natural resources, the promotion of circular practices and addressing nature and biodiversity loss. We will undertake actions to restore, protect and conserve ecosystems in Malaysia.

CREATING SUSTAINABLE VALUE THROUGH RESPONSIBLE GOVERNANCE

The role of a progressive energy and solutions partner is underpinned by our commitment to creating sustainable value and practising responsible governance, which we recognise as fundamental to societal and organisational resilience. This approach supports the delivery of our Energy Transition Strategy and aligns with PETRONAS' commitment to achieving net zero carbon emissions, thriving with nature and fostering a just transition.

Sustainability Agenda

PDB Enhanced Sustainability Framework

Our Enhanced Sustainability Framework continues to anchor our efforts, aligned with the PETRONAS Sustainability Approach and building on the foundations established in 2021. Anchored to PETRONAS' purpose and PDB's promise, the framework embeds sustainability into decision-making, resource allocation and day-to-day operations, driving clear targets, accountability across business units and consistent, measurable progress.

Purpose

A progressive energy and solutions partner enriching lives for a sustainable future

Promise

MAKING YOUR EVERYDAY LIFE SIMPLER AND BETTER

Pillars

Value	Growth	Sustainability
Sustain PDB Core Business	Diversity Through Convenience	Remain Committed to Creating Positive Environmental, Economic and Social Impacts
Maintain strength of PDB's core businesses by enhancing the quality, accessibility and innovation in products and services	Diversify offerings and transforming PDB into multi-service hubs that provide a variety of retail and convenience services to meet customers' demand	Drive responsible energy stewardship and enhance societal and economic benefits

Sustainability Approach and Key Initiatives

Creating Sustainable Value through Responsible Governance
Creating sustainable value and practicing responsible governance are fundamental to society and organisational resilience

1. Sustain PDB's core business and solidify brand image
2. Diversity through convenience
3. Responsible and sustainable governance practices

Delivering Net Zero
Reduce emissions in our core operations and simultaneously invest in new opportunities for lower-carbon business growth

1. Invest in lower-carbon business growth
2. GHG emissions reduction and environmental protection

Thriving with Nature
Use natural resources responsibly, promote circularity practices and address nature and biodiversity loss, while engaging in restoring, protecting and conserving ecosystems

1. Promote circularity and protect nature

Fostering a Just Transition
Advance a just transition that respects human rights and ensures stakeholders have access to equitable opportunities for socio-economic growth

1. Champion entrepreneurial growth
2. Socially responsible and creating positive impact
3. Cultivating a safe and healthy environment and empower our people

Enabler

Technology and Digitalisation powered by Setel

Our Operating Environment and Market Outlook

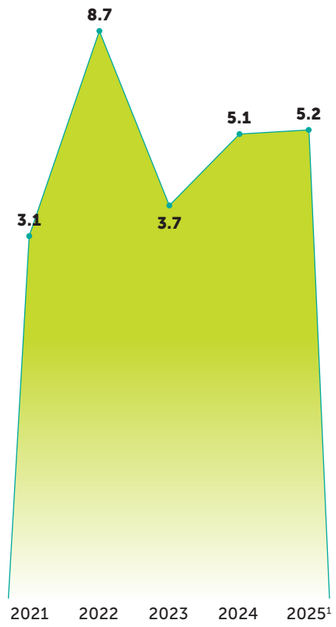
Our operating environment for 2025 reflected strong domestic demand, policy developments and changing mobility and consumption patterns nationwide, setting the conditions in which PETRONAS Dagangan Berhad (PDB) operated. Stable employment, rising wages and moderate inflation supported economic resilience, while targeted subsidy reforms and early energy transition measures influenced pricing, mobility and energy use. Shifts in travel behaviour and convenience-led consumption shaped future forecourt usage pattern and customer expectations, while oil price movements formed the wider backdrop to market conditions for the year.

DOMESTIC ECONOMIC RESILIENCE

In 2025, Malaysia's economy remained resilient despite a challenging global backdrop, supported by strong domestic demand, a stable labour market and sustained momentum across key sectors. These fundamentals provided continuity across consumption, mobility and industrial activity, shaping the operating environment in which businesses continued to perform.

The economy expanded by 5.2%[1], led by strong household spending, supported by steady employment conditions, rising wages and moderate inflation.

Real GDP Annual Change (%)



The unemployment rate averaged about 3.0% in 2025, improving from 3.3% in 2024[2], reflecting a firmer job market. Wage growth strengthened following civil service salary revisions and minimum wage adjustments, lifting household income and supporting customer spending, while inflation remained moderate in 2025. These factors strengthened household purchasing power and sustained private consumption.

Growth in construction and services added to this domestic demand-driven expansion. Construction activity expanded steadily through ongoing public infrastructure projects and private investment. Major national infrastructure projects increased demand for machinery, transport and logistics, supporting higher activity across construction and related sectors. These project phases required significant fuel and energy use, while associated commercial and urban development increased demand for fuels and lubricants, particularly for logistics and transport.

Growth in the services sector accelerated, driven primarily by tourism-related activities. Malaysia's tourism performance strengthened in 2025, with 42.2 million foreign visitors recorded, reflecting an 11.2% increase from 38 million in 2024[3]. Higher travel activity lifted mobility, increasing vehicle usage and customer traffic at service stations, which supported demand across both fuel and convenience offerings.

Planned Project Values and Timeline[4]



Light Rail Transit (LRT) Mutiara Line	
RM16.8 billion	2025-2031
Rapid Transit System (RTS) Link	
RM5.2 billion	2021-2026
East Coast Rail Link (ECRL)	
RM50 billion	2018-2027



Sabah-Sarawak Link Road Phase 2	
RM7.2 billion	2024-2029
Pan Borneo Sabah 1B	
RM9.7 billion	2025-2029

1 *Bank Negara Malaysia, Economic and Financial Development in Malaysia in the Fourth Quarter of 2025*
2 *Department of Statistics Malaysia (DOSM) Dashboard*
3 *Malaysia Tourism Statistics, Malaysia Tourism Statistics Dashboard*
4 *Bank Negara Malaysia, Economic and Financial Development in Malaysia in the Third Quarter of 2025*

Our Operating Environment and Market Outlook

IMPACT ON PDB

Malaysia's domestic economic strength in 2025 translated into a solid performance for PDB. Total sales volume reached 17.1 billion litres, up from 16.8 billion litres in 2024, supported by reliable product delivery and disciplined operations. Strong mobility, resilient consumer spending and active industrial and logistics sectors lifted demand across fuel and non-fuel segments, keeping the business on track for another high-performing year.

Retail-Fuel volumes benefited from domestic travel and steady household spending, while LPG demand was supported by household usage and higher food service activities linked to increased consumer and tourist spending.

The Commercial segment's performance reflected higher activity in aviation and construction, driving demand across key sectors. The Lubricants segment recorded healthy momentum across industrial, original equipment manufacturer (OEM) and Retail segment, reflecting broad-based economic activity and an expanding distribution reach.

Non-fuel retail performance (MESRA) reflected broader economic spillovers from higher mobility and consumer activity, resulting in stronger *Kedai Mesra* sales. Increased customer traffic supported sustained chargeable sales, with *Kedai Mesra* surpassing RM1 billion for the fourth consecutive year.

PDB'S RESPONSE

PDB aligned its strategies with Malaysia's strong domestic conditions in 2025 by expanding network reach, strengthening customer propositions and improving operational readiness. These actions positioned the business to capture rising demand across Retail, Commercial and Convenience segments while maintaining delivery reliability and service standards.

To reinforce its presence, PDB focused on network expansion and asset performance. The Retail-Fuel business broadened its footprint and strengthened its network reach, while improving station standards through service and operational upgrades. The Commercial business grew its customer base across the various business segments and strengthened supply arrangements to support future volume growth. The LPG business built stronger positions in key states and responded quickly to market programmes by ensuring product availability and improving delivery effectiveness.

To extend market reach, the Lubricants business strengthened its position in the Industrial and OEM segments by deepening OEM relationships and broadening distributor coverage. It also expanded the AutoExpert and MotoExpert networks to support premium and synthetic product penetration while improving channel execution. In Convenience, MESRA optimised and refreshed selected *Kedai Mesra* outlets, strengthened in-house merchandising and broadened complementary offerings through expanded food and beverage partnerships, new concepts and partner-operated sites. These efforts supported stronger outlet performance, wider customer choice and improved visibility across the retail network.



OUTLOOK

Strong domestic demand is expected to continue shaping Malaysia's economy. Gross domestic product (GDP) growth is projected at about 4.0% - 4.5% in 2026, with private consumption remaining the main driver[5]. Consumer spending is expected to grow about 4.8% annually in 2026[6], supported by stable employment, rising wages, moderate inflation and targeted government support. This environment supports continued mobility and day-to-day activity, which remains closely linked to demand for PDB's Retail, Commercial and Convenience offerings.

Growth is expected to be driven primarily by the services sector, with tourism serving as a key contributor alongside sustained activity across other key segments[7]. Visit Malaysia Year 2026 is set to boost travel activity, aviation traffic and related fuel demand. In response, authorities have approved new flight routes, increased frequencies and expanded charter services to strengthen international connectivity and support higher passenger volumes[8]. Strong approved investments in semiconductors, renewable energy and data centres indicate sustained demand from industrial and commercial customers, creating further opportunities for PDB.

The domestic outlook remains positive and PDB will move forward with a disciplined and cautious approach. Strategies will focus on strengthening market position, expanding customer reach and enhancing customer experience while aligning with market opportunities and risks.

5 6 8 *Budget 2026: Economic Outlook 2026*
6 *PublicInvest Research*
7 *Bank Negara Malaysia, Economic and Financial Development in Malaysia in the Fourth Quarter of 2025*

Our Operating Environment and Market Outlook

POLICY AND REGULATORY TRANSITION

Malaysia's operating environment in 2025 reflected major policy shifts aimed at strengthening fiscal discipline and preparing the economy for long-term sustainability. Federal reforms focused on reducing subsidy leakages, improving fiscal balance and redirecting savings into social and development programmes. Climate policy measures moved firmly into national policy through Budget 2026, the Thirteenth Malaysia Plan (RMK-13), and the National Energy Transition Roadmap (NETR), placing greater emphasis on emissions reduction, energy efficiency and climate resilience. These policy directions are expected to influence consumption patterns, mobility trends and energy use over the medium to long term.

Fiscal Reform: Targeted Fuel Subsidy

A major fiscal reform was introduced through the targeted RON95 fuel subsidy under the BUDI MADANI RON95 (BUDI95) programme. By limiting subsidised fuel to eligible Malaysians, the policy strengthened subsidy targeting and reduced unintended leakages. Within its first month, more than 13 million Malaysians used BUDI95, covering 1.33 billion litres of fuel, while generating significant fiscal savings to government[9]. These savings are being redirected into public welfare, healthcare, infrastructure and social support, strengthening the link between subsidy reform and broader economic well-being.



Climate Change and Energy Transition

National policy increasingly reflects the shift toward lower-carbon growth. Malaysia has aligned with international decarbonisation efforts through the National Climate Change Policy 2.0 and a commitment to a net zero emissions target by 2050. Budget 2026 introduced targeted funding and policy measures to support this direction, including RM150 million for the National Energy Transition Fund. These frameworks and funding mechanisms provide the foundation that translates national climate ambitions into implementation across transport and energy systems.

Ongoing policy initiatives are driving the adoption of electric mobility, lower-carbon public transport, Sustainable Aviation Fuel (SAF) and biodiesel. These measures signal the gradual shift toward a more diversified, lower-carbon energy mix, reshaping consumer travel patterns, goods transportation and industrial operations.

Electric mobility is expected to expand across both four-wheeler and two-wheeler segments, with adoption progressing over time as electric vehicles form a growing share of new vehicle sales. Urban public transport is also moving toward electrification, with the introduction of electric buses and electric vans supporting lower-emission mobility in cities.

In aviation, the transition includes the gradual introduction of SAF through blending requirements over time. Road transport decarbonisation efforts also include higher biodiesel blends, with promotion focused on targeted sectors.

[9] *Ministry of Finance (MOF) Press Citations, BUDI95: Over 13 Million Malaysians Enjoy RM800 Million In Savings in First Month*



Our Operating Environment and Market Outlook

IMPACT ON PDB

Targeted subsidy reforms strengthened PDB's role as a trusted market leader in the Retail-Fuel business. Post-BUDI95 data shows petrol volumes remained steady, demonstrating the resilience of PDB's network and brand as consumers placed greater importance on reliability, convenience and trust. The policy also accelerated digital engagement, creating stronger incentives for customers to use Setel as the preferred channel for subsidised refuelling.

Energy transition policies opened new growth pathways. The shift toward electric mobility, biodiesel and SAF creates opportunities for PDB to extend beyond conventional fuel retailing into broader energy and mobility solutions. Electric two-wheeler adoption, supported by national policy, aligns with PDB's role in enabling charging and battery-swapping infrastructure, driving non-fuel service-based revenue and increasing station footfall. Policies promoting electric four-wheeler and alternative fuels also influence how PETRONAS stations respond to changing mobility patterns, supporting network relevance over time.

Decarbonisation policies also create new commercial opportunities. Targets for SAF blending and higher biodiesel use in ports and logistics support future demand for lower-carbon fuels, enabling PDB to support government decarbonisation efforts across key transport and logistics segments.

PDB'S RESPONSE

PDB supported the nationwide rollout of BUDI95 through Setel by focusing on service continuity and system stability during peak periods. Early performance showed sharp growth in daily volumes and rapid adoption of Setel, strengthening PDB's digital relationship with customers during the subsidy transition.

In response to national energy transition policies and rising sustainability requirements, industry players are placing greater emphasis on carbon reduction and offsetting efforts. Against this backdrop, PDB advanced the targeted adoption of biodiesel across key commercial sectors to deliver practical carbon mitigation solutions. Consistent with national policy priorities, PDB focused on deploying B20 and B30 blends in selected sectors where operational readiness and emissions impact were clearer. Execution was further strengthened through strategic partnerships with key industry players, including a B20 diesel supply arrangement with Sime Darby Guthrie, following successful pilot programmes at selected airports and seaports.

In addition, continuous solar panel installations across fuel stations form part of PDB's broader strategy to develop a more integrated energy ecosystem within its station network. PDB's on-site solar generation contributes to the overall energy ecosystem at designated stations and may also support the energy requirements of electric two-wheeler battery swapping facilities. These initiatives support incremental improvements in energy efficiency and emissions management, aligned with PDB's lower-carbon mobility initiative.

Complementing this, PDB expanded its electric two-wheeler presence through a strategic joint venture with Blueshark Ecosystem to deliver integrated mobility solutions. The collaboration facilitates the distribution of electric motorcycles and the deployment of one of Malaysia's early battery swapping models, supported by charging infrastructure at designated fuel stations. Backed by partnerships with manufacturers and fleet operators, this asset light model leverages PDB's retail footprint and service based revenue streams, while supporting customer traffic growth and the expansion of lower-carbon mobility.

In aviation, PDB advanced early-stage SAF capability through pilot programmes and collaboration with airline partners and technology providers. In September 2025, PETRONAS, through PDB, successfully delivered Malaysia's first locally blended SAF to Malaysia Airlines Group (MAG), validating PDB's integrated supply and blending capability. PDB was also certified as Malaysia's first International Sustainability and Carbon Certification (ISCC) CORSIA-recognised SAF trader, reinforcing readiness to support national SAF adoption and alignment with international aviation decarbonisation requirements.

OUTLOOK

Evolving US trade and tariff measures continue to shape the global operating landscape, contributing to periodic adjustments in trade flows and cross-border commercial activity. In this environment, Malaysia's competitive trade positioning and integration within global supply chains support stability and enable the country to respond to changes in global trade policy[10]. Recent developments in international trade policy have improved market sentiment and moderated near-term downside risks for export-oriented economies. Key sectors, particularly electrical and electronics, semiconductors, machinery and selected technology segments, remain key contributors to industrial activity, reinforcing downstream demand across logistics, transport and energy-related sectors.

Fiscal reform through targeted subsidies is expected to continue on a steady path, supporting price stability and sustaining fuel demand. Budget 2026 prioritised fiscal discipline and social support, with allocations directed toward targeted cash assistance programmes to help manage cost-of-living pressures. This approach helps preserve household purchasing power and supports private consumption. As subsidy reforms are implemented in a targeted manner, fuel remains accessible to Malaysians, supporting steady usage and stable demand for PDB's Retail-Fuel business.

Climate and energy policies will play an increasingly important role in shaping the operating landscape. Energy transition measures under RMK-13 and NETR continue to guide the shift toward lower-carbon growth, reinforcing cleaner mobility and energy efficiency as long-term priorities. Looking ahead, potential carbon taxation, adjustments to Electric Vehicle (EV) policie and expanded decarbonisation requirements may influence production costs, mobility choices and fuel demand patterns. PDB will move forward with a measured approach, strengthening its core business, while progressively expanding and enhancing its alternative fuels, electric mobility support and lower-carbon solutions.

[10] *Hong Leong Investment Bank Research, Economics and Equity Strategy*

Our Operating Environment and Market Outlook

SHIFTS IN CONSUMER AND MOBILITY PATTERNS

Rising household income and changing lifestyles have reshaped how Malaysians travel, spend and use everyday services, driving more varied mobility patterns and consumption behaviour. Spending has shifted from basic necessities toward discretionary and convenience-led categories such as eating out, travel and on-the-go purchases, reinforcing higher footfall and engagement at retail-linked locations. These shifts, alongside a more diverse vehicle mix, signal a structural change in how customers interact with forecourts and highlight the need for formats that adapt to evolving consumer and mobility needs.

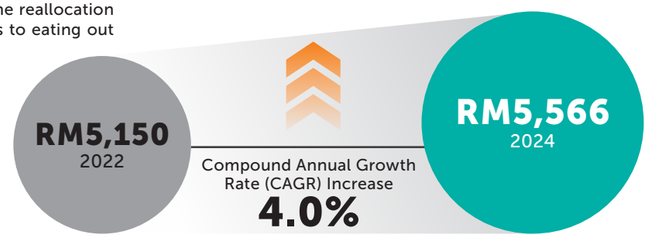
Travel and daily mobility in Malaysia have become more varied, changing how people use forecourts and what they expect from them. PETRONAS stations now serve different needs rather than a single, uniform customer journey. Short, routine commuter stops coexist with fast pass-through trips and longer destination-driven journeys associated with domestic and international travel. These groups exhibit different dwell times, spending patterns and service needs, signalling that a single-station format no longer fits all.

Rising household income has shifted spending patterns toward discretionary and mobility-related categories. The reallocation of household expenditure from basic necessities to eating out and travel reflects stronger purchasing power, evolving lifestyles and continued urbanisation. These shifts have supported higher mobility, increased travel activity and sustained demand across transportation, retail and fuel-related services.

This trend is reflected in data from the Household Expenditure Survey (HES), which shows that the average monthly household expenditure in Malaysia increased from RM5,150 in 2022 to RM5,566 in 2024, indicating steady growth in purchasing power among Malaysians over the period[11].

Average Monthly Household Expenditure in Malaysia (2022 - 2024)

Source: Budget 2026: Economic Outlook 2026



Growth in Food Away from Home Spending

Spending on food and beverage (F&B) services has continued to increase, reflecting higher discretionary income and changing consumption patterns. Data from Economic Outlook 2026 shows that the share of household expenditure on restaurants and accommodation services rose from 16.1% in 2022 to 17.0% in 2024, signalling a sustained shift toward eating out and travel-related consumption. This trend is expected to continue, with Quick Service Restaurant sales value projected to grow at about 6.0% annually from 2025 to 2029[12], supported by urbanisation, lifestyle changes and stronger mobility. Rising demand for F&B services reinforces higher footfall, longer dwell times and increased activity across retail and transport-linked locations.

Rise of Convenience-led Consumption

Convenience-led consumption is gaining ground, whereby consumers increasingly prioritise ease, speed and accessibility in everyday purchases. The convenience retail sales value in Malaysia is forecast to grow at about 9.0% CAGR from 2025 to 2029[13]. Wholesale and retail trade grew around 5.6% in 2025[14], as customers continue to shift toward purchasing formats that support rising consumer spending and convenience driven purchasing behaviour.

Rising Vehicle Ownership and Changing Mobility Patterns

Vehicle ownership in Malaysia continues to diversify, reflecting evolving consumer preferences and usage patterns. Total vehicle sales grew at a 5.33% CAGR from 2022 to 2025, showing strong personal mobility growth. EV sales rose sharply, growing over 100%, but still accounted for only 5.15% of total vehicle sales in 2025[15]. Petrol and diesel vehicles continue to make up the majority of vehicles on the road, resulting in frequent, short duration refuelling stops remaining common, while the gradual adoption of EVs leads to longer dwell times associated with charging. This mix creates demand for convenience offerings that serve both quick transactions and longer, dwell-based consumption.

11 *Budget 2026: Economic Outlook 2026*
12 *Euromonitor, Sector Capsule: Limited Service Restaurants in Malaysia*
13 *Euromonitor, Sector Capsule: Convenience Retailers in Malaysia*
14 *Department of Statistics, Malaysia*
15 *JPJ Data from Department of Statistics Malaysia (DOSM)*

Our Operating Environment and Market Outlook

IMPACT ON PDB

These shifts reinforce the relevance of PDB's convenience-led forecourt model and reflect changing customer behaviour observed across the network in recent years. Higher travel activity and eating-out habits drive greater footfall at stations, where motorists increasingly combine refuelling with the purchase of snacks, drinks and quick meals. This evolving usage pattern has translated into a larger contribution from non-fuel offerings over time, supporting stronger sales of ready-to-eat food, beverages and convenience items at *Kedai Mesra*.

More varied travel patterns and uneven dwell times reinforce the value of flexible station formats. Locations serving commuters need fast service, while tourist and highway locations benefit from broader food, beverage and retail offerings. These trends validate PDB's strategy of combining fuel, convenience retail and complementary services at forecourts.

PDB'S RESPONSE

PDB adjusted its retail and convenience strategy to reflect more varied travel patterns, higher mobility and stronger demand for on-the-go consumption. The focus remained on strengthening core formats, improving flexibility by location and increasing value per stop, while keeping execution disciplined and phased.

Across the network, PDB refreshed convenience and food offerings, strengthened private labels and improved store environments to suit both quick-stop commuters and longer-dwell travellers. This included the introduction and the expansion of well-recognised foodservice brands such as Steers and Debonairs, along with refreshed formats at selected locations to enhance choice, speed and dining quality. PDB also expanded its mix of partner brands and complementary services to capture different travel and consumption needs without over-standardising station formats.

New and refreshed forecourt formats, such as the MEX Highway station, illustrate this approach in practice. The station features smart dispenser systems that improve fuel bay availability, as well as double-storey station designs that optimise land use and provide dedicated rest and dining spaces. These features support smoother traffic flow, shorter wait times and more comfortable stopovers. This reinforces a more adaptable forecourt model, where each site responds to traffic flow, customer profile and travel purpose.



OUTLOOK

More varied travel patterns, rising demand for travelling foodservice and convenience, and uneven dwell times from diversified vehicle types will continue to change how forecourts are used. PETRONAS stations are evolving from single-purpose refuelling points into multi-hub convenience destinations that support food, retail and mobility needs.

This supports a strategy of differentiated station formats, zoning within stations and selective service rollout based on location, traffic flow and customer mix. The opportunity lies less in volume alone and more in increasing value per stop by serving different travel patterns more effectively.

EV adoption is expected to progress gradually, while petrol and diesel vehicles remain dominant and account for most mileage on the road. Over the longer term, PDB will continue to integrate EV-related services and multi energy offerings to ensure stations remain relevant as mobility patterns evolve.



Our Operating Environment and Market Outlook

OIL PRICE MOVEMENT

Oil prices in 2025 were shaped by episodic market events, influenced by geopolitical developments and changing supply expectations. The average crude oil price for 2025 declined to USD69.10 per barrel from USD80.76 in 2024. Prices fluctuated across quarters, reflecting shifting geopolitical risks as well as concerns over tariffs, growing supply and weakening demand[16].

Q1 2025
Brent crude oil prices were volatile, averaging USD75.73 per barrel in the first quarter and briefly peaking above USD80 per barrel in mid-January, due to intensified US sanctions on Russia. However, prices softened towards the end of the quarter amid trade policy uncertainty and growing oversupply concerns after OPEC+ announced in March 2025 that it would gradually increase production to regain market share.

Q2 2025
Prices declined by 10% from the previous quarter, averaging USD67.88 per barrel, as concerns on global economic growth and trade tensions weighed on demand. Escalating Israel-Iran tensions briefly lifted oil prices in June on fears of potential supply disruptions in the Middle East, however, persistent macroeconomic headwinds and an accelerated increase in OPEC+ supply capped further price gains.

Q3 2025
Brent prices stabilised within a narrow range, averaging USD69.13 per barrel. Intensifying Russia-Ukraine airstrikes provided some support to prices. However, mounting oversupply concerns amid accelerated production return from OPEC+ and persistent macroeconomic headwinds prevented further gains.

Q4 2025
Brent prices declined to average USD63.73 per barrel, as the market remained preoccupied with the risk of a supply glut despite rising geopolitical tensions in Russia and Venezuela. The US ordered a complete blockade of oil tankers moving in and out of Venezuela, while Russia and Ukraine peace efforts reached a stalemate.

2025 Brent crude oil price



[16] *Woodmac Short-term Outlook Report 2025*

Our Operating Environment and Market Outlook

IMPACT ON PDB

Oil price movements in 2025 had limited direct impact on PDB's earnings profile. Since the implementation of its New Operating Model in 2021, PDB has operated under an integrated supply chain structure that centralises inventory ownership and trading activities, effectively removing inventory holding risk from PDB. This model reduces sensitivity to short-term crude oil price movements.

As a result, PDB sustained margin stability despite fluctuations in crude oil prices. The model also supported stronger working capital efficiency and more predictable cash flows, allowing the business to operate with greater financial resilience even as global oil markets remained volatile.

PDB'S RESPONSE

PDB focused on maintaining resilience and operational discipline in a volatile pricing environment. Strong cost management, careful working capital control and income from cash balances supported overall financial performance.

In the Retail-Fuel segment, the focus remained on expanding the network, improving station appeal and capturing eligible segments under targeted subsidy programmes. In Commercial, contract rationalisation, particularly with airline customers, helped shorten exposure periods and manage oil price volatility.

PDB also continued to broaden its presence through complementary non-fuel services and new business areas. Forecourts increasingly served as integrated service points for fuel, convenience and mobility needs. Partnerships in emerging mobility segments, including electric two-wheeler and supporting infrastructure, extended PDB's role beyond traditional fuel retailing while keeping investment phased and disciplined.

OUTLOOK

The oil market is expected to be influenced by oversupply conditions into 2026. The International Energy Agency (IEA) projects a global oversupply of around 2 million barrels per day (bpd) in 2026, exceeding expected demand growth of 0.9 million bpd[17]. Nonetheless, market sentiment is expected to be cautiously optimistic, supported by signs of stabilising demand. Geopolitical developments remain a key factor influencing market dynamics.

For PDB, business performance is driven primarily by product demand, customer volumes and retail margins rather than movements in crude oil prices. The operating model continues to buffer the business from short-term crude oil volatility, allowing management to focus on operational performance, customer reach and portfolio development.

[17] *IEA Oil Market Report*





Engaging with Our Stakeholders

Engaging with Our Stakeholders

We engage with stakeholders across our value chain to understand their expectations and priorities. Their perspectives shape our decisions, strengthen our relationships and guide how we create value in a changing market.

MATERIAL MATTERS

- M1 Economic Growth and Performance
- M2 Customer-centricity
- M3 Ethics and Corporate Governance
- M4 Data Privacy and Security
- M5 Sustainable and Ethical Supply Chain
- M6 Climate Change and GHG Emissions
- M7 Environmental Management
- M8 Safety, Health and Well-being
- M9 Human Capital
- M10 Capability Building
- M11 Community Investment

CAPITALS

- F Financial
- I Intellectual
- SR Social and Relationship
- M Manufactured
- H Human
- N Natural

Stakeholder Group

S1 Investors

Engagement Platforms

- Quarterly results announcements and analyst briefings
- Group and one-on-one meetings
- Non-deal roadshow and corporate conferences
- MyMesra website
- Periodic reports such as Integrated and Sustainability Reports
- Bursa Link under IR's Events and Announcements on MyMesra website

Why They are Important to Us

Investors enable us to access capital, create long-term value, manage risks, secure sustainable financing and strengthen our governance. Their confidence positions us to attract continued investment, support innovation and contribute to a more sustainable and prosperous future.

Key Areas of Concern

- Strategic direction, business growth, performance and opportunities
- Cash utilisation and dividends
- Corporate governance and business ethics; Environment, Economic, Social and Governance (EESG) practices
- Policy and regulatory changes

Our Response

- Maintaining business excellence for optimised financial performance
- Establishing strong corporate governance policies
- Ensuring compliance with relevant requirements and standards
- Embedding EESG elements in our business strategies

Link to

Material Matters

M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11

Capitals F

S2 Customers

Engagement Platforms

- Events, campaigns, roadshows and other related initiatives
- Mesralink Customer Experience Centre (via call, email, WhatsApp and Facebook Messenger chat)
- Mainstream and digital media platforms (via television, radio, newspapers, PETRONAS Brands' social media accounts and the MyMesra website)
- Customer surveys and/or feedback channels using QR codes at PETRONAS stations and/or events

Why They are Important to Us

Customers drive PDB's competitiveness and shape how we position our products, services and brand. Their preferences influence our marketing direction and help us design campaigns that resonate with diverse customer segments. As expectations evolve toward greater convenience, transparency and personalised engagement, their feedback guides continuous improvements in service delivery and brand experience. By engaging customers proactively, we build loyalty, protect brand integrity and create shared value that supports long-term growth.

Key Areas of Concern

- Fair product pricing, safety and consistent quality
- Access to innovative, value-add products and services
- Attractive loyalty rewards, benefits and personalised offers
- Clear commitment to sustainability, responsible practices and community impact
- Seamless convenience and experience across stations, digital platforms and Mesralink channels

Our Response

- Improving fuel quality and customer-centric product innovations
- Developing targeted marketing campaigns to strengthen engagement
- Digitalising the Mesra loyalty experience through Setel
- Expanding brand partnerships to enrich loyalty rewards
- Advancing sustainability initiatives across retail operations and customer campaigns

Link to

Material Matters

M1 M2 M5 M6 M7 M11

Capitals SR

Stakeholder Highlights



BUDI95 Transition Support

PDB supported the national BUDI MADANI RON95 (BUDI95) subsidised fuel programme by delivering clear, consistent communication to guide motorists through subsidy changes and new fuelling requirements. Unified messaging across point-of-sale materials (POSM), digital channels and social platforms simplified BUDI95 steps and reinforced PETRONAS as a convenient choice for eligible motorists.

PDB also drove strong customer acquisition and usage through targeted activation. The *Mesra Rewards x Setel Champions League* initiative secured new Mesra users and saw an increase in Setel app downloads during the campaign period. High-intensity digital and radio media placement kept BUDI95 communication visible, accessible and top-of-mind nationwide.

Influencer and Key Opinion Leader advocacy further strengthened understanding. Instructional content explained subsidy eligibility and how to activate BUDI95 at stations, helping reduce confusion and improve customer confidence while driving significant digital traction. Strong cross-functional alignment between PDB and Setel ensured message consistency and amplified media impact.

Tight timelines, phased confirmation of the BUDI95 requirements and varying station readiness required agile coordination and rapid execution. These challenges encouraged closer collaboration and opened opportunities to tailor support strategies across more than 1,000 stations.

Stakeholder Group

S3 *Rakan Niaga*/Dealers

Engagement Platforms

- Conferences, roadshows
- Training sessions
- Circulars
- Mesralink
- MyStation portal

Why They are Important to Us

Dealers form a core part of our business network and operate as the frontline extension of the PETRONAS brand. They support retail operations, ensure reliable product availability and uphold service standards across our nationwide network. Their role in managing station performance, engaging customers and maintaining operational discipline directly influences business continuity and market reach. Working closely with our dealers also enables us to promote sustainable practices, advance the adoption of new products and strengthen our contributions to a more responsible retail ecosystem.

Key Areas of Concern

- Strategic direction, business growth, performance and future opportunities
- Workforce development and capability building
- Health, Safety and Environment (HSE) management, compliance and operational safety
- Governance, business ethics and responsible conduct

Our Response

- Implementing effective strategies for business growth
- Tracking performance to strengthen operational and financial outcomes
- Developing workforce capability and enforcing consequence management programmes
- Upholding the Code of Conduct and Business Ethics (CoBE) to ensure responsible behaviour

Link to

Material Matters

M3 M5 M6 M7 M8

Capitals SR

Stakeholder Highlights

Dealer Enablement and Frontline Readiness for BUDI95

Rakan Niaga played a central role in supporting the smooth rollout and customer acceptance of BUDI95 at PETRONAS stations. As frontline operators, they managed day-to-day station operations, provided real-time customer assistance and maintained consistent service standards across the network, helping motorists adapt quickly to the new subsidy processes.



To support this transition, Setel introduced a dealer-exclusive engagement programme ahead of the BUDI95 launch to strengthen app familiarity and onboarding readiness. Dealers guided motorists through account registration and verification, enabling customers to activate and use Setel with confidence during the early adoption phase.

Direct dealer engagement created a trusted support channel that improved customer assurance ahead of nationwide implementation. This proactive partnership accelerated digital adoption, reduced uncertainty at the pump and reinforced the dealers' role in delivering a smooth BUDI95 experience at PETRONAS stations.



Stakeholder Group

S4 Employees

Engagement Platforms

- Townhalls and roadshows
- Group and one-on-one engagement sessions
- Webinars
- Training sessions
- Union management
- Employee surveys
- Messages through videos, newsletters, intranet and emails

Why They are Important to Us

Employees are crucial to our success because they drive operational excellence, uphold compliance and ethics, and embed sustainability across the organisation. Their skills, leadership and collective commitment enable us to deliver strong economic results while advancing environmental and social outcomes. By supporting their well-being and growth, we strengthen organisational capability and build a more resilient, high-performing workforce.

Key Areas of Concern

- Strategic direction, business growth, performance and opportunities
- Employee well-being
- Employee volunteerism
- Diverse and inclusive career development

Our Response

- Offering flexible working arrangements
- Establishing regular, open and transparent communication
- Providing structured development programmes
- Monitoring employee well-being and organising programmes and initiatives

Link to

Material Matters

M3 M8 M9 M10 M11

Capitals H

Engaging with Our Stakeholders

Engaging with Our Stakeholders

Stakeholder Group

S5 Authorities/Regulators/ Financial Institutions

Engagement Platforms

- Formal meetings and briefings
- One-on-one engagement sessions
- Site visits
- Periodic reports

Why They are Important to Us

Authorities, regulators and financial institutions shape the policy environment, enforce compliance expectations, enhance transparency and support financial stability through investment and guidance. Their involvement also enables national coordination and collaboration that strengthens sustainable progress. By engaging them strategically, we navigate regulatory requirements more effectively, secure financial resources and advance initiatives that support long-term resilience and sustainable growth.

Key Areas of Concern

- Legal and regulatory compliance
- HSE management and compliance
- Corporate governance and business ethics
- Human rights
- Nation-building initiatives

Our Response

- Strengthening governance frameworks, policies and standards to ensure robust oversight and accountability
- Ensuring full compliance with legal, regulatory and industry requirements
- Facilitating and coordinating site visits by regulatory authorities
- Establishing structured, transparent and continuous communication channels with stakeholders

Link to

Material Matters

M1 M3 M4 M5 M6 M7 M8 M9 M10 M11

Capitals SR

Stakeholder Highlights

Supporting the National Implementation of BUDI95

PDB worked closely with government ministries and industry partners to enable a smooth rollout of the BUDI95 targeted fuel subsidy programme. Through a series of high-level workshops involving the Ministry of Finance (MOF), the Ministry of Domestic Trade and Cost of Living (KPDN) and other oil companies, PDB aligned implementation strategies, shared technical inputs and supported policy refinement to ensure the initiative met national objectives.

Throughout the pre-launch and launch phases, regular progress updates were shared to provide transparency on system readiness, key milestones and emerging risks. Ongoing technical engagements also enabled the exchange of strategic inputs on integration and operational considerations, supporting overall readiness and facilitating a coordinated implementation.

PDB managed multiple ministerial and stakeholder visits before and after the launch, reinforcing confidence in station preparedness and operational delivery. These engagements strengthened oversight visibility and supported relationship-building with regulatory authorities.

Setel supported the delivery of BUDI95 by preparing digital systems, participating in regular reviews and conducting on-ground product demonstrations. These efforts strengthened app readiness and operational processes, enabling a smooth customer experience across the network.

This collaboration with government bodies strengthened industry alignment, improved programme execution and helped ensure that BUDI95 was introduced with clarity, transparency and operational readiness across the retail network.



Stakeholder Group

S6 Contractors/Suppliers/ Business Partners

Engagement Platforms

- Formal meetings and briefings
- Group and one-on-one engagement sessions
- Signing ceremonies
- Emails
- Mesralink Customer Experience Centre
- Periodic reports
- Annual dealer conferences
- Training sessions
- PETRONAS Brands' social media accounts and MyMesra website
- Joint events
- Media releases

Why They are Important to Us

Contractors, suppliers and business partners form an important part of our business ecosystem, supporting our supply chain, project delivery and operational continuity. Their performance, practices and service quality influence customer experience, cost efficiency and brand reputation. By engaging closely with them, we strengthen collaboration, improve transparency and encourage responsible practices that support shared economic, environmental and social outcomes.

Key Areas of Concern

- Strategic direction, business growth, performance and opportunities
- Fair tender processes, contract terms and negotiation practices
- HSE management, operational safety and regulatory compliance
- Sustainability and EESG expectations across the supply and value chain
- Cyber security, data privacy and digital system integrity
- Clear mutual understanding of business expectations, objectives and goals
- Corporate governance, ethical conduct and accountability
- Fair opportunities, negotiations and contracts

Our Response

- Establishing open and transparent tender and procurement processes
- Engaging and communicating regularly with contractors and suppliers
- Integrating HSE, sustainability and EESG requirements into procurement practices
- Strengthening cyber security systems, controls and awareness across the value chain
- Conducting regular engagement and communication
- Collaboration frameworks

Link to

Material Matters

M3 M4 M5 M6 M7 M8

Capitals SR

Stakeholder Group

S7 Communities

Engagement Platforms

- Social impact and outreach programmes
- PETRONAS Brands' social media accounts and MyMesra website
- Mesralink Customer Experience Centre

Why They are Important to Us

Communities shape our social licence to operate and influence our reputation, business continuity and long-term growth. By partnering with communities, PDB delivers social impact, strengthens trust, manages social and operational risks, and contributes to national development. These efforts support shared value creation for both the company and the people we serve.

Key Areas of Concern

- Visibility and impact of initiatives
- Inclusivity and local engagement
- Transparency and communication

Our Response

- Delivering targeted social impact programmes
- Investing in community development and engagement
- Partnering with local organisations to improve inclusivity and reach

Link to

Material Matters

M7 M8 M11

Capitals SR

Stakeholder Highlights

Providing Aid During Flood Emergencies





The major flash floods that struck Bintulu and Miri in 2025 placed significant strain on local families and communities. In response, PDB mobilised immediate assistance and distributed care packages containing hygiene items, cleaning supplies and non-perishable food to six *Pusat Pemindahan Sementara*. This effort supported 1,274 people who were displaced or affected by the floods, offering comfort and basic necessities while recovery efforts continued.

Community Emergency Relief Support

The fire incident in Putra Heights in early April 2025 had a significant impact on surrounding communities, with residents affected and emergency services mobilised in response. Recognising the severity of the situation and the hardship faced by those involved, PDB extended support by providing care packages to affected individuals receiving assistance through Serdang Hospital, Putrajaya, Cyberjaya and Ampang. The relief effort aimed to offer practical help and comfort during a difficult time, reflecting our responsibility as part of the wider PETRONAS Group and our commitment to supporting communities during times of crisis.

Stakeholder Group

S8 Media

Engagement Platforms

- Mainstream media channels (such as print, online, broadcast and radio)
- Media statements and press releases
- Media interviews and briefings
- Issues and crisis communications
- Dedicated email channels for media queries

Why They are Important to Us

The media helps shape public understanding of our business, sustainability efforts and performance. It influences perception, supports transparency and strengthens trust among wider stakeholder groups. Effective media engagement allows us to communicate our direction, highlight progress and demonstrate leadership to audiences in Malaysia and beyond.

Key Areas of Concern

- Strategic direction, business growth, performance and opportunities
- Sustainability and EESG initiatives
- New offerings, projects and partnerships
- Business outlook and aspiration

Our Response

- Ensuring timely response to media queries
- Building rapport through purposeful engagements and briefings
- Conducting targeted outreach with key media editorial teams
- Maintaining regular informal interactions to strengthen understanding
- Enhancing collaboration to improve visibility and crisis readiness
- Ensuring consistent delivery of key PETRONAS corporate business messages

Link to

Material Matters

M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11

Capitals SR

Material Matters

Material matters are key sustainability priorities that hold significant importance to our business and stakeholders. Identifying these material matters enables us to align with stakeholders' expectations, effectively mitigate risks and uncover potential opportunities. In PDB, we periodically review and evaluate our material matters through comprehensive surveys conducted with diverse stakeholder groups, ensuring a robust and inclusive approach to addressing key concerns.

The following three steps determine our material matters:

IDENTIFICATION
We conduct a thorough review of our operating environment and expectations of our key stakeholders. Following that, we benchmark our current position against relevant standards and frameworks, including the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), United Nations Sustainable Development Goals (UN SDGs), FTSE4Good Index Series as well as the practices of industry peers and sustainability leaders. This allows us to identify gaps and areas for improvement, as well as revising our existing material matters, if needed.

PRIORITISATION
We conduct internal assessments with key personnel at PDB, including the Leadership Team and engage with external stakeholders via surveys and multiple channels to rank our material matters. Ranking is done according to their potential impact on our strategy and performance as well as relevance to stakeholders' expectations. We then validate our ranking via workshops held with key focal persons across various functions within PDB and prioritise them according to the Economic, Environment, Social and Governance (EESG) pillars.

INTEGRATION
The prioritised material matters are integrated into all areas of our corporate strategy and embedded into our business planning and operations. These material matters underpin the delivery of PDB's promise of Making Your Everyday Life Simpler and Better.

We review our material matters and undertake a comprehensive materiality assessment once every three years to ensure continued alignment with PDB's strategy, risk profile and long-term value creation. In 2025, the materiality assessment progressed through the prioritisation phase, involving direct engagement with all eight key stakeholder groups that are material to PDB. The outcomes of the assessment inform our sustainability priorities and related disclosures in the Sustainability Report 2025, in accordance with the Bursa Malaysia Sustainability Reporting Guide. For 2025, five material matters were prioritised: Climate Change and GHG Emissions; Ethics and Corporate Governance; Safety, Health and Well-being; Capability Building and Customer-centricity. These areas are considered most critical to PDB's ability to create sustainable value over the short, medium and long-term. The outcomes of the materiality prioritisation exercise were reviewed by Management, endorsed and approved by the Board of Directors, ensuring alignment with PDB's strategy, risk profile and long-term sustainability objectives. Other material matters have been reclassified as secondary and will continue to be monitored and managed. This shift in prioritisation reflects PDB's strategic focus on organisational resilience, digital trust and decarbonisation as key enablers of long-term business sustainability.

CREATING SUSTAINABLE VALUE THROUGH RESPONSIBLE GOVERNANCE

Creating Sustainable Value

M1 Economic Growth and Performance	M2 Customer-centricity ■	M3 Ethics and Corporate Governance ■	M4 Data Privacy and Security	M5 Sustainable and Ethical Supply Chain
Definition				
Our ability to sustain strong business performance over the short, medium and long-term, while contributing to national economic development through developing and strengthening suppliers' capacity and capabilities, both locally and regionally.	Focuses on enhancing customer experience by continuously adapting to evolving needs and preferences through innovative, reliable and accessible solutions.	Involves the establishing of a robust governance framework and upholding ethical business practices anchored on accountability, transparency and stewardship.	Implementing comprehensive systems and controls to safeguard customer data and protect our digital infrastructure.	Ensuring that partners, suppliers and contractors operate in line with the same EESG principles upheld by PDB, with particular emphasis on compliance in highly regulated areas.
Why it matters				
Sustained economic performance enables PDB to meet its growth aspirations, honour financial commitments and build enduring relationships with stakeholders. It forms the foundation of our long-term sustainability, ensuring that we continue to create and deliver value in a resilient and responsible manner while supporting broader economic development.	In an increasingly competitive market landscape, maintaining customer trust and confidence is critical. A strong customer-centric approach strengthens loyalty, reinforces our brand reputation and supports sustainable business performance over the long term.	Strong governance is essential for protecting stakeholder interests and ensuring responsible decision-making. It enhances confidence in our leadership, reinforces our reputation as a trusted organisation and supports our ability to consistently deliver sustainable value.	As digitalisation increasingly underpins our operations and product offerings, robust data protection and cyber resilience are critical. These measures help prevent data breaches, mitigate operational risks and maintain the trust of customers and other stakeholders.	Embedding sustainability and ethical practices across the value chain supports business resilience and long-term growth. It strengthens stakeholder relationships, reinforces environmental stewardship and enhances our credibility as an organisation committed to responsible and inclusive value creation.

Cross Reference

Legend: ■ Prioritised Material Matter ■ Integrated Report ■ Sustainability Report

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Link to

UN SDGs	Stakeholders	Capitals	Strategic Pillars
1, 8, 9, 10	S1 S3 S5	F M I H SR N	
9	S2 S3 S4	F I H SR	
1, 4, 10, 11	S3 S4 S5 S7 S8	F H SR	
9	S2 S3 S4 S6	H	
8, 9	S3 S4 S6	F M N	

Material Matters

Material Matters

DELIVERING NET ZERO

M6 Climate Change and GHG Emissions ■

Definition

Focuses on contributing to climate change mitigation through energy efficiency initiatives and investments in renewable energy, while implementing appropriate adaptation measures.

Why it matters

Transitioning towards renewable energy is critical to protecting the environment, ensuring long-term business sustainability and meeting the evolving expectations of stakeholders.

Cross Reference

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UN SDGs

Stakeholders

S1 S2 S3 S4 S5 S6 S7 S8

Capitals

F M I H SR N

Strategic Pillars

THRIVING WITH NATURE

M7 Environmental Management

Involves the sustainable management of water resources, emissions, pollution, spills and waste, to preventing environmental degradation and promoting circular economy practices.

Effective environmental management safeguards natural ecosystems, supports regulatory compliance and enhances long-term business sustainability. It also reinforces our commitment to Delivering Net Zero while responding to growing stakeholder expectations on environmental responsibility.

Cross Reference

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UN SDGs

Stakeholders

S3 S4 S6

Capitals

F M I SR N

Strategic Pillars

FOSTERING A JUST TRANSITION

M8 Safety, Health and Well-being ■

Focuses on ensuring a safe working environment across operations to protect employees and assets, while prioritising the mental and physical well-being of our workforce.

Healthy and safe employees are essential for operational continuity and strong business performance. Prioritising well-being enhances workforce engagement, strengthens partnerships and builds confidence among suppliers and business partners.

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UN SDGs

Stakeholders

S2 S3 S4 S6 S7

Capitals

F H SR

Strategic Pillars

M9 Human Capital

Refers to fostering an inclusive, engaging and rewarding work environment that empowers employees, encourages accountability and enables them to perform at their best.

An inclusive and supportive workplace strengthens employee motivation and ownership. This directly enhances organisational performance and supports the achievement of our strategic and corporate objectives.

Cross Reference

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UN SDGs

Stakeholders

S3 S4 S5 S6 S7

Capitals

I H SR

Strategic Pillars

M10 Capability Building ■

Involves investing in people through structured development programmes to cultivate a skilled, high-performing and future-ready workforce.

A competent and capable workforce is critical to driving PDB's transformation agenda. Continuous capability development supports sustainable growth, innovation and long-term organisational success.

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UN SDGs

Stakeholders

S3 S4 S6 S7

Capitals

F I H SR

Strategic Pillars

M11 Community Investment

Focuses on strengthening our presence within local communities through targeted programmes that address priority societal needs.

Cross Reference

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UN SDGs

Stakeholders

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Strategic Pillars

Legend: ■ Prioritised Material Matter ■ Integrated Report ■ Sustainability Report

Link to

Key Risks and Mitigation



2025 RISK LANDSCAPE

Regulatory change, market shifts and sustainability pressures shaped our risk environment.

The introduction of Malaysia's National Sustainability Reporting Framework (NSRF), aligned with the International Sustainability Standards Board (ISSB) requirements under the International Financial Reporting Standard S1: General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and International Financial Reporting Standard S2: Climate-related Disclosures (IFRS S2) has elevated sustainability and climate risks to the same level of rigour as financial risks. As a result, these risks are no longer viewed as optional considerations, but as essential components of enterprise risk management. Stakeholder expectations for visible economic, environmental, social and governance (EESG) progress continues to rise, supported by National Climate Policy, driving a lower-carbon transition. External uncertainties, including global trade pressures such as US tariff developments and evolving expectations in Sabah and Sarawak, remained under close Board oversight.

STRENGTHENING RISK MANAGEMENT

The Enterprise Risk Management (ERM) system sets out how risks are identified, assessed, treated and monitored across PDB, aligned with PETRONAS Group ERM standards and IFRS sustainability-related disclosure requirements. Risk considerations feed into strategy, performance delivery, investment decisions and operations through regular reviews. The framework brings together business objectives, risk appetite, material matters, sustainability focus areas, historical trends and industry insights. Oversight sits with the Board and its committees, supported by Management and Approving Authorities, and operates through a Three Lines of Defence model where business owners hold risk ownership, risk and compliance functions provide oversight, and internal audit delivers independent assurance.

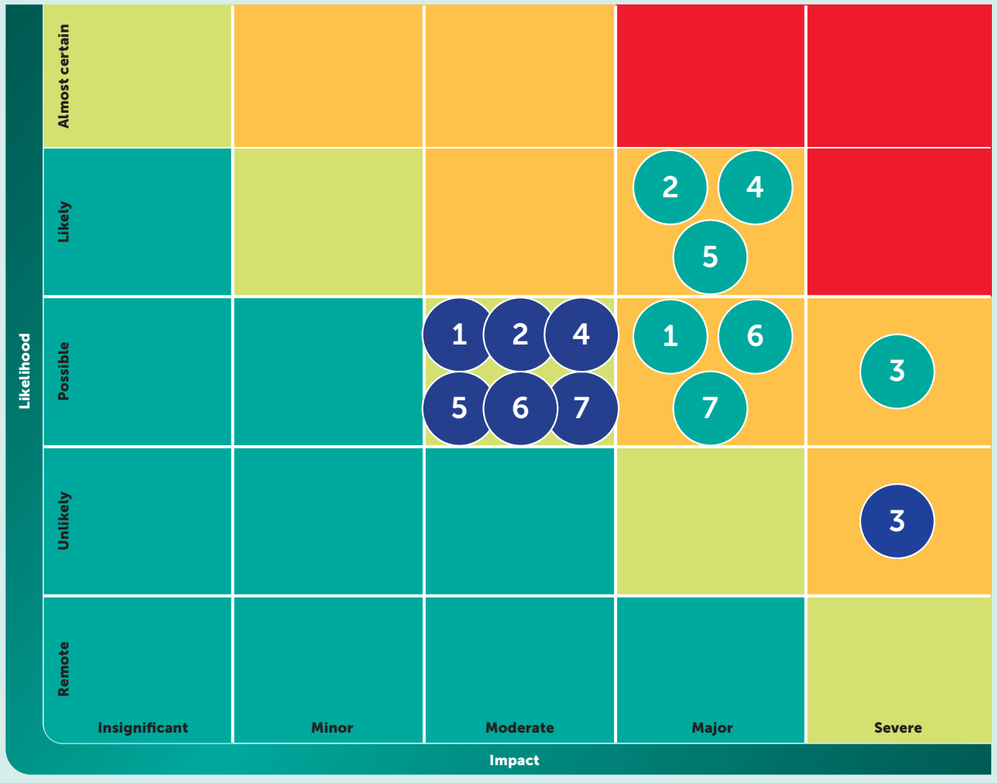
We strengthened our risk management approach in 2025 through tighter governance, deeper integration and stronger capability. The ERM framework now embedded climate-related financial risks into financial assessments, strategic planning cycles and relevant Terms of Reference.

The 2025 Sustainability Reporting structure and training programmes support the shift from Task Force on Climate-related Financial Disclosures (TCFD) to IFRS across governance, strategy, risk and metrics and targets. Materiality prioritisation exercises were conducted to assess whether its sustainability priorities remained relevant to the company. We advanced our risk culture through the Resiliency Roadmap, Risk Maturity Survey and Risk Clinics. Portfolio-level oversight strengthened through quarterly Board Risk Reviews and Operational Risk Reports are consolidated through myRisk and supported by focused engagement across business lines.

Key Risks and Mitigation

RISK PRIORITISATION AND REPORTING

Risks are prioritised using likelihood and impact assessments and mapped on a risk matrix to guide treatment decisions. Matters requiring close oversight form the Corporate Risk Profile and tabled quarterly to Management and the Board. Each risk carries a mitigation plan and a named risk owner responsible for delivery and ongoing monitoring.



Key Risks and Mitigation

HSE RISK

Risk Movement: Stable ← Increase
Time Horizon: →→→

Risk Description

Our operations span multiple geographies and include activities such as handling, storage and distribution of flammable products. These activities inherently expose PDB to HSE risks. Risk exposure remained significant due to the scale and intensity of operations, with higher throughput, increased maintenance activity and wider geographic reach.

Key exposures arose from operational safety risks at facilities, hazardous materials risks as well as transport and logistics risk from expanded movement of goods and personnel. Managing these risks remains critical to protect employees, contractors and the public, and to prevent incidents that could harm people, the environment, assets, financial performance and reputation.

Risk Indicators

- Unsafe Act Unsafe Conditions (UAUC) reported quarterly
- Number of proactive interventions to ensure compliance with HSE operational requirements

Implications and Financial Impact

- Risk of injury or fatality to employees and contractors
- Environmental damage, including loss of primary containment (LOPC)
- Damage to corporate reputation
- Potential regulatory fines and legal liabilities
- Higher insurance premiums

Mitigation Strategies

Existing

- Inculcate HSE generative culture programme
- Implement UAUC-focused intervention programme
- Execute operational strategy at selected sites

New

- Enabled safety monitoring for critical equipment
- Enhanced contractor HSE onboarding and training

Opportunities

- Stronger EESG credentials through proactive HSE governance
- Enhanced operational resilience

Link to

Strategic Pillars: SP2, SP4
Material Matters: M2, M7, M8
Capitals: F, M, I, H, SR, N
Stakeholders: S2, S3, S5, S6
UN SDGs: 3 GOOD HEALTH AND WELL-BEING, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

For more information, refer to Safety, Health and Well-being in the Sustainability Report on page 71.
For more information, refer to Customer-centricity in the Sustainability Report on page 41.
For more information, refer to Environmental Management in the Sustainability Report on page 64.

STRATEGY RISK

Risk Movement: Stable ← Increase
Time Horizon: →→

Risk Description

PDB is exposed to the risk of ineffective or delayed execution of its growth strategies, which could materially hinder the achievement of PDB's strategic targets and value creation for stakeholders. This risk is driven by uncertainties in delivering long-term objectives amid shifting market dynamics, evolving regulatory requirements, the transition to a lower-carbon economy and changing stakeholder expectations.

In addition, macroeconomic pressures such as reduced consumer spending, rapidly evolving customer preferences, heightened competition and the impacts of climate change may adversely affect sales performance and profitability, across both the fuel and non-fuel business segments.

PDB will continue to closely monitor developments affecting this risk and implement appropriate mitigation measures to ensure that risk exposures remain within PDB's risk appetite and that risk movement remains stable.

Risk Indicators

- Progress against key project milestones
- Financial performance of growth projects and new businesses

Implications and Financial Impact

- Failure to diversify income streams
- Loss of competitive advantage

Mitigation Strategies

- Execute growth projects on time, in line with approved plans
- Execute new business strategy across all business pillars

Opportunities

- Stronger brand reputation and stakeholder trust
- Strategic partnerships that enable access to new markets
- Broader strategic focus beyond fuel retailing to capture new growth opportunities
- Stronger innovation and differentiation through unique products, services and customer experiences

Link to

Strategic Pillars: SP1, SP2, SP4
Material Matters: M1, M2, M6
Capitals: F, M, I, N
Stakeholders: S1, S2, S3, S5
UN SDGs: 8 DECENT WORK AND ECONOMIC GROWTH

For more information, refer to Retail-Fuel, Convenience: MESRA, Convenience: Setel and Enablers: Digital – Key Initiatives, refer to Business Review on page 68, 76, 78 and 82.
For more information, refer to Growth in Our Strategy on page 64.
For more information, refer to Climate Change and GHG Emissions in the Sustainability Report on page 58.

Key Risks and Mitigation

Risk Movement: Stable ← Increase; Stable → Increase
Time Horizon: →→→ Short, Medium and Long-Term; →→ Medium to Long-Term; → Medium-Term

LEGAL AND REGULATORY RISK

Risk Movement: Stable ← Increase
Time Horizon: →→

Risk Description

PDB is exposed to legal and regulatory risk arising from potential breaches of applicable laws, regulations and industry standards across the jurisdictions in which PDB operates. Non-compliance in critical legal and regulatory areas, including adherence to the Malaysian Anti-Corruption Commission Act, may result in regulatory enforcement actions, investigations, litigation, financial penalties, remediation costs, reputational damage and in severe cases, operational disruption or suspension of business activities.

In 2025, stricter regulatory and enforcement scrutiny in areas such as anti-bribery and corruption, data protection and privacy, trade and sanctions compliance, and sustainability-related disclosures under IFRS and applicable EESG reporting requirements, significantly increases PDB's exposure. The evolving regulatory landscape, increased assurance expectations over EESG and financial disclosures, and varying jurisdictional requirements may challenge consistent and timely compliance.

Risk Indicators

- Number of breaches in Critical Legal Areas
- Number of cyber security incidents

Implications and Financial Impact

- Regulatory fines and legal liabilities
- Tarnished reputation
- Decrease in stakeholder confidence

Mitigation Strategies

Existing

- Develop and implement communication plan for Management on Ethics and Integrity
- Deliver targeted, risk-based training for high-risk employees on Anti-Money Laundering (AML), Counter-Financing of Terrorism (CFT), sanctions and anti-bribery
- Conduct training and communications on the five Critical Legal Areas
- Conduct Data Privacy Impact Assessment (DPIA) for new transactions, businesses, ventures and data-sharing arrangements

New

- Execution of digital compliance monitoring tools
- Enhanced third-party due diligence

Opportunities

- Stronger ethical and integrity culture
- Position PDB as a secure, digital-ready energy business
- Position as industry leader in ethical practices

Link to

Strategic Pillars: SP2, SP4
Material Matters: M3, M4, M5
Capitals: I, H, SR
Stakeholders: S1, S2, S3, S5
UN SDGs: 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

For more information on Corporate Integrity and Ethics, refer to page 172.
For more information on Key Elements of Internal Controls Systems, refer to SORMIC on page 175.
For more information, refer to Data Privacy and Security in the Sustainability Report on page 48.

OPERATION RISK

Risk Movement: Stable ← Increase
Time Horizon: →→

Risk Description

Operational risk arises from day-to-day operations, equipment reliability issues and process inefficiencies that affect production and service delivery.

In 2025, this risk is elevated due to ageing assets, and dependency on critical infrastructure. This could affect asset reliability, process safety and supply chain dynamics.

Risk Indicators

- Unplanned downtime hours
- Maintenance backlog
- Number of supply chain delay incidents

Implications and Financial Impact

- Production delays and reduced output
- Higher maintenance and logistics costs

Mitigation Strategies

Existing

- Execute a long term business plan on supply chain capability to support growth
- Enforce strict process safety standards
- Monitor supplier performance

New

- Developing maintenance strategies with minimal operation disruptions
- Strengthen supply chain resilience through diversified sourcing

Opportunities

- Better operational efficiency
- Stronger and more reliable supplier partnerships
- Lower costs through optimisation strategies

Link to

Strategic Pillars: SP2, SP4
Material Matters: M1, M5
Capitals: F, M, I, SR
Stakeholders: S3, S4, S5, S6
UN SDGs: 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

For more information on Supply and Distribution – Key Initiatives, refer to Business Review on page 81.
For more information on BCP Testing, refer to SORMIC on page 181.
For more information, refer to Sustainable and Ethical Supply Chain in the Sustainability Report on page 51.

Key Risks and Mitigation

MARKET RISK

Risk Movement: Stable ← Increase
Time Horizon: →→→

Risk Description
PDB faces market risk from changes in regulation, demand patterns and competitive intensity. For example, in Retail-Fuel, an evolving regulatory landscape affects pricing and operating conditions. Meanwhile, in Highstreet Lubricants, strong competition challenges business continuity and the ability to deliver value to stakeholders.

Market risk reflects uncertainty in demand, pricing and competitive dynamics that can affect revenue and profitability. In 2025, exposure increased due to volatile global energy markets, shifting customer preferences and growing competition from alternative energy providers. Key drivers included price volatility affecting margins, demand shifts toward cleaner energy and new consumption patterns, competitive pressure from new entrants and aggressive pricing strategies.

Risk Indicators
- Financial performance
- Sales volume

Implications and Financial Impact
- Lower revenue and profitability
- Potential loss of customers

Mitigation Strategies
Existing
- Dynamic pricing models and hedging strategies
- Strengthened customer engagement and loyalty programmes

New
- Diversification into cleaner energy products
- Expansion into high-growth regional markets
- Digital platforms for predictive demand analytics

Opportunities
- Strategic partnerships that open access to new markets
- Use of digital channels to acquire and retain customers

Link to

Strategic Pillars: SP1 SP2 SP3
Material Matters: M1 M2
Capitals: F M N
Stakeholders: S2 S3 S6
UN SDGs: 8

For more information on Market Outlook, refer to Operating Environment and Market Outlook on page 42.
For more information on Our Business Review on page 68.
For more information, refer to Customer-centricity in the Sustainability Report on page 41.

SUSTAINABILITY RISK

Risk Movement: Stable ← Increase
Time Horizon: →→→

Risk Description
Sustainability risk relates to PDB's ability to meet EESG commitments, regulatory obligations and stakeholder expectations, including disclosure requirements under ISSB and IFRS sustainability standards.

In 2025, PDB's exposure to sustainability risk increased due to stricter climate regulations, intensified investor and stakeholder scrutiny and higher public expectations for responsible business practices. These pressures are driven by climate-related risks such as carbon pricing, emissions reduction targets and the transition to a lower-carbon economy; social expectations around labour practices, human rights and community engagement; and governance requirements, including EESG-related disclosure obligations, reporting transparency and board-level oversight.

PDB will continue to oversee sustainability risks through established governance, risk management and reporting processes, with actions aligned to ensure exposures remain within PDB's risk appetite.

Risk Indicators
- EESG rating score

Implications and Financial Impact
- Reputational damage leading to loss of investor confidence

Mitigation Strategies
Existing
- Implement energy efficiency programmes
- Align EESG reporting with IFRS S2 and Global Reporting Initiative (GRI) Standards
- Conduct supplier sustainability audits

New
- Implement circular economy initiatives to reduce waste
- Strengthen stakeholder engagement and disclosure practices

Opportunities
- Stronger brand reputation and stakeholder trust
- Innovation in sustainable products and services

Link to

Strategic Pillars: SP2 SP3
Material Matters: M1 M2 M5 M6 M7 M8 M9 M10 M11
Capitals: M H SR N
Stakeholders: S1 S2 S3 S4 S5 S6 S7 S8
UN SDGs: 8 12 13

For more information, refer to our Sustainability Report.

Key Risks and Mitigation

Risk Movement: Stable ← Increase | Stable → Increase
Time Horizon: →→→ Short, Medium and Long-Term | →→ Medium to Long-Term | → Medium-Term

PROJECT EXECUTION RISK

Risk Movement: Stable → Increase
Time Horizon: →

Risk Description
Project execution risk refers to delays, cost overruns, and quality issues that can arise during the implementation of capital projects and operational initiatives.

In 2025, this risk is heightened by the complexity of multi-site projects, resource constraints, and dependency on third-party contractors.

Risk Indicators
- Percentage of projects delivered on time
- Percentage of projects delivered within approved budget

Implications and Financial Impact
- Delays in revenue realisation and operational readiness
- Reputational impact with stakeholders and partners

Mitigation Strategies
Existing
- Robust project governance and stage-gate reviews
- Enhanced contractor performance monitoring

New
- Closely monitor progress of key digital projects to ensure timely delivery
- Closely monitor projects executed by internal teams and third-party contractors

Opportunities
- Stronger organisational capability to deliver predictable, high-quality project outcomes
- Stronger coordination and smoother execution of strategic initiatives

Link to

Strategic Pillars: SP1 SP2 SP3
Material Matters: M1 M2
Capitals: F M I
Stakeholders: S2 S3 S4 S5 S6
UN SDGs: 9 12

For more information on Market Outlook, refer to Operating Environment and Market Outlook on page 42.
For more information on Our Business Review on page 68.
For more information, refer to Customer-centricity in the Sustainability Report on page 41.

OUTLOOK

PDB continues to operate in a risk environment shaped by policy shifts, energy transition pressures and changing consumer behaviour. Subsidy rationalisation and possible changes to the Automatic Pricing Mechanism (APM) will continue to influence Retail-Fuel economics, while rising living costs, higher electric vehicle (EV) adoption and greater use of public transport may soften traditional fuel demand. Conversely, jet fuel volumes are expected to rise with Visit Malaysia Year 2026, supporting growth in the commercial segment despite margin volatility from price fluctuations. These dynamics require careful balancing between protecting core earnings and scaling new growth areas.

Operational and delivery risks will remain a priority as infrastructure constraints and supply chain vulnerabilities persist across regions. Strong risk governance, zero tolerance for bribery and corruption, and close tracking of key risk indicators will remain central to managing these pressures while supporting sustainable growth.

Building climate readiness through stronger governance and disclosure

Climate change continues to be a strategic priority as Malaysia advances its energy transition and faces an increasing frequency of extreme weather events.

In 2025, PDB conducted an internal gap assessment to align its practices with ISSB Standards, particularly IFRS S2. The assessment strengthened the governance, planning and management of climate-related matters across the organisation.

The team built capability through targeted training on the IFRS Sustainability Disclosure Standards and embedded climate considerations more systematically into strategic planning and ERM processes. Risk assessment methods were refined to reflect the longer-term and distinct nature of climate-related risks.

Climate issues also received greater focus during the annual strategy and risk profile review, improving visibility of climate risks and opportunities across business units. As the NSRF comes into effect, PDB continues to raise the quality and clarity of its sustainability disclosures in line with IFRS S2.

Our Strategy

Navigating Change with Purpose

We operate in a period of structural change driven by the energy transition, shifting consumer lifestyles and a policy environment that is reshaping fuel retail within a wider mobility and convenience ecosystem.

Customer expectations already reflect this shift. Demand continues to move toward convenience, food and experience-led offerings, with expectations for speed, choice, value and seamless digital journeys. Policy direction supports this transition by encouraging lower-carbon fuel adoption and broader transport solutions.

Against this backdrop, our strategy focuses on delivering performance today while preparing for future growth. We advance this through our Moving Forward Together (MFT) strategy, anchored on Value, Growth and Sustainability, as we strengthen operational discipline, capture growth through convenient lifestyle solutions and progress responsible energy stewardship.



Our Strategy

MOVING FORWARD TOGETHER STRATEGY

Value

Strengthening Core Businesses

Retail-Fuel
Strengthen performance by adapting to market and regulatory changes while improving customer acquisition and brand relevance.

Commercial
Drive returns from high value segments through operational efficiency and advancing low carbon solution adoption with key customers and partners.

LPG
Strengthen leadership position in the household segment, and expand our market presence in the Commercial segment, while enhancing operational efficiency across value chain.

Lubricants
Drive value-led growth across the Industrial segment while expanding OEM partnerships, and accelerating growth and execution in the highstreet segment.

Growth

Diversification Through Convenience

MESRA

Convenience Store
Optimise revenue and performance by refining formats, strengthening convenience propositions and aligning offerings with evolving customer preferences.

Complementary Business
Strengthen complementary offerings through strategic partnerships to expand services that support the retail network and elevate customer convenience.

Food and Beverage (F&B)
Scale F&B portfolio through coffee vending machine, licensing programme and international Quick Service Restaurant concept.

PETRONAS Shop
Drive PETRONAS Shop operational excellence through personalised merchandise, data driven restocking and aligned product assortments.

Setel
Deliver a trusted, compliant and inclusive digital fuelling and payment ecosystem through secure app based access and simplified user journeys, supported by strategic partnerships that drive everyday adoption across fuel, retail and mobility.

For more information on Our Business Review on pages 68 to 83.

Sustainability

Creating Positive Environmental, Economic and Social Impact

Creating Sustainable Value
Expand ecosystem-led growth through AutoExpert and MotoExpert strategic partnerships that support entrepreneurship and local business participation.

Responsible Governance
Strengthen sustainability oversight and disclosures through active Board and committee engagement and alignment with recognised standards.

Delivering Net Zero
Continued decarbonisation efforts through solar installations at PETRONAS stations, while advancing low carbon solutions via biodiesel, electric two-wheeler and Sustainable Aviation Fuel (SAF) through strategic partnership.

Thriving with Nature
Improve environmental performance by enhancing waste management practices and water conservation efforts.

Fostering a Just Transition
Strengthen social impact by expanding used cooking oil collection and reinforcing human rights practices across the supply chain.

For more information, refer to our Sustainability Report.

OUTLOOK

Our strategic outlook follows a phased approach. It sets out how we stabilise current performance, prepare for change and pilot new solutions, before scaling the proven initiatives to transform the business over time. Throughout this journey, we balance three priorities: strengthening our core businesses, building new growth engines, and reducing carbon intensity in a practical, commercially grounded manner to ensure the business remains resilient, relevant, and competitive as the operating landscape evolves.

Short-Term (2026)

Strengthen core performance
Strengthen performance across Retail-Fuel, Commercial, LPG, and Lubricants by improving margin resilience, enhancing market presence, and reinforcing operational excellence and HSSE standards to sustain product competitiveness and supply chain reliability, while constantly adapting to national policy shifts.

Expand customer-led convenience
Elevate customer experience through MESRA, enabled by strategic partnerships that expand offerings to meet evolving customer demand. In parallel, Setel will deepen digital adoption through cross selling and enterprise solutions to strengthen the end-to-end physical and digital customer journey.

Build transition readiness and governance
Progress sustainability efforts by advancing early stage capabilities for SAF, electric two-wheeler and biodiesel through pilot programmes with key partners, while strengthening governance systems to meet sustainability and climate reporting requirements.

Medium-Term (2027-2030)

Sustain core value creation
Sustain cash generation across core segments by protecting performance through disciplined execution, consistent delivery and continued agility as market conditions and policy settings evolve.

Scale an integrated retail ecosystem
Diversify beyond a motorist only proposition to embrace a broader, customer centric approach by scaling MESRA and Setel into an integrated convenience and lifestyle ecosystem.

Advancing low carbon solutions
Prioritise initiatives such as expanding battery swap stations, commercialising SAF supply, and promoting biodiesel while strengthening emissions management, disclosures and regulatory compliance.

Long-Term (2031-2050)

Future-proof the core business
Balance conventional fuel growth with lower-carbon offerings to sustain resilience and commercial viability as the energy landscape evolves.

Position as an integrated convenience and mobility hub
Leverage the future potential of its forecourts by transforming them into multi-functional retail hubs that redefine convenience and service across retail, mobility and energy segments.

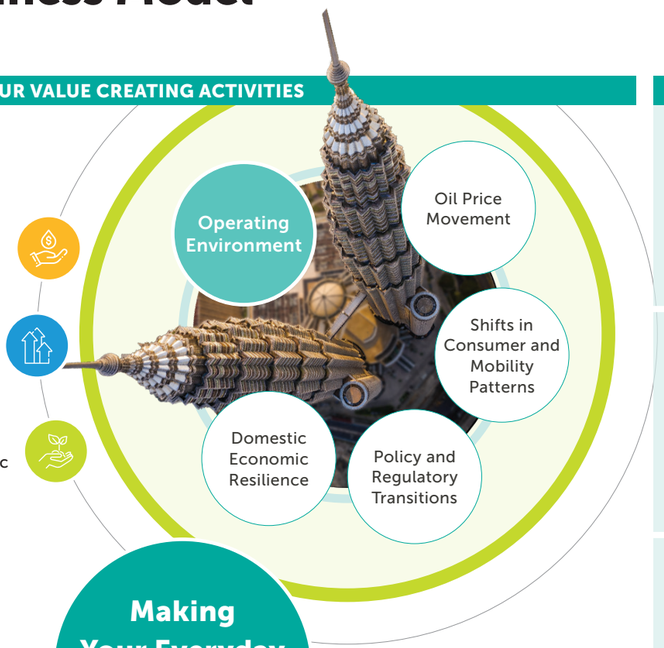
Strengthen governance and organisational resilience
Anchor leadership in the lower-carbon transition on strong governance, demonstrated through measurable emissions performance, transparent climate disclosures and disciplined execution.

Our Value Creating Business Model

CAPITAL INPUT	OUR VALUE CREATING ACTIVITIES	OUTPUTS	OUTCOMES	TRADE-OFFS
F Financial Operational cash flow and shareholder equity fund disciplined investment and long-term resilience	**Strategic Pillars** **VALUE** Sustain PDB Core Businesses **GROWTH** Diversification Through Convenience **SUSTAINABILITY** Creating Positive Environmental, Economic and Social Impact	• Revenue: **RM38,269.3 million** • Profit After Tax: **RM1,136.5 million** • Dividend per share: **112.0 sen** • Dividend payout ratio: **100%**	• Deliver sustained profitability and resilient cash generation • Surpass 50% dividend payout policy to shareholders • Maintain dividend discipline and shareholder confidence • Strengthen earnings quality and financial stability S1	Effective management of our Financial Capital enables reinvestment into Manufactured, Intellectual, Human and Natural Capitals to sustain growth, innovation and resilience, while balancing dividend commitments with long-term value creation.
M Manufactured Our nationwide PETRONAS stations, *Kedai Mesra*, terminals, LPG facilities and logistics assets anchor our integrated platform		• **>1,000** PETRONAS stations • **>800** *Kedai Mesra* • **125** AutoExpert outlets • **18** MotoExpert outlets • **36** Terminals • **36** ROVR Trucks • **5** LNG Trucks • **>12 million** LPG cylinders	• Expand accessible and integrated retail footprint nationwide • Enhance service convenience across fuel and non-fuel offerings • Improve supply reliability and distribution efficiency S2 S3	Expanding and upgrading our network of PETRONAS stations, *Kedai Mesra* outlets, logistics assets and LPG infrastructure strengthens Financial and Social Capitals through wider access and economic participation, while requiring continued Financial and Natural Capital to maintain efficiency and reliability.
I Intellectual Brand equity, digital platforms, data insights and partnerships strengthen differentiation and customer loyalty		• **MoU/UJV** with strategic partners aimed at providing greater convenience • Certified as Malaysia's **first ISCC CORSIA-recognised** SAF trader • **Committed** to reducing environmental impact through defined initiatives • **>120** Mesra-labelled products in food and non-food categories	• Deepen digital engagement and customer stickiness • Strengthen innovation capability and partnership-led growth • Advance readiness for lower-carbon fuel solutions S2 S3 S6	Investments in digital platforms, fuel innovation and partnerships enhance Financial Capital and Human Capital by boosting productivity and customer engagement, while initially placing demand on Financial Capital until scale benefits are realised.

H Human
Skilled employees and dealers drive operational excellence and growth across segments
		• **Zero** fatalities recorded
		• **RM403.7 million** in employees wages and benefits
		• Maintained a balanced gender representation on our Board and Leadership Team (LT)
		  • **39%** female representation in LT
		  • **37.5%** of Board members are female
			• Sustain a strong safety culture across operations
			• Build a more diverse and inclusive leadership bench
			• Develop future talent pipeline for long-term capability
			S4
				Investing in safety, leadership diversity and talent development strengthens Intellectual and Social Capitals and supports operational excellence across Manufactured Capital while requiring sustained Financial Capital allocation.

SR Social and Relationship Trusted relationships with stakeholders sustain ecosystem stability and long-term collaboration		• **RM374.7 million** taxes paid to the Government • **RM43 billion** paid to contractors/business partners/suppliers • Invested over **RM2.4 million** in social impact programmes • Provided structured internship to **130** students from **10** universities	• Contribute meaningfully to national economic activity • Strengthen supplier ecosystems and local value chains • Enhance community well-being S2 S3 S5 S6 S8	Community investment, supplier development and national contributions reinforce Human, Manufactured and Financial Capitals through ecosystem strength and brand trust, while drawing on Financial resources.
N Natural Energy and natural resources enable operations, while responsible management reduces environmental impact		• Maintained strong score of **4.0** for FTSE4Good Index Series • **4,695.6 tCO_2e** GHG emissions avoided from the use of solar energy • Collected **749** tonnes from the Used Cooking Oil initiative • **89** EV charging points • **259.5** kL of rainwater harvested for non-potable uses	• Improve EESG standing and responsible business credentials • Reduce operational emissions and energy intensity • Promote circularity and resource efficiency • Support lower-carbon mobility adoption S3 S6 S7 S8	Decarbonisation initiatives, solarisation and resource efficiency efforts protect Financial and Social Capitals over the long term by reducing risk and enhancing EESG standing, while requiring upfront Financial Capital and disciplined operational management.



Material Matters

- M1 Economic Growth and Performance
- M2 Customer-centricity
- M3 Ethics and Corporate Governance
- M4 Data Privacy and Security
- M5 Sustainable and Ethical Supply Chain
- M6 Climate Change and GHG Emissions
- M7 Environmental Management
- M8 Safety, Health and Well-being
- M9 Human Capital
- M10 Capability Building
- M11 Community Investment

Our Risks

- R1 Market
- R2 Operations
- R3 Legal and Regulatory
- R4 Project Execution
- R5 Strategy/Economic
- R6 Sustainability
- R7 HSE

Our Value Creating Business Model

Retail-Fuel



MOHD FEIRUZ MOHD GHAZALI
Head,
Retail-Fuel Division

WHO WE ARE AND WHAT WE DO

The Retail-Fuel Business markets and distributes high-quality fuel products through a network of over 1,000 PETRONAS stations across Malaysia. The portfolio includes premium fuel solutions developed in partnership with the Mercedes-AMG PETRONAS Formula One™ team:

- PETRONAS Primax 95 with Pro-Drive
- PETRONAS Primax 97 with Pro-Race
- PETRONAS Dynamic Diesel Euro 5 with Pro-Drive (B7, B10, B20)

All PETRONAS stations are operated by *Rakan Niaga*, who are appointed through a stringent selection process and supported with continuous training to uphold service excellence. The Retail-Fuel Business operates under two dealership models:

- Company-Owned, Dealer-Operated
- Dealer-Owned, Dealer-Operated



The Retail-Fuel business operated in a dynamic environment shaped by fuel subsidy rationalisation, evolving mobility trends and rising customer expectations. The implementation of BUDI MADANI RON95 (BUDI95) was a major industry shift, and we responded with speed and discipline to ensure a smooth nationwide rollout while safeguarding the customer experience.

Performance remained resilient, supported by strong network connectivity and continued focus on station quality, safety and service standards. We raised the bar for station excellence by increasing the number of Gold and Platinum stations and refreshing well-performing sites to enhance look, feel and comfort.

Sustainability initiatives also gained momentum. In collaboration with Gentari, the business expanded electric vehicle (EV) fast-charging locations, solarised stations, enabled Used Cooking Oil (UCO) collection points and supported inclusive employment through the hiring of Persons with Disabilities. These actions strengthened our role in supporting lower-carbon mobility while keeping stations relevant to changing customer needs.

How We Create Value

Quality
Deliver consistently high-performance fuel solutions that meet relevant quality specifications and performance standards, reinforcing reliability, efficiency and customer trust.

Innovate
Facilitate smooth, convenient customer journeys through integrated digital solutions that simplify interactions and enhance accessibility.

Customer Experience
Deliver elevated service quality and convenience at every customer touchpoint.

Capability
Build future-ready capabilities across *Krew* PETRONAS to deliver excellence and drive sustainable growth with confidence.

KEY FOCUS AREAS

Operational Excellence
Pursue ongoing improvements that raise station safety and compliance standards.

Empowering Beliefs and Behaviours
Build a high-performance culture that enables our people and *Rakan Niaga* to perform at their best.

Volume Focus and Customer Experience
Grow volumes by deepening customer engagement through differentiated offers and superior station experience.

Growth and Resilience
Expand our network and capabilities to deliver sustainable growth and long-term resilience.

	Key Initiatives	Achievements
Value	• Implement readiness for nationwide BUDI95 fuel subsidy programme.	• Upgraded systems and digital platforms to support BUDI95 implementation, including access through Setel and Cardless SmartPay. • Achieved smooth nationwide rollout of BUDI95 across more than 1,000 stations with customer support measures to manage transition.
Growth	• Broaden Retail-Fuel footprint.	• Opened 12 new PETRONAS stations, strengthening accessibility and network reach. • Expanded presence in growth corridors through targeted network expansion.
Sustainability	• Leverage PETRONAS station infrastructure with strategic partners to enable lower-carbon solutions, including EV charging, solar energy deployment, battery swapping and UCO collection for sustainable fuels.	• Enabled collection of 749 tonnes of UCO from 100 stations for use as Sustainable Aviation Fuel (SAF) feedstock. • Expanded EV charging facilities at three PETRONAS stations, totalling 44 to-date. • Solarised 121 PETRONAS stations in 2025, totalling 303 to-date. • Enabled battery swapping facilities at 20 PETRONAS stations.

Challenges and Our Response

Challenges
- Executing nationwide implementation of BUDI95 across over 1,000 stations.
- Managing operational complexity during policy transition.

Our Response
- Ensured full network readiness through coordinated system upgrades, cross-functional alignment and strong station-level execution.
- Strengthened communication, training and on-ground support to ensure consistent customer experience.

OUTLOOK

The operating landscape will continue to evolve as energy-efficient vehicles gain traction and public transport infrastructure expands, influencing Retail-Fuel demand patterns. The Retail-Fuel business will focus on strengthening product branding and value propositions to reinforce preference for PETRONAS' superior fuel solutions.

Execution will centre on delivering differentiated offerings and ensuring stations remain the preferred choice for all mobility segments. Continued investment in service quality, station comfort and operational reliability will sustain customer trust. These priorities support the promise of *Making Your Everyday Life Simpler and Better* while building resilience as the fuel retail market continues to transform.

Commercial



HARDEEP SINGH KIRPAL SINGH
Head,
Commercial Business Division



In 2025, the Commercial Business navigated a volatile operating environment shaped by global economic uncertainty, geopolitical developments and rising cost pressures across the oil and gas value chain. We remained focused on safeguarding value, maintaining supply reliability and positioning the business to respond to shifting demand conditions.

Despite these pressures, demand across key sectors held up well. Increased aviation activity, recovery in marine demand and stable industrial consumption supported performance, while disciplined commercial execution and a focus on higher-value opportunities delivered a year-on-year increase in overall volumes compared with 2024.

The year also reflected progress in strengthening our sustainability practices. In June 2025, PDB became Malaysia's first ISCC CORSIA-certified marketer for Sustainable Aviation Fuel (SAF), strengthening our ability to support customers' decarbonisation pathways while building longer-term value.

Operational resilience remained a priority. Through close coordination with the Supply and Distribution Division, we ensured continuity of supply during unplanned supply disruptions by activating contingency arrangements and maintaining tight operational oversight to support essential operations.

WHO WE ARE AND WHAT WE DO

The Commercial Business manages the sales and marketing of bulk petroleum products to business customers across Agriculture, Mining, Manufacturing, Construction, Services, Aviation and Bunkering sectors. The portfolio includes Diesel, Jet A-1, Fuel Oil, Bitumen, Petroleum Coke, Sulphur, MOGAS, Kerosene, Methanol, LNG and ROVR services. Supported by an extensive nationwide distribution network, the business delivers secure, reliable and efficient supply to customers across Malaysia.

How We Create Value

- **Energy Reliability and Supply Assurance**
  Deliver reliable fuel supply through disciplined commercial planning, robust logistics and responsive coordination across the value chain.
- **Customer Value and Partnerships**
  Support customers with tailored fuel solutions, flexible commercial structures and long-term partnerships across diverse industries.
- **Sustainability and Transition Enablement**
  Advance lower-carbon solutions, including SAF and biodiesel, to support customers' efforts to manage Scope 1 and Scope 3 emissions.

KEY FOCUS AREAS

Expand High-Value Segments
Strengthen presence in aviation and industrial segments to optimise returns and income quality.

Advance Sustainable Fuel Adoption
Promote SAF and biodiesel solutions to support customers' decarbonisation pathways.

Enhance Operational Efficiency
Improve cost discipline, pricing agility and delivery reliability through data-driven decision-making.

	Key Initiatives	Achievements
Value	• Leverage strong aviation demand to support rising flight frequencies beyond pre-pandemic levels. • Optimise sales strategies by prioritising high-value segments, including opportunistic demand from dealer and marine segments. • Expand market presence through targeted campaigns, customer engagement and disciplined risk management. • Strengthen customer partnerships through data-driven pricing, tailored offers and long-term commercial arrangements. • Streamline processes to improve operational efficiency and responsiveness in a volatile market.	• Achieved 20% growth in aviation fuel volumes, supporting a 12% increase in overall Commercial volumes against 2024. • Delivered 10% growth in Diesel sales volume through competitive commercial offers and broader customer engagement. • Increased customer acquisition and loyalty by deploying value-driven and customer-centric solutions. • Optimised pricing models aligned with market conditions, resulting in higher market penetration.
Growth	• Expand share of wallet among shared customers through comprehensive, value-added fuel solutions. • Fortify strategic partnerships to unlock cross-selling opportunities and strengthen customer retention. • Deploy targeted marketing and pricing initiatives to attract and retain key customers.	• Strengthened market position through compelling sales packages and differentiated value propositions. • Expanded market share by leveraging strategic pricing and value-add incentives. • Positioned the Commercial Business as a preferred partner through consistent customer experience and targeted engagement.
Sustainability	• Accelerate adoption of lower-carbon energy solutions to support Net Zero Carbon Emission ambitions. • Promote sustainable fuel alternatives through innovation and customer collaboration. • Leverage strategic partnerships to advance low-carbon energy projects.	**Sustainable Aviation Fuel** • Led national-level collaboration with Ministry of Plantation and Commodities, the Ministry of Transport and customers to support alignment on the SAF mandate. • Became Malaysia's first ISCC CORSIA-certified trader for SAF in June 2025. • Delivered Malaysia's first locally blended SAF to KLIA for Malaysia Airlines Group, validating in-house supply capability. **Advancing Biodiesel** • Established trial supplies of Diesel B20 and B30 with Sime Darby Guthrie and piloted usage with Malaysia Palm Oil Board (MPOB) at key airports and seaports. • Introduced a scientifically verified biodiesel emission factor based on industry standard benchmarks, enabling customers to reduce Scope 1 and Scope 3 emissions.

Challenges and Our Response

Challenges

- Experiencing margin pressure from fluctuating product prices.
- Facing rising cost-to-serve, placing pressure on operational budgets.
- Encountering delivery bottlenecks that limited operational efficiency.
- Responding to demand changes in a key Diesel segment driven by customer optimisation.

Our Response

- Maximised sales efforts in high-value segments, supported by opportunistic demand, to stabilise revenue and income.
- Enhanced the pricing framework to better reflect market dynamics and protect margins.
- Leveraged data insights to refine pricing strategies, maintain competitiveness and safeguard income.

OUTLOOK

The Commercial Business will focus on strengthening value capture from high-value segments, maintaining supply reliability amid market volatility and accelerating adoption of cleaner energy solutions. Execution will prioritise disciplined pricing, cost optimisation and closer customer collaboration to support sustainable growth.

LPG



ANTON SALLEH HASHIM
Head,
LPG Business Division

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The year under review unfolded against a competitive and cost-intensive operating landscape, shaped by a mature domestic LPG market and rising logistics and asset-related costs. Within this environment, we operated from a position of scale, focusing on sustaining our role as a leading retailer and marketer while advancing disciplined, efficiency-led growth.

Overall, the year demonstrated our ability to balance market leadership, operational efficiency and resilience while positioning the LPG portfolio for steady progress ahead. Results were supported by measured product availability planning, sharper channel deployment, targeted marketing efforts and closer collaboration with channel partners to respond to shifts in demand.

Our operational priorities centred on efficiency, asset reliability and cost discipline across the distribution network. Preventive maintenance, selective asset upgrades and tighter logistics planning helped sustain service levels.

WHO WE ARE AND WHAT WE DO

Our LPG business operates as a leading provider in the domestic market, serving the Household, Commercial and Industrial segments with a full range of LPG products and services. We operate a nationwide supply and distribution network, anchored by six terminals and bottling facilities, and supported by more than 290 channel partners, including premier dealers, dealers and bulk dealers. This network enables the reliable delivery of quality LPG products to consumers nationwide.

Household Segment
Supply subsidised LPG for domestic use in 12kg and 14kg cylinders.

Commercial Segment
Offer non-subsidised LPG in 14kg and 50kg cylinders to support a wide range of industries.

Industrial Segment
Provide bulk LPG solutions, with storage tanks ranging from 200kg to 32,000kg, customised to meet specific operational requirements.



How We Create Value

Entrepreneurial
As our market share grows, our channel partners gain more business opportunities. This helps them expand their operations and improve their services. By supplying LPG to sundry shops and sub-dealers, we also support the growth and sustainability of small businesses.

Accessibility
Maintain a steady and reliable supply of LPG to ensure continued access to essential cooking fuel for households and communities.

Availability
Manage supply and distribution to ensure consistent product availability, including during periods of uncertainty or market disruption.

Safety
Uphold strict safety standards across our LPG products and operations to protect customers and maintain trust in our brand.

KEY FOCUS AREAS

Strengthen our leadership position in the Household segment
Sustain reliable supply, broaden access points and reinforce service consistency to meet daily household needs.

Expand our market presence in the Commercial segment
Pursue targeted growth across priority industries through competitive offerings, responsive distribution and closer collaboration with channel partners.

Enhance operational efficiency across the value chain
Improve asset reliability and logistics efficiency to support scalable growth while safeguarding service levels and margins.

	Key Initiatives	Achievements
Value	• Maintain speed to market by ensuring cylinder availability for both household and commercial products to capture growth opportunities.	• Recorded the highest volume since 2016 resulting in higher market leadership, particularly in the Southern region and the Commercial segment.
Growth	• Ensure cylinder availability through strategic distribution planning. • Refine marketing strategies to better align with customer preferences. • Support channel partners in pursuing growth opportunities.	• Contributed to overall volume growth of 5% in 2025 against 2024. • Expanded new sales channels, with total 184 LPG cages in place as at end-2025, which are located closer to low-income communities to improve access and reduce delivery charges.
Sustainability	• Integrate sustainability practices across operations.	• Repurposed used pallets to construct a 100-meter bridge in Kampung Meruntum, Sabah, benefitting more than 80 residents. • Contributed 700 LPG cylinders to B40 communities in Negeri Sembilan and Melaka during festive periods. • Donated LPG cylinders and essential items to five charitable homes under the *Raikan Ramadan Bersama* Gas PETRONAS programme. • Enhanced cylinder durability through the adoption of graphene-based powder coating, extending asset lifespan and reducing lifecycle maintenance costs over time.

Challenges and Our Response

Challenges

- Highly competitive and saturated market, limiting opportunities for significant organic growth.
- Higher operating expenditures driven by rising product, logistics and maintenance requirements linked to ageing assets, despite volume and market share gains.
- Ageing assets requiring more frequent maintenance and business continuity planning, contributing to increased operating costs.

Our Response

- Focused on underserved areas and niche segments through targeted marketing strategies to capture new demand and protect market share.
- Strengthened cost discipline through prudent expenditure, strategic asset deployment and efficiency improvements across logistics and maintenance.
- Implemented asset renewal and preventive maintenance programmes, supported by cost-effective business continuity measures, to minimise downtime and manage costs.

OUTLOOK

The LPG business is expected to experience steady growth, supported by operational efficiencies and cost optimisation measures. Strategic priorities include expanding presence in commercial sectors such as hospitality, food services and retail, while leveraging broader economic and tourism-driven activities to support demand growth. Focus areas will centre on ensuring product availability, strengthening distribution infrastructure and offering competitive commercial terms to reinforce market position and manage competitive pressures. Operational performance will be further enhanced through streamlined processes, greater use of digital tools and more efficient resource utilisation. Health, Safety and Environment (HSE) practices and brand awareness will continue to be strengthened through closer collaboration with other business units, regulatory authorities and key stakeholders.

Lubricants



MOHD ZAMEER ZAHUR HUSSAIN
Chief Executive Officer,
PETRONAS Lubricants Marketing (Malaysia) Sdn. Bhd.



The lubricants market continued to evolve in 2025, shaped by gradual volume growth, intensifying competition and a clear shift towards higher-performance and synthetic products. Customers across the Industrial, Original Equipment Manufacturer (OEM) and Highstreet segments increasingly prioritised reliability, technical support and value beyond price, while margin pressure remained a defining feature of the operating environment.

Volumes recorded double-digit growth in 2025 compared to the previous year. Growth was led by our Power Brands, with PETRONAS SYNTIUM, SPRINTA and URANIA delivering strong increases, reflecting improved product mix and more effective channel execution. These outcomes demonstrate our ability to convert brand strength, partnerships and operational focus into sustained performance while positioning the business for continued progress.

Within this context, our Lubricants business focused on disciplined commercial execution and portfolio strengthening. We secured and renewed a number of strategic supply agreements, expanded our presence in marine, ports, plantations and infrastructure, and deepened relationships with OEM and after-sales partners through both direct supply and collaborative arrangements. Long-term Memoranda of Understanding (MOUs) and renewed contracts improved visibility while supporting customers' operational requirements.

WHO WE ARE AND WHAT WE DO

The Lubricants Business oversees the end-to-end management of sales, marketing, distribution and technical services for PETRONAS lubricant products within Malaysia. Our comprehensive portfolio spans Passenger Car Motor Oils, Motorcycle Oils, Commercial Vehicle Lubricants, as well as Industrial and Marine solutions, serving diverse consumer, commercial and industrial segments. Anchored by cutting-edge technology, we continuously drive innovation to deliver superior performance and value to our customers across all markets.

How We Create Value

- **Performance and Reliability**
  Deliver high-quality lubricants and technical expertise that enhance equipment efficiency, vehicle performance and operational reliability for industrial, OEM and retail customers.

- **Customer Partnerships and Market Reach**
  Strengthen relationships through OEM collaborations, extensive distribution networks and loyalty programmes, ensuring accessibility and long-term customer trust across diverse market segments.

- **Innovation and Sustainability**
  Leverage advanced technology and eco-friendly solutions to meet evolving market needs, support sustainability goals and create differentiated value in a competitive landscape.

Lubricants

KEY FOCUS AREAS

Strengthen value-led growth in the Industrial segment
Focus on higher-value segments through tailored propositions, sharper technical solutions and targeted customer engagement.

Expand and deepen partnerships in the OEM segment
Pursue new account penetration while maintaining cost competitiveness and delivering customised technical and supply solutions to meet approvals, diversify the account portfolio and strengthen long-term relationships.

Accelerate growth and execution in the Highstreet segment
Enhance outlet performance and market reach through stronger collaboration with MESRA and Setel, targeted trade and loyalty programmes, improved distributor performance, differentiated branding and expanded concepts such as PETRONAS MotoExpert, while unlocking non-lubricant revenue opportunities.

	Key Initiatives	Achievements
Value	• Strengthen PETRONAS Power Brands through impactful and differentiated trade programmes. • Deepen customer penetration through cross-selling and targeted lead generation.	• Contributed to overall Lubricants volume growth of 14% year-on-year, led by stronger performance across PETRONAS Power Brands. • Expanded PETRONAS Sprinta Bike Care's market presence through collaborations with motorcycle and automotive enthusiast communities, improving product visibility and access across targeted channels. • Expanded customer reach and engagement by translating targeted leads into sales through focused channel execution and customer-led engagement activities.
Growth	• Broaden mass-market presence by expanding direct channels and distributor coverage. • Scale the PETRONAS AutoExpert network and launch MotoExpert to support premium and synthetic product penetration and expansion within the motorcycle maintenance segment. • Expand product portfolio with the launch of new lubricant products and PETRONAS Sprinta Bike Care range.	• Recorded 11% volume growth in the Industrial segment compared to 2024, driven by Direct Channels and Distributors. • Achieved 15% OEM volume growth, supported by the appointment of MForce and a five-year contract renewal with Bermaz. • Expanded the branded workshop network, increasing PETRONAS AutoExpert outlets to 125 nationwide and operationalising 18 PETRONAS MotoExpert outlets in the first year of rollout. • Improved outlet readiness for premium and synthetic lubricants through targeted upskilling and partner-enabled financing, supporting stronger product adoption across the AutoExpert and MotoExpert networks. • Strengthened presence in the motorcycle maintenance segment and supported volume and brand growth.
Sustainability	• Support community and SME development through the PETRONAS AutoExpert and MotoExpert networks. • Advance sustainable product development through the introduction and launch of biodegradable alternatives.	• Extended access to MARA-led financing and capability-building programmes for local entrepreneurs. • Launched PETRONAS Degreaser and PETRONAS Heavoclean, with ongoing product testing conducted in collaboration with a strategic partner.

Challenges and Our Response

Challenges

- Intense price competition in industrial tenders and OEM markets, limiting pricing flexibility and pressuring margins.
- Difficulty entering established OEM networks due to global supply contracts and aggressive competitor campaigns, restricting growth opportunities in premium segments.
- Operational and channel constraints, including extended lead times for fast-moving products, distributor credit limitations and heightened competition in Highstreet channels.

Our Response

- Differentiated beyond pricing by introducing value-added solutions such as technical support and predictive maintenance.
- Developed cost-efficient formulations and longer drain interval products to support premium positioning.
- Strengthened strategic partnerships for financing and bundled offerings to enhance customer value.
- Targeted emerging segments, including electric and hybrid vehicle lubricants, where global contracts are less entrenched.
- Engaged in co-branding and technical collaborations with emerging OEMs and local players.
- Launched MotoExpert and expanded AutoExpert network to capture aftermarket opportunities.
- Implemented supply chain agility initiatives and improved demand forecasting to reduce lead times.
- Introduced digital ordering platforms and campaign tracking tools for workshops.
- Collaborated with MARA under the PUMP MotoExpert Programme to facilitate access to MARA-led financing and ease credit constraints for local entrepreneurs.

OUTLOOK

The Lubricants business is expected to operate in a dynamic yet stable environment, shaped by moderate economic growth, evolving customer expectations and ongoing energy transition considerations. Demand is expected to remain supported by construction, services and manufacturing activities, while a subdued new vehicle market reinforces the importance of aftermarket channels.

Our strategic priorities will focus on strengthening our presence across the Industrial, OEM and Highstreet segments, with emphasis on expanding the AutoExpert and MotoExpert networks to capture aftermarket growth. Execution will centre on sharpening digital and omnichannel engagement, improving supply chain agility for fast-moving products and campaign-driven demand, and rolling out electric vehicle, hybrid and more sustainable lubricant formulations aligned with PETRONAS' sustainability agenda. We will manage cost discipline, service reliability and responsiveness closely amid ongoing price competition and margin pressure. Brand strength, customer partnerships and technical capability will continue to support differentiation, reinforced by active collaboration with distributors and OEM partners in a competitive market environment.

Convenience: MESRA



Norazlan Subaha
Chief Executive Officer,
Mesra Retail & Cafe Sdn. Bhd. (MESRA)

In 2025, MESRA operated in a demanding environment shaped by tighter regulation and intensifying competition. Against this backdrop, we focused on strengthening the foundations of our non-fuel retail business while adapting our portfolio to remain relevant and resilient.

Kedai Mesra sustained its scale and contribution, delivering year-on-year growth in chargeable sales for the fourth consecutive year. Network expansion, targeted merchandising and continued engagement with small and medium-sized enterprises helped mitigate the impact of Act 852 on tobacco-related categories and reinforced our role as a dependable convenience retailer.

Within Complementary Business, we took deliberate steps to reduce concentration risk and diversify income streams. The introduction of the unincorporated joint venture (UJV) model, together with new partner launches and the Master License Agreement with Famous Brands, broadened our partnership base and expanded revenue beyond traditional rental structures.

We also advanced our Food and Beverage (F&B) and PETRONAS Shop portfolios, validating new formats, improving inventory quality and sharpening our retail propositions amid margin and demand pressures.

WHO WE ARE AND WHAT WE DO

MESRA operates as PETRONAS' non-fuel retail business, managing convenience retail, F&B, complementary services and lifestyle offerings across its forecourt network. The portfolio includes *Kedai Mesra* convenience stores, Complementary Business partnerships, F&B offerings and PETRONAS Shop lifestyle products.

***Kedai Mesra* (Convenience Retail)**
Comprise convenience stores operated across the PETRONAS retail network, offering everyday retail items to serve customer needs at the forecourt.

Complementary Business
Consists of partnership-based non-fuel services offered at PETRONAS stations.

Food and Beverage
Includes Café Mesra and other F&B licensed or franchise-based concepts introduced across the network.

PETRONAS Shop (Lifestyle Retail)
Covers lifestyle retail offerings, including corporate merchandise and curated products, managed under MESRA, with integrated e-commerce and a marketplace hosting third-party tenants.



How We Create Value

Product and Service Quality
We deliver exceptional products and services across all retail segments, including handcrafted beverages, Ready-to-Eat and Ready-to-Drink offerings at *Kedai Mesra* and Café Mesra, as well as curated merchandise and established F&B brands through PETRONAS Shop and Complementary Business. These offerings focus on product quality, operational consistency and a reliable customer experience across all touchpoints.

Everyday Retail Convenience
We enhance convenience by providing integrated, one-stop solutions across our retail network. Our expanded store footprint, 24-hour coffee vending machines and licensing programmes are redefining convenience, alongside new retail formats and online platforms. Integrated services such as drive-thru, order and collect and last-mile pick-up support seamless, everyday access to retail and F&B offerings.

Value Through Relevance
We strengthen value by maintaining relevant products and introducing new food, beverage and merchandise aligned with evolving customer preferences. We deepen partnerships with brands that align with MESRA and PDB values to ensure consistency and quality. Targeted promotions and well-designed retail environments support customer engagement and loyalty across channels.

Convenience: MESRA

KEY FOCUS AREAS

Grow and Reposition Convenience Store Network
Optimise and expand the network through strategic site conversions and leverage new station openings in high-demand locations to improve accessibility, strengthen dealer sales and maintain relevance through refreshed product ranges.

Broaden Complementary Business Service Offerings
Strengthen complementary offerings by exploring additional service verticals and partnerships with trusted providers, expanding services such as F&B, car wash, ATMs and reload facilities to support the retail network and enhance customer convenience.

Scale F&B Concepts
Expand the F&B portfolio through Coffee Vending Machines, licensing programmes and new concepts, including the introduction of Steers Burgers and Debonairs Pizza to provide greater variety.

Advance PETRONAS Shop Capabilities
Diversify and optimise PETRONAS Shop offerings by strengthening sourcing strategies, upgrading platforms and leveraging Group synergies to improve operational efficiency.

	Key Initiatives	Achievements
Value	• Upgrade *Kedai Mesra* outlets, convert Mini Mesra sites and collaborate closely with dealers to improve sales performance, customer engagement and in-store experience. • Broaden retail formats and brands while expanding F&B offerings through coffee vending machines, licensing programmes and international Quick Service Restaurant (QSR) concepts. • Strengthen PETRONAS Shop operational excellence by introducing personalised merchandise, optimising restocking through data-driven processes and aligning product assortments.	• Delivered RM1 billion in chargeable sales, supported by sustained year-on-year sales growth, outperforming industry benchmarks. • Increased market share beyond traditional forecourt retail, supported by store upgrades and refits across the network. • Expanded complementary services through new vending solutions and last-mile partnerships, while diversifying the F&B portfolio with global and local brands, including Jollibee, Coffee Bean & Tea Leaf, Steers Burgers and Debonairs Pizza. • Operationalised café licensees and introduced 24-hour coffee vending machines to enhance convenience and choice. • Optimised PETRONAS Shop operations by reducing inventory cycles from eight to three months through agile, data-driven buying, improved turnover and efficiency. • Introduced personalised merchandise to strengthen customer engagement.
Growth	• Expand the number of partners operating within PETRONAS stations to strengthen offerings and drive growth. • Drive brand visibility and demand through social media marketing, presence at major events and diversification of F&B offering. • Strengthen the product mix and extend market reach through various initiatives to unlock new revenue streams.	• Opened 29 new partner sites in 2025 with local and international brands, including Uncle Bob, Happy Potato, Uncle Jack, and FutureWash Carwash. • Expanded footprint by refitting 81 *Kedai Mesra* to enhance customer experience and opened additional outlets at 12 newly opened Retail-Fuel stations. • Launched Café Mesra's social media presence, increasing brand visibility and engagement. • Participated in major events including PETRONAS Malaysia International Challenge 2025, PETRONAS Malaysian Open 2025 and Energy Asia 2025. • Introduced a new QSR business model to access new F&B growth segments. • Expanded market reach through targeted campaigns and live sessions on social media platforms, achieving a 31% traffic uplift year-on-year. • Launched dealer-exclusive merchandise to strengthen brand presence and support procurement-led demand.
Sustainability	• Embed responsible practices across operations by reducing environmental impact, improving resource efficiency and integrating sustainable solutions throughout the supply chain and retail ecosystem.	• Expanded partnerships with more than 1,800 local SMEs and collaborated with select partners to develop MESRA-branded products. • Initiated PETRONAS Shop sustainability efforts, with 70% of products using recyclable packaging content. • Introduced sustainable materials in 10% of product lines.

Challenges and Our Response

Challenges

- Managing stricter cigarette regulations, underperforming stores, inconsistent service standards and rising sustainability expectations across the network.
- Facing intensified competition among major income-contributing partners, resulting in weaker sales and earnings below expectations.
- Navigating rising ingredient costs, transport delays, raw material shortages, inflation and increasing competition from F&B players.
- Addressing post-transition commercial considerations at the PETRONAS Shop, including legacy inventory management, margin structure, corporate sales reach and e-commerce utilisation.

Our Response

- Enhanced regulatory compliance with stricter cigarette regulations, supported dealers through training and guidance, upgraded key sites to improve service and performance, leveraged Mystery Shopper insights to drive improvements and implemented zero-plastic initiatives to reduce waste.
- Replaced underperforming partner sites with new brands, created opportunities for local SMEs at PETRONAS stations and introduced the UJV model to diversify partnerships and reduce reliance on single brands.
- Strengthened supplier relationships to secure stock during peak periods, sourced alternatives to prevent shortages, rolled out value-buy promotions, optimised product mix toward essentials and expanded reach through targeted social media campaigns.
- Cleared high-cost legacy inventory, onboarded additional factories to optimise costs and margins, expanded corporate sales through internal and external engagements, strengthened e-commerce through improved storytelling and campaigns, and adjusted the Adidas collaboration by planning larger initial buys to ensure year-round availability.

OUTLOOK

After a challenging 2025 shaped by intense competition and a tight operating environment, MESRA enters 2026 with a clear focus on disciplined execution, portfolio diversification and scalable partnerships to support sustainable growth. The business will build a more resilient retail ecosystem while expanding revenue beyond traditional retail models, including replacing underperforming sites and testing joint venture and partnership models. MESRA will also widen opportunities for local and SME brands within PETRONAS stations to support portfolio diversity.

Growth will come from focused execution across food and beverage, convenience retail and digital commerce. MESRA will scale Café Mesra and franchise initiatives through vending machines, licensing and master franchise operations for Steers Burgers and Debonairs Pizza, while improving operational efficiency and testing new concepts. *Kedai Mesra* will upgrade its stores, expand its network, and strengthen dealer capabilities through training and best-practice sharing, supported by Mystery Shopper to improve service quality. PETRONAS Shop will improve its digital platform and data systems while growing sales through various events, e-commerce, digital campaigns, store optimisation, pop-ups and experiential activations.

Convenience: Setel



Abdullah Ayman Awaluddin
Chief Executive Officer,
Setel Ventures Sdn. Bhd.

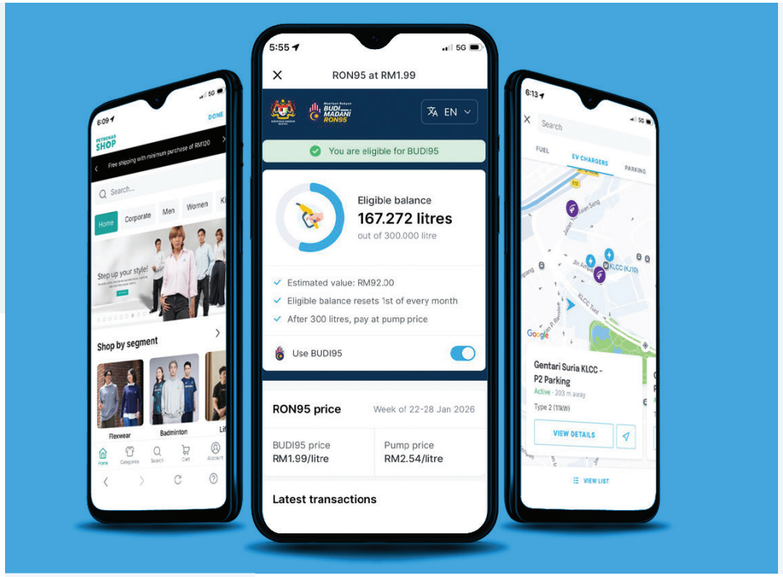
In 2025, Setel continued to strengthen its role as a trusted everyday companion for Malaysians, supporting mobility and payments across a growing and increasingly engaged user community. The platform advanced towards greater financial independence while scaling its non-fuel portfolio in a disciplined manner, reaching positive integrated EBITDA performance in 2025.

A key milestone was the nationwide rollout of BUDI MADANI RON95 (BUDI95), reinforcing Setel's role as a reliable digital platform in delivering targeted fuel subsidies at scale. Beyond enabling secure and compliant high-volume transactions, the initiative strengthened user trust and encouraged more frequent engagement, particularly among communities reliant on subsidised fuel.

The Setel user community expanded from 8 million at the beginning of the year to surpass 11 million registered users by year-end, reflecting a 31% increase in customer traction. With access to payments at more than 2.5 million merchant touchpoints via Setel Wallet and DuitNow QR, Setel further embedded itself into everyday journeys, from refuelling to daily purchases, supporting a more connected and convenient lifestyle for its users.

Payment accessibility was further enhanced through ecosystem integrations. Collaboration with Touch 'n Go eWallet extended pump-and-pay access to a wider audience while Setel Lite enabled digital payment participation for all, even among users with lower-specification or older smartphones.

These initiatives widened access to digital mobility and payments across income groups and usage preferences. Setel strengthened its position as an inclusive and trusted platform embedded in everyday journeys across Malaysia.



WHO WE ARE AND WHAT WE DO

Setel is one of Malaysia's leading mobility superapp, delivering integrated payments and on-the-go services designed around the everyday needs of motorists. Serving millions of users nationwide, the platform enables fuel payments, parking, retail payments, road tax and insurance solutions and 24/7 auto assistance, fully integrated with the Mesra Rewards loyalty programme to give users a single app ecosystem that brings together rewards and everyday convenience.

Built on strong digital capabilities, Setel extends PETRONAS' customer reach beyond the forecourt and into broader retail and mobility touchpoints. This seamless integration supports deeper engagement, sustained cross-selling and long-term loyalty, reinforcing Setel's role as a trusted companion throughout the customer journey.

How We Create Value

- **Mobility Convenience and Integration**
  Deliver seamless journeys by combining fuelling, parking, non-fuel payments and services into one integrated mobility ecosystem.

- **BUDI95 Accessibility and Assurance**
  Deliver secure, app-enabled access to subsidised RON95 fuel for eligible Malaysians, supporting national cost-of-living measures through a fast and secure One-tap fuelling experience that reduces queue time, improves subsidy targeting and enhances everyday customer convenience at the pump.

- **Driving Cashless Adoption**
  Broaden access to digital payments, removing structural adoption barriers, accelerating Setel Wallet usage as well as equipping dealers and *Krew* PETRONAS to onboard more Malaysians confidently into cashless mobility.

Convenience: Setel

KEY FOCUS AREAS

Establish a Trusted and Compliant Digital Fuelling Framework
Enable seamless, compliant access to BUDI95 through secure app-based payments with one-time MyKad verification and streamlined in-app flows that simplify fuel transactions at scale while meeting regulatory requirements and reinforcing daily user trust and convenience.

Scale Inclusive Digital Payment Access
Integrate fuel and non-fuel transactions into a single intuitive platform by encouraging spend via DuitNow to reduce barriers and strenghten Setel's role as an accessible everyday payment ecosystem.

Drive Community-Led Growth Through Strategic Partnerships
Accelerate demand-led collaborations across fuel, fintech and mobility, including *Servis Ihsan MADANI* bookings at PETRONAS AutoExpert workshops, supported by on-ground dealer engagement, partnership activations and brand initiatives that deepen online and offline adoption.

	Key Initiatives	Achievements
Value	• Enable secure and compliant digital access to the Government's BUDI95 programme, supporting accurate fuel payments through streamlined in-app verification and payment flows.	• Delivered a more seamless BUDI95 fuelling experience through one-time MyKad verification, supported by community-led education and on-ground engagement to drive awareness and correct usage at stations. • Achieved 37% higher average daily transaction volume, contributing to a 5% uplift in PDB's retail volume.
	• Scale everyday digital payments by strengthening Setel Wallet and DuitNow QR acceptance, extending usage beyond fuelling into daily transactions.	• Drove sustained growth in Setel Wallet and DuitNow QR usage, reflecting wider adoption beyond refuelling. • Achieved an all-time high in customer acquisition and Gross Merchandise Value (GMV), supported by higher fuel volumes and stronger non-fuel transaction growth. • Recognised by the Malaysian Communications and Multimedia Commission (MCMC) as one of the top five strategic partners supporting cashless society group for expanding cashless adoption in rural and FELDA communities through Setel Lite. • Awarded Best Fuel Payment and Petrol Rewards App at the PC.com Readers' Choice Awards, reflecting its growing popularity among Malaysian motorists.
Growth	• Strengthen platform integrity through mandatory account verification to support regulated and eligibility-based services.	• Improved onboarding efficiency and conversion to active usage following the introduction of mandatory account verification.
	• Grow non-fuel revenue and everyday relevance by expanding payment capabilities and parking locations.	• Enabled car service bookings under the *Servis Ihsan MADANI* programme at PETRONAS AutoExpert workshops, extending Setel's role beyond fuelling. • Extended License Plate Recognition-enabled parking access across Kuala Lumpur City Hall (DBKL) parking areas, enhancing digital parking adoption.
	• Drive brand-led growth through community-driven engagement, combining dealer collaboration, partnership activations and brand-building initiatives.	• Strengthened brand visibility and community connection through dealer engagement programmes, public relations, partnership events and the introduction of Setel's mascot, Cetel. • Strengthened dealer engagement through the Setel Champions League programme, mobilising PETRONAS station operators to champion digital adoption nationwide.
Sustainability	• Expand inclusive digital access through Setel ecosystem.	• Promoted inclusive digital access through Setel Lite, designed for older users and those using lower-spec devices, reducing barriers related to age, device affordability and digital literacy. • Bridged physical and digital payment channels in a secure and compliant manner, supporting wider adoption among underserved and remote communities.

Challenges and Our Response

Challenges

- Ensuring secure and compliant access to subsidised fuel while maintaining a fast and seamless customer experience as BUDI95 adoption scales.
- Expanding cashless and non-fuel adoption among diverse customer segments with varying levels of digital access.

Our Response

- Strengthened platform security and subsidy integrity through mandatory account verification to ensure verified access to BUDI95, while preserving simplicity through integrated One-tap fuelling and intuitive in-app journeys.
- Accelerated inclusive digital adoption by promoting Setel Lite and DuitNow features, supported by expanded non-fuel offerings and partnerships to bridge cash and cashless usage and drive broader ecosystem participation.

OUTLOOK

In 2026, Malaysia's operating landscape is expected to see deeper cashless adoption, tighter governance of targeted subsidies and continued fintech innovation. Digital platforms will play an even larger role in delivering secure, accessible and inclusive services that support national priorities and financial inclusion.

Setel will focus on deepening everyday usage, strengthening platform trust and expanding non-fuel offerings to drive sustained growth. Key priorities include enhancing seamless access to innovative features that elevate daily mobility, broadening reach across new user segments and scaling commercial value through strategic ecosystem partnerships.

Looking ahead, our priorities remain on increasing non-fuel contribution, growing active cashless usage and reinforcing Setel's position as Malaysia's trusted digital platform for mobility and targeted subsidy delivery. These aspirations will be driven by integrated services, strong governance discipline and scalable digital innovation.

Enablers: Supply and Distribution



NORMAH BASRI
Head,
Supply and Distribution Division



The Supply and Distribution Division (SDD) operated in a demanding environment characterised by market volatility, high demand growth and operational challenges from external factors. Throughout the year, the division remain focused on its core responsibility of safe operations and reliable supply, supported by disciplined cost management across the end-to-end distribution network.

SDD delivered consistent operational performance by supporting higher throughput volume, particularly for aviation fuels at Kuala Lumpur International Airport (KLIA), Bayan Lepas and Kota Kinabalu, recording a 20% increase compared to 2024. This was achieved while maintaining high safety standards across primary and secondary distribution channels. Strong coordination across terminals, stakeholders and partners enabled us to manage demand volatility and unforeseen disruptions without compromising delivery reliability or safety performance.

The year also strengthened SDD's commitment towards energy transition. We established full supply-chain capability for Sustainable Aviation Fuel (SAF) at KLIA, culminating in Malaysia's first locally-blended SAF deployment. This progress reflects disciplined and prudent infrastructure planning, reinforcing SDD's role as a critical enabler for business resilience and long-term value creation.

WHO WE ARE AND WHAT WE DO

SDD manages the end-to-end product supply network from refineries to customers across primary and secondary distribution channels. Core responsibilities include product sourcing, terminal operations, asset management and product delivery. The division operates a nationwide network of 36 terminals and supports all business segments by ensuring safe, reliable and cost-efficient product delivery.

How We Create Value

- **Operational Excellence**
  Maintain safe and reliable operations that exceed customer expectations.
- **Cost Optimisation**
  Adopt a structured cost management that prioritises efficiency to maximise profitability.
- **Workforce Empowerment**
  Nurture high levels of expertise and foster a supportive work culture for both employees and contractors.
- **Digital Solutions**
  Harness digital solutions to enhance operational efficiency and elevate customer experience.

Enablers: Supply and Distribution

KEY FOCUS AREAS

Strengthen Supply Resilience
Enhance contingency readiness and delivery flexibility to manage demand volatility and disruptions.

Optimised Cost-to-Serve
Improve fleet utilisation, execute in-house maintenance activities and strengthen monitoring of expenditures to maintain cost competitiveness.

Enhance Infrastructure Capability
Leverage targeted investments and standardised asset integrity assessments to improve efficiency and asset reliability across terminals.

	Key Initiatives	Achievements
Value	• Implement fit-for-purpose maintenance strategies to optimise terminal asset integrity and improve lifecycle cost. • Strengthen operational support for Business Continuity Plan (BCP) activation at Bintulu area to ensure continuity of LPG supply during operational disruptions.	• Achieved substantial cost savings through the execution of strategic technical waivers and in-house maintenance programmes, while upholding high safety standards and meeting all operational requirements. • Supported the activation of the BCP for LPG supply during the unplanned shutdown of the Bintulu LPG plant, enabling continued cylinder delivery to customers through alternative supply points, including Sepangar, Sabah and the Independent Oil Terminal (IOT) in Kuching.
Growth	• Increased rezoning volume by 50% and bridging operations by 60% (vs 2024) to support Jet A-1 demand at KLIA through capacity planning and operational readiness. • Secured long-term infrastructure investments and third-party storage arrangements to enhance supply resilience. • Injection of 14 planned and ad-hoc aviation vehicles to strengthen Jet A-1 refuelling capacity at various airports to meet volume growth. • Coordinated with Joint Venture (JV) partners and industry players to optimise pipeline and terminal capacity.	• Supported an overall 8% volume growth compared to 2024 in the Central region, driven by Jet A-1 demand surge and implementation of BUDI95 subsidy initiative.
Sustainability	• Establish SAF supply-chain readiness at KLIA. • Collaborate with internal and external stakeholders to enable low-carbon fuel deployment.	• Delivered Malaysia's first locally blended 1% SAF at KLIA. • Secured international certification, further strengthening PDB's position as a credible lower-carbon energy solution provider in Malaysia.

Challenges and Our Response

Challenges

- Managing sharp increases in Jet A-1 demand at KLIA, Bayan Lepas and Kota Kinabalu, up 20% compared to 2024.
- Balancing cost-to-serve optimisation amid high demand in the Central region.
- Managing supply disruptions due to incidents and adverse weather conditions.

Our Response

- Activated immediate action plans, including alternative product supply points and procurement of ad-hoc aviation vehicles, supported by expedited additional manpower reinforcement.
- Optimised distribution channels through Multi Product Pipeline (MPP) and Rezoning, supported by effective scheduling to maintain safe and timely deliveries.
- Maintained supply continuity through disciplined execution of BCP and close coordination with business lines for product prioritisation.

OUTLOOK

SDD will continue to strengthen operational excellence with safety as the core, while building resilience across end-to-end product supply network. Key priorities include infrastructure readiness via targeted investment, high delivery efficiency and robust BCP to support business growth and reliable supply.

Enablers: Digital



Sazlina Ahamad
Chief Technology Officer



The Digital Division played a critical role as we expanded the boundaries of digital transformation in support of technology modernisation and resilience, as PDB enters a new phase of intelligent, sustainable and customer-centric growth. The year focused on delivering national-scale initiatives, reinforcing the stability and reliability of mission-critical systems, and accelerating the adoption of automation, Artificial Intelligence (AI) and data-driven solutions across the enterprise.

The 2025 nationwide rollout of BUDI MADANI RON95 (BUDI95) fuel subsidy initiative, which integrated targeted subsidy mechanisms across PETRONAS stations, demonstrates our ability to deliver national-scale programmes effectively. This was enabled by strong system readiness, multi-access payment options, infrastructure upgrades and rigorous testing, ensuring operational stability, regulatory compliance and supporting service continuity during peak transaction volumes.

We improved operational efficiency through greater automation and stronger data governance, reducing the total cost of ownership while preparing the enterprise for wider adoption of AI and customer data platforms. Risk mitigation and system reliability remained key priorities throughout the year. We strengthened governance, embedded automation and upheld Payment Card Industry Data Security Standards (PCI DSS) to safeguard payment security and customer data, reinforcing trust in our digital platforms.

Continued investment in talent development and AI adoption enables sustained innovation and value creation, positioning us to accelerate digital transformation, strengthen organisational resilience and support sustainable growth ahead.

WHO WE ARE AND WHAT WE DO

The Digital Division drives enterprise-wide digital transformation across PDB by delivering secure, scalable and customer-centric digital platforms. We support all business segments by improving efficiency, resilience and customer experience through strong governance, cyber security, data platforms, automation, AI adoption and technology modernisation.

These capabilities translate into stronger customer engagement, operational effectiveness and system reliability, while supporting sustainability priorities. We balance innovation with disciplined execution, ensuring digital solutions scale in line with business needs and regulatory requirements.

Robust cyber security controls protect sensitive data, payment systems and critical infrastructure, providing a secure digital foundation for sustainable growth and long-term value creation.

How We Create Value

- **Operational and Customer Excellence**
  Embed digital innovation into our strategy to shape the future of the industry and unlock new sources of value for shareholders.

- **Technology Modernisation and Resilience**
  Invest in automation, advanced data platforms and AI-powered insights to capture emerging opportunities in a rapidly evolving market.

- **Trust, Security and Compliance**
  Safeguard critical systems and customer data through robust cyber security controls and strong regulatory compliance.

Enablers: Digital

KEY FOCUS AREAS

Strengthen Digital Resilience
Enhance cyber security, data governance and system stability to manage growing digital regulatory risks.

Improve Operational Efficiency
Automate processes, standardise controls and optimise platforms to reduce manual effort and cost.

Advance Data, AI and Innovation
Build enterprise data foundations and scale AI adoption to support decision-making and value creation.

	Key Initiatives	Achievements
Value	• Uphold PCI DSS standards to strengthen payment security and regulatory compliance. • Support nationwide rollout of BUDI95 programme to enable targeted fuel subsidy implementation at scale. • Automate core operational processes to improve reliability and reduce manual intervention. • Optimise enterprise data platforms to support governance, AI readiness and lower total cost of ownership.	• Maintained secure and compliant payment systems across operations, strengthening customer trust. • Enhanced partner readiness and system reliability, supporting national-scale digital transformation, which resulted in a considerable sales uplift in the first month after launch. • Delivered automation and digitalisation initiatives that generated significant manhour savings and cost efficiencies. • Improved data quality and availability for business, operations and management decision-making.
Growth	• Embed AI across digital operations to automate processes and enhance insights. • Unify customer support channels to improve responsiveness and service consistency. • Expand digital platforms such as Dealer Marketplace, SmartPay and analytics solutions to enable dealers to access integrated business solutions through a single, connected interface.	• Accelerated decision-making and operational efficiency through AI-enabled platforms. • Improved customer satisfaction through faster ticket resolution and streamlined support processes. • Increased revenue contributions following the go-live of Dealer Marketplace, onboarding of SmartPay and the adoption of commercial analytics.
Sustainability	• Deploy a digital platform for automated sustainability reporting, standardise reporting workflows, improve data accuracy and consistency, and support the preparation and submission of sustainability disclosures to Bursa Malaysia.	**SERRA Application** Onboarded various stakeholders onto the SERRA platform, supported by the deployment of key sustainability modules encompassing terminals, stations, MESRA electricity and water bills, refrigerant chiller and air-conditioning to strengthen enterprise-wide environmental data integration and improved GHG reporting efficiency.
	• Advance digital sustainability by strengthening e waste governance, promoting responsible digital asset lifecycle management and embedding sustainable disposal practices.	**PDB e-Waste Disposal Day Programme** • Strengthened credibility and compliance through certification from a Malaysia-certified recycler ERTH, validating safe, regulated and environmentally responsible recycling practices. • Delivered measurable sustainability impact by diverting 1,002 kg of e-waste from landfill and further strengthened responsible digital disposal culture.
	• Strengthen Science, Technology, Engineering and Mathematics (STEM) and Digital Literacy outreach in collaboration with Yayasan PETRONAS via *Sekolah Angkat MADANI* programme.	**STEM and Digital Literacy at SMK Kinarut, Sabah** • Expanded outreach to over 400 secondary students and educators across four *Sekolah Angkat MADANI* schools, supported by 25 volunteers delivering high value STEM and digital literacy engagement. • Enabled impactful AI learning and practical coding/design workshops for underserved students.
	• Elevate environmental education impact through the Agroforestry "Green Lab" initiative with Yayasan PETRONAS and Urban Hijau (UH).	• Empowered 80 teachers to design and develop "living labs" within school compounds, ensuring continuous hands on, experiential learning environment for students.

Challenges and Our Response

Challenges

- Managing rising cyber security threats and stricter compliance requirements.
- Balancing rapid digital delivery with system stability and user experience expectations.
- Addressing legacy systems and digital talent gaps.

Our Response

- Strengthened governance, security controls and PCI DSS compliance across platforms.
- Advanced digital maturity through BUDI95 delivery, automation and data platform enhancements.
- Invested in upskilling and capability development to support transformation.

OUTLOOK

Digital will continue to focus on modernising core systems, accelerating cloud adoption and strengthening data governance to support scalable and resilient operations. We will scale AI and automation to deliver predictive insights, automate high-volume processes and improve decision-making, while enhancing customer-facing platforms such as SmartPay, Setel and Dealer Marketplace to drive customer-centric growth. Digital initiatives under BUDI95 will advance through stronger identity authentication and subsidy optimisation.

Cyber security resilience will remain a priority through the adoption of Zero-Trust architecture, AI-driven threat detection and continued regulatory compliance. We will invest in future-ready talent, deepen data and AI capabilities for real-time insights, expand automation to improve infrastructure performance and embed sustainability through green IT practices and strong data privacy and AI ethics governance to support long-term value creation.

ISSB Statement

1.0 Basis of Preparation

This Report presents the sustainability-related financial disclosures of PETRONAS Dagangan Berhad (PDB or the Group) and its subsidiaries for the financial year ended 31 December 2025. It provides an overview of the Group's sustainability-related risks and opportunities and how these are considered in managing performance and supporting long-term value creation.

The Group's sustainability-related disclosures have been prepared in accordance with the IFRS Sustainability Disclosure Standards, as adopted under the Bursa Malaysia Main Market Listing Requirements.

The Group is reporting under the IFRS Sustainability Disclosure Standards for the first time for the annual reporting period commencing 1 January 2025 and ended 31 December 2025. For this reporting period, the Group has applied the following standards:

- IFRS S2 'Climate-related Disclosures'

As of 31 December 2025, there are no other IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB).

1.1 First Time Adoption and Additional Transition Reliefs (ATR)

The IFRS Sustainability Disclosure Standards provide transition reliefs to support entities during the first annual reporting period of adoption. In addition, the Bursa Malaysia Main Market Listing Requirements offer ATR applicable to issuers listed on the Main Market of Bursa Malaysia, facilitating a phased implementation of the standards.

IFRS S2 Climate-related Disclosures

As this is our first year of reporting under the IFRS Sustainability Disclosure Standards, we applied available transition reliefs to support phased implementation. The Group has applied the following transition reliefs and ATRs:

- Where it is not required to disclose comparative information in the first annual reporting period
- Permitted to disclose information only on climate-related risks and opportunities (in accordance with IFRS S2 Climate-related Disclosures) and consequently apply the requirements of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information only insofar as they relate to the disclosure of information on climate-related risks and opportunities for two (2) years
- Permitted to focus climate-related disclosures specifically on principal business segments

2.0 Reporting Boundary

2.1 Organisational Boundary

The organisational boundary for our climate-related disclosures under IFRS S2 is aligned with PDB's financial reporting perimeter and encompasses all entities consolidated within the Group's financial statements.

Within this boundary, the scope and depth of climate-related disclosures reflect our assessment of where climate-related risks and opportunities are reasonably expected to emerge and most likely to influence the Group's financial performance, financial position and future prospects.

For the financial year ended 31 December 2025, we selectively prioritised climate related assessments based on primary business segments, asset exposure and operational relevance. All financial impact will be presented in qualitative form, taking into consideration applicable transition reliefs under the National Sustainability Reporting Framework (NSRF) and the IFRS sustainability disclosure requirements.

All other consolidated entities, assets and operations remain within the scope of our organisational boundary and are addressed through qualitative assessment. We expect quantitative disclosures to be progressively expanded in subsequent reporting periods as data availability, methodological robustness and our internal readiness continue to advance.

Operational Boundary

Greenhouse gas (GHG) emissions data disclosed in this report reflects the Group's operations in Malaysia. PDB quantifies emissions based on both Operational Control and Equity Share approaches. The GHG Protocol defines that a company has operational control over an operation if the company or one of its subsidiaries has the full authority to introduce and implement its operating policies of the operations, and accounts for 100% of emissions from these operations[1].

The equity share approach accounts for emissions based on the Group's ownership interest in the relevant entities, in accordance with the GHG Protocol[2].

[1] *Under operational control approach, KLIA Aviation Fuel Systems (KAFS) in which PDB holds 65% equity, is included. Emissions from PETRONAS NGV (PNGV) are also included as PDB operates and maintains these NGV stations on behalf of PNGV, which is 100% owned by Petroliam Nasional Berhad (PETRONAS).*

[2] *For equity share approach, emissions are accounted for joint ventures and associate companies listed in Group Corporate Structure on pages 10 and 11.*

3.0 Judgements, Assumptions, Uncertainties, and Proportionality

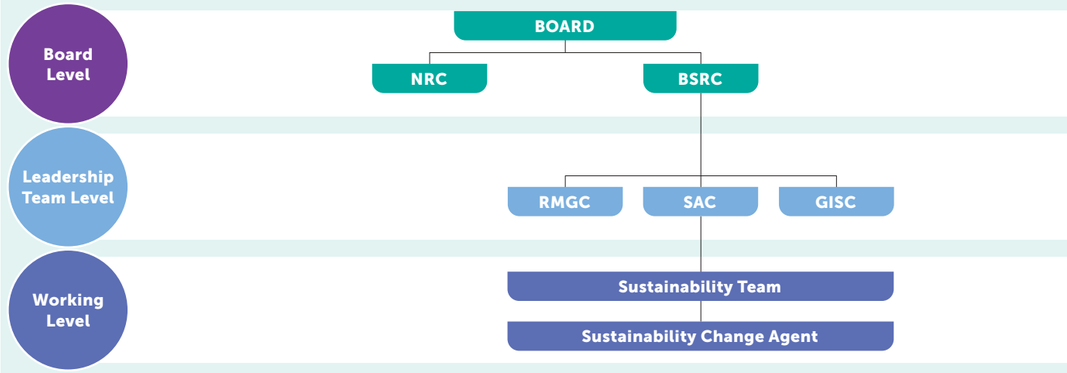
Preparing climate-related disclosures requires management judgements, particularly as methodologies, data availability and analytical approaches continue to evolve. As provided under the applicable standards, the preparation of this Report involved the application of our judgements and the use of assumptions subject to uncertainty, which are described in the following sections.

Reference	Significant judgements and uncertainties
Section	6.3 Prioritised climate-related risks and opportunities with strategy in managing each risk and opportunity - Effects on Business Model and Value Chain - Financial Effects - Effects on Strategy and Decision-making 6.4 Resilience of the Group's strategy and business model in relation to climate-related risks

Where applicable, we adopted the proportionality mechanisms within the standards, which allow companies to use reasonably available information without incurring undue cost or effort, while aligning our approach with our skills, capabilities and resources.

4.0 SUSTAINABILITY GOVERNANCE

4.1 Roles and Oversight of Governance Body



PDB's sustainability governance is anchored on strong oversight and effective management of climate-related matters. Our Board of Directors holds ultimate responsibility for the Group's sustainability agenda, including climate-related issues and ensures alignment with the PETRONAS Net Zero Carbon Emissions 2050 pathway.

During the year, key climate-related matters deliberated by our Board included:
- Outlook for conventional fuel demand under different transition pathways
- Policy and regulatory developments, including subsidy rationalisation and the National Energy Transition Roadmap (NETR)
- GHG emissions reduction plans
- Updates on sustainability and climate-related risks and opportunities

Our Board and Leadership Team committees oversee and approve sustainability and climate-related risks and opportunities performance, including the Corporate Risk Profile (CRP) and other targets, risks and opportunities. This governance structure ensures consistent oversight and alignment with the Group's strategic objectives. Climate-related matters are regularly deliberated at both Board and Leadership Team levels to support coordinated decision-making and trade-offs consideration. Our Board also reviews progress against climate objectives, including diversification and sustainability strategies.

For more information on sustainability governance and Board perspectives, please refer to the Leadership Message in our Sustainability Report, on pages 4 to 7.

Integration Across Internal Functions

To ensure effective execution of sustainability and risk management, we apply relevant controls and procedures through:

Enterprise Risk Management (ERM) Framework
Engages all divisions in assessing strategic risks, including sustainability and climate-related risks

Performance Monitoring and Reporting
Aligns sustainability and climate risks and opportunities across SAC, RMGC and GISC before escalation to BSRC for oversight

Cross-Functional Committees
Provides strategic guidance and resource alignment via SAC prior to BSRC and Board deliberations, while GISC serves as a platform for Strategy and Finance to incorporate financial and market risk considerations into capital allocation and growth project evaluations

Scenario Analysis and Planning
Integrates Risk and Strategy teams to conduct scenario planning for climate-related risks to ensure resilience in long-term business plans

Governance Structure and Roles

Responsible Body	Oversight/Role	Reporting Frequency
Board	The Board's primary role is to lead and oversee the business of PDB and to ensure that the conduct of PDB operations promotes business and integrity, while complying with applicable laws, rules and regulations. In doing so, the Board considers the economic, environmental and social considerations that underpin sustainable value creation. In particular, the Board provides oversight of sustainability and climate-related risks and opportunities when performing its roles, such as reviewing and approving strategic business goals and ensuring appropriate policies are in place to ensure sustainability and optimise long-term returns. Our Board of Directors holds overarching responsibility for PDB's sustainability and climate-related efforts, including ensuring alignment with PETRONAS Commitment to Net Zero Carbon Emissions by 2050 pathway. The Board approves the annual strategy, financial planning and Corporate Risk Profile (CRP), where sustainability and climate-related issues are carefully considered and integrated into decision-making. *For more information on our Board of Directors roles and responsibilities, visit our website at **mymesra.com.my**.*	Quarterly
BSRC	The Board Sustainability and Risk Committee (BSRC) plays a critical role in assisting the Board by overseeing PDB's sustainability and climate-related efforts across the Environmental, Social and Governance (ESG) pillars. The BSRC oversees the review of emerging sustainability megatrends and shifting stakeholder expectations that may affect PDB's licence to operate, while monitoring our sustainability commitments, goals, progress and the associated risks and opportunities. Additionally, the BSRC provides guidance on sustainability related policies, reporting processes, programmes and strategies and ensures alignment between the Board, management and the broader business strategy. It also exercises oversight over internal and external audit and assurance activities for sustainability matters, including climate-related and health-related risks and endorses the adoption of key sustainability policies to strengthen the Group's overall governance of sustainability and climate-related risks and opportunities. It also ensures the implementation of robust systems and risk assessment processes across PDB and its subsidiaries and provides recommendations to the Board to support informed decision-making on sustainability and climate-related matters. *For more information on the Board Sustainability and Risk Committee (BSRC) roles and responsibilities, visit our website at **mymesra.com.my**.*	Quarterly

Governance Structure and Roles

Responsible Body	Oversight/Role	Reporting Frequency
NRC	The Nomination and Remuneration Committee (NRC) assists the Board in reviewing and recommending the remuneration policies and procedures which are used to determine remuneration packages of Directors, including those of the Managing Director/Chief Executive Officer (MD/CEO) as well as the Leadership Team. The NRC also supports the Board in reviewing its effectiveness via an annual evaluation exercise to assess the Board's overall effectiveness, which includes key assessment on Board Sustainability Matters particularly sustainability and climate-related risks and opportunities. Insights from this exercise help ensure the Board remains well equipped to provide effective oversight on PDB's strategic and sustainability priorities. The MD/CEO and Leadership Team's performance is measured against these targets in their annual performance appraisals, which impacts their remuneration (including salary and bonus) and promotion. *For more information on the Board Nomination and Remuneration Committee (NRC) roles and responsibilities, visit our website at **mymesra.com.my**.*	Annually
SAC	The Sustainability Action Council (SAC) reviews and monitors all PDB Divisions' sustainability and climate-related initiatives, including progress against quarterly targets, to ensure continued alignment with the PDB Sustainability Agenda. The SAC also deliberates and endorses the sustainability plan, provides direction on emerging sustainability matters and consolidates information for quarterly reporting to the BSRC to support governance oversight and approval.	Bi-monthly
RMGC	The Risk Management and Governance Committee (RMGC) reviews and deliberates on risk management and governance policies, including assurance planning and related activities, before recommending them to BSRC for endorsement. The Committee also provides recommendations to the BSRC and subsequently to the Board on PDB's risk appetite and tolerance levels to ensure risks are managed within approved thresholds. In fulfilling its oversight role, the RMGC establishes and monitors the principal risks and their corresponding mitigation measures, as well as anticipates emerging risks, including sustainability and climate-related risks. The RMGC also oversees the implementation of the PETRONAS Resiliency Model encompassing ERM, Crisis Management and Business Continuity Management, as cascaded from Group Risk Management.	Quarterly
GISC	The Growth Initiative Steering Committee (GISC) was formalised in 2024 to strengthen governance and oversight of the Company's growth agenda, including sustainability and climate-related opportunities. The Committee fulfils this mandate by reviewing project progress, value-creation assessments and stage-gate deliverables such as project charters and closure documents, while providing strategic direction to ensure alignment with stage-gate requirements. To maintain consistent oversight, the GISC meets at least monthly or more frequently when required. Its structured agenda covers periodic updates and the status of actions related to the Company's sustainability and climate-related opportunity areas. In addition, the Committee reviews and recommends proposals on sustainability and climate-related growth initiatives for endorsement or approval by the relevant Approving Authority, including endorsement by the BSRC and subsequent approval by the Board.	Monthly

*For more information on our Board of Directors and the governance documents that guide the Board and its Committees, visit our website at **mymesra.com.my**.*

Governance Structure and Roles

Responsible Body	Oversight/Role	Reporting Frequency
Sustainability Team	The department plays an active role in the Group's sustainability reporting, contributing to the Sustainability Report, the Integrated Report, ISSB disclosures and ESG rating submissions, while supporting PDB Group's overall readiness for regulatory developments such as the National Sustainability Reporting Framework (NSRF), particularly IFRS S1 and IFRS S2. It drives climate-related and greenhouse gas initiatives by setting and monitoring reduction targets, coordinating lifecycle assessments and supporting comprehensive evaluations of climate-related risks and opportunities. It builds organisational capability through staff and leadership training, sustainability engagements and awareness programmes that enhance sustainability literacy across the Group. It also steers group-wide sustainability initiatives such as solarisation efforts, circular economy programmes, social impact activities and other projects that contribute to the Group's long-term commitments. Throughout its activities, the department ensures adherence to PETRONAS Group sustainability policies, including the Net Zero Carbon Emissions by 2050 commitment and the PETRONAS Group expectations on human rights, reinforcing PDB Group's position as a responsible, transparent and accountable organisation.	-
Sustainability Change Agent	In 2024, PDB introduced the Sustainability Change Agent role, with representatives nominated by each division's leadership team to support the effective execution of sustainability and climate-related initiatives. Serving as the primary liaisons for sustainability reporting disclosures, social impact programmes and other key sustainability initiatives, these Change Agents also champion sustainability within their divisions by promoting Sustainability Key Performance Indicators (KPIs), driving participation, and ensuring consistent and timely data collection and reporting. During the year, 36 active Change Agents contributed to embedding sustainability practices across all divisions.	-

Our climate-related governance is characterised by active, outcome-driven engagement between our Board and Leadership Team, ensuring that oversight translates into clear strategic direction and disciplined execution. Key topics regularly deliberated include the outlook for conventional fuel demand under different transition pathways, the pace and implications of national energy policies such as subsidy rationalisation and the NETR, the resilience of our business model under climate-related transition, progress against decarbonisation targets and the prioritisation of capital allocation for low-carbon growth initiatives. These discussions are informed by scenario analysis, enterprise risk assessments and performance monitoring, and are embedded into decisions on strategy formulation, investment planning and risk mitigation. Through this structured governance approach, our Board provides robust challenge and guidance, while Leadership Team ensures coordinated implementation across the organisation. The alignment of governance oversight, risk management and strategic decision-making reinforces our ability to anticipate change, respond decisively to emerging climate-related risks and opportunities, and sustain long-term value creation in line with IFRS S2 governance expectations and stakeholder interests.

Responding to Sustainability and Climate-Related Risks and Opportunities

We ensure that our Board has the appropriate skills and competencies to oversee strategies that respond to sustainability and climate-related risks and opportunities. The NRC regularly assesses the competencies of Directors through structured evaluations and identifies areas requiring capability enhancement, including sustainability and climate-related matters. To support continuous learning, Directors and the Leadership Team participate in relevant development programmes and remain committed to staying abreast of emerging sustainability developments and the evolving climate landscape. As part of this commitment, we continue to provide capability building for directors, featuring seminars conducted by external advisers, guest speakers and senior Leadership Team on subjects including sustainability and climate-related topics. In addition, the Leadership Team is required to attend at least one sustainability-related training session each year to ensure they are well equipped to make informed decisions and effectively oversee our sustainability and climate-related strategies.

4.2 Linking Leadership Compensation to Sustainability and Climate Action

We maintain a structured process for reviewing and recommending remuneration policies and procedures for Directors, the MD/CEO and the Leadership Team, carried out through the NRC.

To drive the effective delivery of PDB's Sustainability Agenda, sustainability-related KPIs and targets including those linked to climate change and sustainability-related priorities, are embedded within the remuneration structure of the MD/CEO and Leadership Team. These metrics are aligned with PDB's annual strategic objectives and key outcomes and are cascaded throughout the organisation through shared and team-based KPIs to strengthen collective ownership.

The scorecards of the MD/CEO and the Leadership Team incorporate targets for greenhouse gas emissions reduction, corporate social impact (CSI) programmes and other key sustainability commitments. Progress on these outcomes is monitored on monthly basis in SAC and reviewed by the BSRC to reinforce accountability across all levels of the organisation.

By linking leadership compensation to climate and sustainability objectives, PDB fosters collective accountability, strengthens efforts to mitigate climate-related risks, and enhances the organisation's ability to achieve its long-term sustainability goals. This alignment reinforces our accountability and supports the delivery of our long-term sustainable value creation.

5.0 RISK AND OPPORTUNITY MANAGEMENT

5.1 Climate-Related Risk and Opportunity Management Process/Framework

We adopt the Enterprise Risk Management Framework (ERMF) as a structured and holistic approach to identify, assess, treat and monitor risks, including climate-related risks and opportunities across multiple time horizons and categories in accordance with IFRS S2 standard requirements. A key component is context setting, which ensures alignment with the Group's strategic objectives by defining internal factors such as business priorities and targets as well as external factors including regulatory and policy developments. This integration embeds climate-related risk and opportunity assessments into corporate strategy, capital allocation and operational decisions, strengthening resilience and supporting energy transition initiatives for sustainable growth. There are no changes to the assessment process compared with the previous reporting period. The current ERMF framework covers the overall likelihood and potential impact, which aligns with the IFRS requirements. We will look into further enhancements should there be any additional or enhanced guidelines.

Assessment of Climate-Related Risk

Step	Transition Risk	Physical Risk
Risk Identification	Identification of risks for the ERM risk register is conducted by referencing the ERM framework, which consists of strategic, financial, operational and climate risk categories. The main components of current risks are policy/legal, technology, market and reputation. Our climate risk identification process covers the full spectrum of PDB's operations across the downstream value chain, including retail, commercial, logistics and terminal operations. For transition risk, at the CRP level, we evaluate how transition risks, such as declining fuel demand, technology shifts and carbon-pricing policies, affect the overall downstream portfolio including retail, commercial, logistics and terminal operations. Scenario analysis outputs (Base Case, Country Pledge, Net Zero) are applied to assess portfolio-wide impacts on revenue mix, CAPEX planning, and long-term strategic positioning. These are prioritised and escalated through the ERMF governance structure for enterprise-wide decision-making. Identified climate-related risks are considered as part of the Group's strategy formulation, financial planning processes and the annual CRP review.	The physical impact of climate change is assessed using the established risk framework, which is based on the Intergovernmental Panel on Climate Change (IPCC). The framework includes the evaluation of exposure, hazard, vulnerability and risk. Consistent with IFRS S2 paragraph 25(a)(ii), the Group also considers physical climate scenario analysis during risk identification process. As part of the PETRONAS Group physical risk identification process, the IPCC Shared Socioeconomic Pathway (SSP) 2–4.5 scenario provides future hazard projections and is used to identify assets and geographies that may be exposed to elevated chronic and acute physical risks over time. These scenario-informed insights ensure early visibility of potential climate-driven impacts on infrastructure and operations.
Risk Assessment and Prioritisation	Identified climate-related transition risks are evaluated across short-term, medium-term and long-term horizons, considering their likelihood, potential impact and the effectiveness of existing mitigation measures. Likelihood assessments incorporate a mix of qualitative and quantitative factors. Financial impacts are assessed using internal thresholds that are based on percentage sensitivities to the Group's revenue and profit exposure. The specific numerical thresholds used for likelihood and impact scoring are commercially sensitive and therefore not disclosed; however, assessments are performed using the Group's standardised five-by-five risk matrix, in line with the ERMF. This ensures consistency, comparability and discipline in prioritising climate-related risks. After assessment, risks are plotted on the five-by-five matrix to determine an overall rating, helping identify climate-related risks that could lead to material financial impacts and supporting informed decision-making and resource allocation. The prioritisation exercise will mostly be done based on the five-by-five metrics for likelihood and impact assessment. Prioritisation will be carried out in accordance with the level of business significance and complexity, guided by a high-risk rating based on the combined assessment of likelihood and impact.	PDB leveraged the PETRONAS Group physical climate risk assessment framework and processes to assess current climate-related physical hazards affecting PDB assets. This includes: - Evaluating climate hazard exposure using the internal climate risk database aligned to the IPCC models - Conducting exposure rating and asset prioritisation - Performing vulnerability assessments - Developing appropriate adaptation and/or mitigation plans where applicable. The assessment considered key factors such as hazard rating, asset value thresholds and vulnerability clustering, supported by both desktop analysis and on-site validation exercises. Desktop and on-site validations are conducted for locations that score high on hazard ratings (based on the Climate Modelling Tool) and meet asset value thresholds as defined in the ERMF. The Group applies defined internal likelihood and impact criteria to assess climate-related physical risks. These criteria are informed by internally modelled probability ranges and percentage-based financial and operational sensitivity thresholds. Assessments are conducted using the Group's standardised five-by-five risk matrix, consistent with the ERMF, to ensure comparability and disciplined prioritisation across enterprise risks.

Assessment of Climate-Related Risk

Step	Transition Risk	Physical Risk
Risk Treatment and Integration into Strategy	Prioritised climate-related risks inform the Group's approach to risk treatment in accordance with the ERMF. Four primary risk treatment options are considered, i.e. Minimise, Accept, Transfer and Avoid, with decisions guided by cost-benefit analysis, Group values, and stakeholder expectations. Mitigation and adaptation strategies are embedded within the Group's business and sustainability agendas: • Growth Strategy: Diversification through convenience to address transition risks • Sustainability Strategy: Commitment to net-zero through energy transition and low-carbon mobility initiatives These strategies, supported by defined mitigation measures, are integrated into CAPEX and OPEX planning to ensure resilience and long-term value creation.	Following these assessments, mitigation and adaptation recommendations are developed to safeguard critical infrastructure. Key actions include: • Adaptation Plans for Critical Assets: Examples include drainage system upgrades and surge protection installations • Integration into Risk Registers: All mitigation measures are systematically logged in the Hazards Effect Register (HER) to ensure traceability and accountability

Assessment of Climate-Related Opportunity

Step	Transition Risk
Opportunity Identification	We identify and advance climate-related opportunities through a structured, stage-gated process embedded within the ERMF and capital planning cycle. This ensures that climate-related opportunities are assessed consistently alongside business risks and prioritised based on their potential impact on enterprise value and long-term sustainability.
Opportunity Assessment and Prioritisation	Climate-related opportunities are identified across our portfolio through strategic scanning, business planning exercises and project proposals, taking into account regulatory developments, market trends, technology evolution and stakeholder expectations. Identified opportunities are screened for: • Strategic relevance (value creation, innovation, internal business strength and external market potential) • Sustainability alignment before progressing through defined approval stages Prioritisation is based on a consistent set of criteria, including strategic fit, commercial viability, scalability, sustainability impact and risk profile. Opportunities assessed as financially and strategically material are integrated into investment planning, enterprise risk registers and performance management processes, ensuring alignment with corporate objectives and resource allocation priorities.

5.2 Processes, Controls and Policies to Manage Climate-Related Risks and Opportunities

We integrate climate-related risks and opportunities into our ERMF and strategic planning processes. Oversight is provided by Board-level sustainability committees and cross-functional governance teams to ensure alignment with corporate objectives and regulatory requirements.

Key controls include climate risk screening in project proposals and compliance checks against Group sustainability policies. Operational risks are managed through HSSE procedures, internal controls and scenario-based stress testing.

The approach and targets as outlined in PETRONAS Net Zero Carbon Emissions by 2050 pathway guide decision-making, while opportunities are pursued through innovation frameworks and renewable energy initiatives. Progress is monitored via the GISC platform and reported quarterly to the Board, reinforcing our commitment to resilience and sustainable growth.

Climate-Related Risks

Step	Transition Risk	Physical Risk
Ongoing Integration, Monitoring and Review of Climate-Related Risk	Key climate-related risk indicators (KRIs), metrics and targets—such as the proportion of revenue exposed to transition risk—are monitored through quarterly ERM reporting. Climate-related disclosures are prepared in accordance with IFRS S2 across the areas of Governance, Strategy, Risk Management, and Metrics and Targets, with oversight provided by the Board through the ERMF.	Climate-related physical risk metrics and targets are monitored for high-risk assets, through periodic ERM reviews. Key risk profiles and progress on adaptation measures are reported through the ERM Framework to the RMGC, BSRC and the Board, and integrated into corporate risk dashboards.
Key Input for Scenario Analysis Modeling	Applied Wood Mackenzie (WM) scenario analysis to evaluate the impact of the energy transition on declining demand for conventional fuels and lubricants. Three climate scenarios used include Base Case, Country Pledge and Net Zero.	The Group has undertaken initial assessments of climate-related physical risks with reference to SSP2-4.5, with climate-hazard data obtained from a Climate Modeling Tool. Building on this foundation, we are continuously reviewing our portfolio and data inputs needed to perform a comprehensive physical-risk scenario analysis. This includes conducting site validation exercises on identified assets to assess potential risk exposures against the asset's adaptive capacity, providing clearer insight into the possible impacts of physical risks in the future.

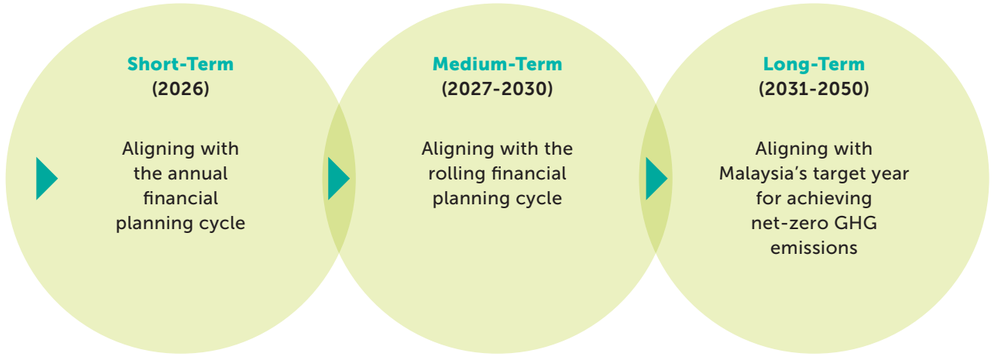
Climate-Related Opportunities

Step	Transition Risk
Monitoring and Review	Implementation of approved opportunities follows established governance and project management controls as per • PETRONAS Innovation Framework (PIF) and • PETRONAS Group Project Management System (PGPMS) Performance is monitored against defined financial and sustainability indicators, with progress reviewed periodically through management (GISC) and Board-level sustainability governance forums. Lessons learned are incorporated into subsequent opportunity assessments to support continuous improvement. This approach enables us to systematically identify, evaluate and realise climate-related opportunities in a manner that is aligned with enterprise risk management, capital discipline and IFRS S1 and S2 disclosure principles.
Scenario Analysis	Leveraged transition risk analysis that evaluates market demand for low-carbon products under different transition pathways, informing our investment decisions.

6.0 STRATEGY

6.1 PDB Time Horizons

We establish our time horizons based on the point at which climate-related risks and opportunities are reasonably expected to arise and potentially impact our financial position, performance, or long-term prospects. As of the end of the reporting period, the following time horizons were identified, which are aligned with the Group's strategic planning and decision-making frameworks:



Note:
While the time horizons are presented as ranges, the financial impacts will be quantified based on the specific impact for each reference year, using fixed baselines for the short-term (2026), medium-term (2030) and long-term (2050).

6.2 Overall Climate Transition Plan

Climate-related risks are increasingly shaping the environment in which we operate and have a direct influence on our assets, operations and long-term value creation. Shifts toward lower carbon energy systems, evolving national policies, rapid advances in technology and changing customer expectations are redefining demand patterns within the downstream energy sector. At the same time, acute and chronic physical impacts such as intense rainfall and flooding can threaten the reliability of our infrastructure and the continuity of our supply network.

As a fuel and convenience retailer with a broad asset base and an extensive logistics network, these climate-related risks are highly relevant to our business. Transition related factors may influence future fuel demand, asset utilisation and capital allocation priorities, while physical climate risks may disrupt operations and affect asset integrity. If not managed effectively, these risks may affect operational resilience, cost structures and long-term competitiveness. The transition towards a lower carbon economy also presents opportunities to introduce new solutions, support decarbonisation initiatives and strengthen our relevance in an evolving market landscape.

Our climate transition plan is embedded within our enterprise risk management, strategic planning and investment evaluation processes, ensuring that climate-related considerations are directly aligned with the direction of our overall business strategy. We assess transition risks across short-term, medium-term and long-term horizons using our risk assessment methods and scenario analysis, taking into account policy trends, technology shifts and market dynamics. The insights from these assessments guide strategic choices, capital allocation and operational plans, with mitigation and adaptation actions incorporated into business and asset management programmes.

PDB's climate transition plan is integrated into the Group's overall business strategy, guiding investment decisions, operational planning and the prioritisation of decarbonisation initiatives across our businesses. The plan supports the Group's strategic focus on sustainable growth and operational excellence, ensuring that climate considerations are embedded into both short-term and long-term decision-making processes.

6.3 Prioritised Climate-Related Risks and Opportunities with The Strategy in Managing Each Risk and Opportunity

6.3.1 Climate-Related Transition Risk - Market Demand and Technology

Time horizons: ☐ Current year (2025) ☐ Short-term (2026) ☐ Medium-term (2030) ☑ Long-term (2050)

Description

In the long term, we face declining demand for conventional fuels and lubricants due to the energy transition driven by global decarbonisation trends. Demand for fossil fuels may decline as governments, businesses, and consumers accelerate emissions reduction efforts. Key drivers include:

- Subsidy rationalisation (Diesel subsidy for Peninsular Malaysia, RON95 subsidy) and stricter emission standards (i.e. clean fuels, carbon tax)
- Growth of vehicle electrification, biofuels
- Shift towards public transport and convenience offerings

These changes may reduce conventional fuel demand, revenue and profit, thus requiring diversification into new energy solutions. Risks include uncertainty in new market dynamics, competitive pressures, and capability gaps in emerging technologies.

Effects on Business Model and Value Chain

Effects on business model and value chain:

- Structural decline in fuel demand driven by the low-carbon mobility transition, including vehicle electrification and public transport expansion, affecting retail and commercial volumes across all regions.

Transition risks could reshape our value chain:

- Declining private vehicle ownership and fuel consumption
- Increased demand for alternative energy solutions

Failure to adapt may result in:

- Lower sales and margin compression
- Higher operating costs from stranded assets
- Brand erosion and loss of market share

Financial Effects

Current:
No adverse revenue impact in FY2025, as conventional fuel demand remained resilient and continued to rise.

Anticipated:

- **Long-term (2050):**
  Scenario analysis indicates that fuel demand is expected to peak by the mid-2030s, followed by a decline. Long-term risks include revenue contraction and potential asset impairment. Financial modelling incorporates these assumptions into impairment testing and capital planning. Key assumption includes our alignment with the NETR, supporting the Government's new climate policies and the acceleration of EV adoption

Detailed financial quantification is not provided due to the commercially sensitive nature of the information. Qualitative financial indicators are derived from three scenarios developed by Wood Mackenzie.

Effects on Strategy and Decision-Making

Energy transition considerations are fully integrated into our strategic framework, supporting both business resilience and long-term growth.

Core Business
We continue to sustain leadership in our core fuels business through operational efficiency and emissions reduction.

New Business Growth
Direct mitigation initiatives: Expansion of electric vehicle (EV) charging infrastructure, biodiesel and sustainable aviation fuel (SAF).

Indirect mitigation initiatives: Growth of the convenience and digital ecosystem through Mesra and Setel to support evolving consumer behaviour.

PETRONAS Net Zero Carbon Emissions by 2050 Pathway target is underpinned by ERM-led risk monitoring, with strategic reviews shaping capital allocation and portfolio rationalisation.

Resource deployed/allocation
We utilise internal funding and will prioritise resources to manage transition risks, with external funding considered where necessary. Detailed financial quantification is not disclosed due to commercial sensitivity.

Risk	Business Impacts	Climate Scenario	Financial Impact (RM) CY 2025	ST 2026	MT 2030	LT 2050
Declining demand in conventional fuels and lubricants due to energy transition	Revenue change/loss from oil demand volume	Base Case	–	Revenue ↑	Revenue ↑	Revenue ↑
		Country Pledge	–	Revenue ↑	Revenue ↑	Revenue ↓
		Net Zero	–	Revenue ↑	Revenue ↑	Revenue ↓

Note:
Transition risks are presented only at the principal business segment level, in line with the transition relief applied.

The transition to a lower-carbon energy system exposes us to material market and technology risks, as electrification, efficiency gains and alternative fuel drive a structural decline in long-term demand for conventional fuels and lubricants. To assess resilience, we evaluated three climate-related transition pathways: Base Case (approximately 2.5°C), Country Pledge (approximately 2.0°C) and Net Zero 2050 (approximately 1.5°C), using Wood Mackenzie's 2H 2024 outlook, selected on the basis that they represent relevant transition pathways and severities for assessing resilience in our downstream marketing business. While near-term revenue growth to 2030 is supported by pricing effects despite early volume declines, all pathways indicate weakening revenues beyond 2030 as oil product demand declines structurally. Under the more severe Country Pledge and Net Zero pathways, projected revenue erosion by 2050 highlights limitations in our business model resilience and underscores the need for strategic adaptation over time.

6.3.2 Climate-Related Physical Risk

Time horizons: ☐ Current year (2025) ☐ Short-term (2026) ☑ Medium-term (2030) ☑ Long-term (2050)

Description

We are exposed to climate-related physical risks arising from increased flood incidents due to extreme precipitation and storm surges. These events have the potential to cause asset damage and disrupt operations.

Assessment approach:
Climate physical risks were assessed using a structured, scenario-based methodology, which included:
- The use of application of the latest IPCC SSP 2-4.5 climate scenario
- A climate modelling tool used to evaluate risks accross multiple hazard types
- Assessment of key hazards, including extreme precipitation, fluvial flood, storm surge, lightning and heatwave.

An initial screening identified four sites as potentially vulnerable. Following site-level validation, one site—comprising two terminal located in the northern region of Malaysia—was confirmed to require the development of an adaptation plan.

Effects on Business Model and Value Chain

Effects on business model and value chain:
- Climate-related physical risks, particularly flooding, may affect the Group's business model and value chain through:
  - physical damage to asset
  - operational disruptions affecting supply reliability to retail and commercial customers
- An increase in the frequency and severity of flooding events may require:
  - Enhanced asset resilience
  - Higher maintenance and continuity in planning to safeguard operational performance and long term value creation

Financial Effects

Current
In FY2025, no capital expenditure (CAPEX) was incurred as none of the Group's assets were impacted by climate-related physical risk events during the reporting period. Accordingly, there was no impact on the FY2025 financial statements.

This identified physical climate-related risk is not expected to result in a material adjustment to the carrying amounts of assets or liabilities within the next annual reporting period.

Anticipated
- **Medium-term (2030) and Long-term (2050)**
  - **Asset:** Two out of 36 terminals (6%) were identified to be vulnerable to fluvial flooding
  - **Estimated impact:** Based on the severity of potential asset damage, the estimated impact is assessed as medium to high
  - Other potential impacts include:
    - Temporary supply disruptions
    - Increased transportation costs arising from alternative routing requirements
  - While no financial impacts were recognised in the current year, future investment in adaptation and resilience-enhancing measures may be required to mitigate physical climate risks and safeguard operational continuity over the long term.

Effects on Strategy and Decision-Making

- **Current and Future mitigation:**
  - As part of the Group's response to climate-related physical risks, a site drainage study has been conducted at one identified vulnerable site. The findings of this study will inform the development of targeted adaptation measures to enhance asset resilience and operational continuity
- **Resource deployed/ allocation:**
  - We will utilise internal and/or external funding to support any required capital expenditure and repair works over the medium to long term to enhance asset resilience

Risk	Business Impacts	Climate Scenario	Financial Impact (RM) CY 2025	ST 2026	MT 2030	LT 2050
Climate-Related Physical Risk - Flood Hazard	Increase in potential asset damaged	SSP2-4.5	–	–	CAPEX ↑	CAPEX ↑

6.3.3 Climate-Related Opportunity - Sustainable Aviation Fuel (SAF)

Time horizons: ☐ Current year (2025) ☐ Short-term (2026) ☑ Medium-term (2030) ☑ Long-term (2050)

Description

SAF is a key climate-related opportunity as the aviation sector accelerates decarbonisation, enabling us to expand low-carbon offerings and strengthen its long-term energy transition positioning.

We leverage existing capabilities including:
- Supply nodes at KLIA and selected airports
- Collaboration with PETRONAS Trading Corporation Sdn Bhd (PETCO) for supply enablement and last mile readiness

Malaysia is finalising a mandate for a 1% Sustainable Aviation Fuel (SAF) blend in conventional jet fuel for international departures from KLIA. The policy, currently under consultation with airlines, fuel suppliers, and relevant ministries, will establish a policy-backed SAF market aligned with the Malaysia Aviation Decarbonisation Blueprint (MADB) and the National Energy Transition Roadmap (NETR), which target SAF blending of up to ~47% by 2050.

Effects on Business Model and Value Chain

SAF provides a lower-carbon alternative to conventional jet fuel, enhancing long-term business resilience and aligning PDB with global aviation decarbonisation trends.

Locally blended SAF sourced from PETCO is currently in the pilot phase and is intended to be marketed by PDB to commercial aviation customers in Malaysia.

Effects on business model:
- Early market entry:
  - Reinforces **competitive positioning**
  - Sustains customer relationships amid rising regulatory expectations
- Provides a **lower-carbon alternative** to conventional jet fuel, enhancing business resilience.
- Aligns operations with long-term growth in low-carbon aviation fuel demand

Effects on value chain:
- Integrates certified SAF supply through established infrastructure and partnerships
- Positions PDB as an early enabler of low-carbon aviation growth within PETRONAS' downstream value chain, embedding transition priorities into operational planning

Financial Effects

Current
- In FY2025, revenue generated from the SAF pilot programme was not material.
- Efforts during the year focused on:
  - Supply readiness which includes infrastructure preparation
  - Certification activities
  - Small-scale supply trials that enable PDB to build the foundational capabilities

The identified SAF opportunity is expected to generate revenue growth beginning in the current year; however, it is not expected to result in a material adjustment to the carrying amounts of assets or liabilities within the next annual reporting period.

Anticipated
- **Medium-term (2030):**
  Revenue is expected to increase, driven by growing SAF offtake from airlines driven by mandates, sustainability commitments and emissions targets

- **Long-term (2050):**
  SAF is expected to scale as a core aviation fuel under global and Malaysian mandates. Progressive revenue growth is anticipated, supported by:
  - Leveraging established logistics, storage and supply capabilities to scale volumes efficiently and optimise margins
  - Strategic collaborations across the value chain to secure feedstock, enable offtake and accelerate market access

  By 2050, higher mandated SAF blending requirements for international airlines are expected to reinforce long-term demand certainty and strengthen PDB's licence to operate within the aviation fuel market.

Effects on Strategy and Decision-Making

The development of SAF is embedded within our low-carbon strategy, guiding resource prioritisation and positioning the aviation business to respond to evolving regulatory requirements and market expectations.

During the reporting period, the focus was on building SAF readiness through:
- **Pilot supply validation** with airlines and regulators
- Development of **certified SAF pathways**
- **Assessment** of blending and storage infrastructure **readiness**

Progress Highlight:
- First-in-market SAF supply for Malaysia Aviation Group (2023)
- Obtain International Sustainability and Carbon Certification (ISCC) for SAF
- PDB leverages existing Jet A-1 infrastructure for SAF supply

In May 2023, we entered into a SAF Offtake Agreement with Malaysia Aviation Group, operationalised via locally blended SAF supplied for Malaysia Airlines' MH2 flights to London (1–16 September 2025), marking SAF integration into regular flight operations.

For more information on our SAF's progress highlight, please refer to our Sustainability Report on pages 57 to 62.

Resource deployed/allocation
- No CAPEX was deployed for SAF in FY2025, as SAF utilised existing assets during the year. To support the SAF opportunity, we will ensure that sufficient priority is given to SAF investments, utilising internal and/or external funding as required.

Risk	Business Impacts	Climate Scenario	Financial Impact (RM) CY 2025	ST 2026	MT 2030	LT 2050
Low-carbon solutions offering to accelerate decarbonisation	Increase revenue from selling of SAF	Base Case	Revenue ↑	Revenue ↑	Revenue ↑	Revenue ↑
		Country Pledge	Revenue ↑	Revenue ↑	Revenue ↑	Revenue ↑
		Net Zero	Revenue ↑	Revenue ↑	Revenue ↑	Revenue ↑

SAF represents a key strategic opportunity for PDB within our low-carbon solutions portfolio, with early stage validation underway through readiness, certification, supply trials, and infrastructure planning. As the PETRONAS Pengerang Biorefinery targets to start operations by 2028, we will assume a strategic complementary role by leveraging our downstream capabilities and nationwide retail network to support market access, commercialisation and value realisation of biorefinery-derived products across the PETRONAS ecosystem. Scenario analysis across Base Case, Country Pledge and Net Zero pathways indicates meaningful revenue potential in the medium-term (2030), driven by premium recovery, airline uptake and growing compliance-driven demand. By 2050, SAF is projected to scale as a core aviation product, with financial outcomes varying by scenario but consistently positioning SAF as a critical contributor to our transition strategy and long-term relevance in a decarbonising aviation sector.

6.3.4 Climate-Related Opportunity – Two-Wheeler Electric Vehicles (2W-EV)

Time horizons: ☐ Current year (2025) ☐ Short-term (2026) ☑ Medium-term (2030) ☑ Long-term (2050)

Description

The 2W-EV initiative supports Malaysia's low-carbon mobility goals by reducing emissions in the high usage motorcycle segment and aligning with NETR's electric mobility priorities.

Enabled through partnership with Blueshark Ecosystem Sdn Bhd, we are developing an integrated EV ecosystem that includes:
- Battery swapping for fast, convenient refuelling energy replacement for 2W-EV rider
- Charging infrastructure to support adoption
- EV distribution to widen market access. This positions us to expand beyond conventional fuels into clean mobility solutions

Effects on Business Model and Value Chain

The initiative reshapes PDB's mobility offerings through partnerships, retail network integration and renewable energy linked solutions. The 2W-EV is locally assembled in Malaysia, with sales supported through physical showrooms, authorised dealers and official digital channels, providing customer coverage across all states in the country.

Effects on Business Model:
- **Battery rental:** Subscription-based battery leasing model generating recurring revenue while lowering upfront EV ownership costs
- **Energy-as-a-service via battery swapping and charging:** Pay-per-use energy solutions providing convenient, reliable access to electricity and supporting scalable EV adoption
- **EV sales, fleet solutions, mobility services:** Integrated mobility offerings covering vehicle sales, fleet deployment and value-added services to drive market penetration and customer retention

Effects on Value Chain:
- Enhances our role in clean mobility
- Strengthens urban mobility participation
- Enhances portfolio resilience as transport electrifies
- Leverages our integrated ecosystem, including PETRONAS stations, PETRONAS MotoExpert, customer loyalty platforms such as Setel (payment integration and Mesra rewards), and Mesra as an advertising and engagement channel

Financial Effects

Current
In FY2025, there is no material financial impact from the 2W-EV joint venture.

- The financial impact remains modest at this stage, with efforts focused on:
  - Driving adoption rate of 2W-EV in Malaysia from consumer and business segments
  - Deploying initial capital to establish foundational EV infrastructure
  - Investing in initiatives to validate partnerships, demand and operating models

CAPEX is directed toward establishing battery-swapping stations, rental batteries and leased bikes financed by the revenue generated from EV sales, fleet solutions and subscription services.

The identified 2W-EV opportunity is not expected to give rise to a material adjustment to the carrying amounts of assets or liabilities within the next annual reporting period.

Anticipated
- **Medium-term: (2030)**
  Progressive share of profit growth driven by:
  - Improved asset efficiency as battery charging and swapping infrastructure usage increases
  - Rising demand from fleet operators transitioning to electric mobility solutions
  - Broader consumer uptake of EV mobility services supporting volume growth

  Stable earnings expected, based on:
  - Energy delivery revenues from electricity supply for charging and swapping services
  - Subscription services income from battery rental and energy service subscriptions
  - Earnings from integrated EV sales, fleet offerings and mobility-related services

- **Long-term: (2050)**
  By 2050, the 2W-EV initiative is anticipated to deliver meaningful incremental share of profit contributions, reinforcing our strategic role in Malaysia's low-carbon mobility transition and guiding capital allocation decisions toward scalable and commercially-viable viable electric mobility solutions.

Effects on Strategy and Decision-Making

2W-EV opportunity influences our strategy by supporting income diversification, future-proofing the business, and embedding electrified mobility within the Group's broader low-carbon solutions strategy:
- Expands revenue base beyond conventional fuel-led earnings
- Enhances business resilience against energy transition and regulatory shifts
- Supports engagement with policymakers and industry stakeholders on low-carbon mobility
- Guides investments in scalable, interoperable electric mobility technologies
- Enables operational efficiency through interoperable battery and swapping systems
- Integrates electric mobility into core strategic planning and capital allocation

Current strategic actions focus on expanding 2W-EV adoption in Malaysia through partnerships with fleet operators, the private sector and government agencies, supporting market adoption in line with the NETR while ensuring commercial viability.

- Scaling decisions are guided by the need to:
  - Prioritise scalable deployment by optimising capital allocation and return profiles
  - Localise assets and supply chains to reduce costs and enhance resilience
  - Integrate renewable electricity to lower lifecycle emissions and operating costs
  - Stay aligned with evolving mobility, energy and safety regulations
  - Enhance safety, operational excellence and digital capabilities to support system-wide scaling

We adopt a disciplined, phased approach to expanding our EV mobility network, guided by capital efficiency, operational readiness and demand validation.

Resource deployed/allocation
We utilise internal funding and ensures appropriate prioritisation of resources for 2W-EV investments. To support the 2W-EV opportunity, we will ensure that sufficient priority is given to 2W-EV investments, utilising internal and/or external funding as required.

Opportunity	Business Impacts	Climate Scenario	Financial Impact (RM)			
			CY 2025	ST 2026	MT 2030	LT 2050
2W-EV offering to accelerate decarbonisation	Increase share of profit from selling of 2W-EV	Base Case	Share of profit ↓	Share of profit ↓	Share of profit ↑	Share of profit ↑
		Country Pledge	Share of profit ↓	Share of profit ↓	Share of profit ↑	Share of profit ↑
		Net Zero	Share of profit ↓	Share of profit ↓	Share of profit ↑	Share of profit ↑

The transition to electric mobility offers a significant opportunity for us particularly through developing a 2W-EV ecosystem aligned with national low-carbon mobility goals. Supported by the NETR agenda and a strategic partnership with Blueshark, we are building an integrated platform that includes battery swapping, charging infrastructure and EV distribution, enabling diversification beyond conventional fuels. While early efforts focus on validation and scalable energy-as-a-service model, EV solutions integrated into our retail network are expected to generate new recurring revenue streams from battery rental, energy delivery, subscriptions, and mobility services. Although near term financial impacts remain modest due to upfront investments, scenario analysis shows share of profit improving by medium-term (2030) across all pathways, driven by greater network utilisation and rising fleet and retail electrification. By 2050, share of profit growth is projected to continue as nationwide adoption expands, positioning EV mobility solutions as a meaningful contributor to our earnings and reinforcing our strategic role in Malaysia's low-carbon mobility transition.

6.4 Resilience of the Group's strategy and business model in relation to climate-related risks

Transition Risk

Overview of Scenario Analysis and Purpose

In Quarter 4 2025, we conducted a climate-related scenario analysis to assess the resilience of our strategy and business model against multiple transition pathways. The analysis was anchored to the Wood Mackenzie model, which offers structured emissions trajectories that reflect varying global decarbonisation outcomes, including a Net Zero Case aligned with the temperature goals of the Paris Agreement.

Three scenarios were selected; the Base Case (approximately 2.5°C warming), Country Pledges (approximately 2.0°C warming) and Net Zero Case (approximately 1.5°C warming), to provide a balanced view of potential market evolution, policy shifts and long-term energy demand movements relevant to PDB's operations in Malaysia. These scenarios enabled structured testing of vulnerabilities and opportunities associated with the climate transition, ensuring alignment with IFRS S2 expectations for forward-looking resilience assessment. The scenario analysis covered the period from 2025 to 2050 (short-term (2026), medium-term (2030) and long-term (2050)).

Key Assumptions Underpinning Climate Related Analysis

Our climate related analysis is based on a consistent set of assumptions spanning policy, macroeconomic conditions, physical climate risks, energy demand and mix, and technology developments. These assumptions combine recognised external reference sources with internal Leadership Team views, ensuring relevance to Malaysia's context and our operational footprint.

Summary of Key Assumptions

Assumption Area	Key Inputs and Sources	Relevance to Climate Related Analysis
1. Climate related policies in Malaysia	Malaysia led initiatives including the NETR, renewable energy expansion targets, carbon pricing mechanisms, and the development of hydrogen and other low carbon solutions	Establishes the regulatory and transition context influencing fuel demand, investment decisions, compliance costs, and long term asset viability
2. Macroeconomic trends	a) Wood Mackenzie Energy Transition Outlook (ETO) 2024 assumptions on GDP growth, population growth, and carbon price outlook b) Internal views on inflation, interest rates, and foreign exchange rates	Drives demand projections, cost assumptions, financing conditions, and overall economic environment under which climate risks and opportunities are assessed
3. Energy usage and energy mix	Wood Mackenzie ETO 2024 assumptions on jet fuel displacement by Sustainable Aviation Fuel (SAF) coupled with internal view guided by NETR. Internal view on assumptions on EV penetration based on benchmark performed.	Informs future changes in fuel consumption patterns, substitution effects, and utilisation of PDB's infrastructure
4. Technology development and costs	Internal views on technological cost trends, including battery cost and SAF premiums	Influences the pace of transition, competitiveness of low carbon alternatives, and timing of adoption across key sectors

Overall Integration

Taken together, these assumptions form a coherent and integrated foundation for our climate related analysis. By aligning policy, economic, energy demand, and technology considerations, we ensure that our assessment reflects both external transition dynamics and internal operational realities, supporting informed strategic and risk management decisions.

Adaptive Capacity, Strategic Response and Residual Uncertainty

Our resilience is underpinned by an adaptive business model that balances near term cash generation with long term transition preparedness. Scenario insights are integrated into strategic planning, capital allocation and risk management processes to assess investment robustness under tightening regulatory conditions. Strategic responses include scaling low carbon mobility solutions such as EV charging, battery swapping and fleet electrification services, commercialising SAF, and diversifying revenue streams through digital platforms and convenience retail.

Despite these measures, residual risks and uncertainties remain. Under accelerated transition scenarios, fuel demand decline may outpace diversification efforts, increasing the risk of underutilised assets. Demand for SAF and EV related services may evolve more slowly than projected due to policy, technology or affordability constraints.

We address these uncertainties through conservative planning assumptions, periodic scenario refreshes, sensitivity testing and enhanced governance oversight to ensure timely strategic adjustments as conditions evolve.

Uncertainties and Judgements

The assessment of climate resilience in relation to transition risks involves inherent uncertainties and the application of management judgement. These uncertainties primarily arise from the evolving nature of climate-related policies, regulatory requirements, market conditions, technological developments and stakeholder expectations, as well as limitations in data availability and the long-term horizons over which transition risks may materialise.

To learn more on our key decarbonisation initiatives (solarisation, SAF, biodiesel and low-carbon mobility), please refer to our Sustainability Report on pages 57 to 62.

Key sources of uncertainty include the pace, timing and stringency of transition pathways, such as changes in emissions regulations, carbon pricing mechanisms and industry standards across the Group's operating jurisdictions. Scenario analysis provides directional insights; however, outcomes remain sensitive to assumptions regarding policy ambition, market responses and technology adoption.

Management judgement is applied in selecting relevant scenarios, interpreting model outputs and assessing the materiality of identified transition risks to the Group's business model and strategy. Assumptions are applied consistently and reviewed periodically. The Group continues to monitor developments in climate-related policy, regulation, markets and data quality, and will update its assessments as conditions evolve.

Capacity to Adjust or Adapt Strategy and Business Model

We maintain sufficient internal funding and has flexibility to access external funding - if required - to address climate-related risks and opportunities, including CAPEX investments for all mitigations and strategic plans highlighted in the prioritised risks and opportunities section.

Existing infrastructure can be upgraded or repurposed to support transition initiatives, including energy-efficient solutions and collaboration with Gentari to expand EV charging operations across PETRONAS stations in Malaysia. Ongoing and future investments focus on EV infrastructure, energy-efficiency enhancements, and operational hardening to ensure long-term resilience against climate-related risks.

7.0 METRICS AND TARGET

7.1 Climate-related Targets

Decarbonisation Strategy and Targets

In pursuit of our short- and medium-term GHG emissions reduction targets, with a focus on reducing our gross Scope 2 emissions, we are leveraging solar energy as a renewable source of electricity. At this stage, we have not set a quantitative reduction target for Scope 1 emissions, as these account for only approximately 10 percent of the Group's total greenhouse gas emissions. Efforts are instead focused on exploring commercially viable measures to address Scope 1 emissions, including the potential adoption of lower global warming potential refrigerants to replace existing hydrofluorocarbon refrigerants used in air conditioning, chillers and fire suppression systems. We are also evaluating options to increase the biofuel blend in diesel used across its vehicle fleet to support emissions reduction objectives.

TARGETS

Short Term (2026)**

Avoid GHG emissions of

3,543 tonnes CO_2e/year

Medium Term By 2030**

Avoid GHG emissions of

5,994 tonnes CO_2e/year

These targets were established against a 2019 base year and apply across the Group. While the targets and the methodology used to derive them have not yet been externally validated, nor were the targets derived from sectoral decarbonisation approach, they provide a clear strategic direction to guide our emissions reduction efforts and monitor progress.

Note:
*** As we have achieved 4,695.6 tonnes CO_2e in 2025 which exceeded the short-term target, we may revise these targets moving forward.*

The targets support Malaysia's national commitment to reduce carbon intensity per gross domestic product by 45 percent below 2005 levels by 2030, recently updated with Malaysia's Nationally Determined Contribution (NDC) 3.0 target of an absolute reduction of 15 to 30 million tonnes CO_2e by 2035, contributing to climate change mitigation and the transition towards a low-carbon economy. Over the longer term, our decarbonisation pathway aligns with Malaysia's broader climate ambitions and the global net-zero agenda and supports the PETRONAS NZCE 2050 aspiration through progressive reductions in the Group's operational carbon footprint.

Our assessments in managing exposures reveal opportunities that support the evolution of our strategy, which are evaluated alongside commercial and financial considerations through our investment governance to ensure strong decision quality, resilience and alignment with long term strategic priorities. Evolving customer expectations, supportive national policies and emerging lower carbon technologies create new value pools across our retail, commercial and logistics businesses. These insights shape our focus on expanding cleaner energy solutions, improving energy efficiency and developing offerings aligned with lower carbon mobility. Opportunities are reviewed within our investment governance framework to ensure strategic fit and commercial viability, enabling us to capture growth from the energy transition while reinforcing the competitiveness and resilience of our core business.

Progress Against Targets

Progress against targets is monitored on a regular basis and reported to the SAC and the Board. We achieved an annual emissions reduction of 4,695.6 tonnes CO_2e surpassing our short-term (FY2025) target of 2,544* tonnes CO_2e, achieved through the 121 newly solarised PETRONAS stations, bringing our cumulative solarised network to 303 sites. This marks a strong uplift in new installations compared with the previous year and reflects improved planning and greater momentum in our solarisation efforts. Looking ahead, we remain on course to scale solar adoption across the network, with a target of more than 450 solarised sites by 2030. Through this initiative, we expect to deliver substantial emissions reductions while supporting a long-term transition to cleaner and more energy-efficient operations.

Looking ahead, we expect emissions reductions to continue to scale in line with ongoing growth projects, including the development of new service stations, further expansion of the solarised network, and the rollout of additional low-carbon initiatives such as battery swapping stations and other energy transition solutions.

Note:
* This short-term (FY2025) target was revised upwards from 2,031 tonnes CO_2e, taking into account the latest grid emission factor.

7.2 GHG Performance

The table below summarises the Group's absolute gross greenhouse gas emissions for the reporting year, including emissions from entities and operations within the Group's reporting boundary according to operational control consolidation approach and equity share consolidation approach. The information presented provides transparency on the Group's emissions profile over the reporting period and supports the assessment of climate-related risks, opportunities and performance against targets.

DIRECT (SCOPE 1) AND INDIRECT (SCOPE 2) GHG EMISSIONS (OPERATIONAL CONTROL)

GHG Emissions – Operational Control [a][b][c]	Unit	2019[d]	2023	2024	2025
Total Direct (Scope 1) and Indirect (Scope 2)	**Thousand tonnes CO_2e**	**115.5**	**102.4**	**95.5**	**102.6**
• PDB Group – Fuel Business		98.7	88.5	88.2	95.7
• PDB Group – Non-Fuel Business		3.6	8.9	3.9	5.0
• PNGV		13.2	5.0	3.4	1.9
Scope 1 emissions [e][f][g][h]	**Thousand tonnes CO_2e**	**11.8**	**11.2**	**10.0**	**10.4**
• PDB Group - Fuel Business		4.0	4.6	4.6	4.9
• PDB Group - Non-Fuel Business[i]		3.6	4.6	4.4	4.1
• PNGV [j]		4.1	2.0	1.0	1.4
Scope 2 emissions (location-based)	**Thousand tonnes CO_2e**	**103.8**	**91.2**	**85.5**	**92.2**
• PDB Group - Fuel Business [k][l]		94.7	82.9	82.0	90.7
• PDB Group - Non-Fuel Business		-	5.2	1.0	1.0
• PNGV		9.1	3.0	2.5	0.5
GHG emissions reductions [m][n]	**Tonnes CO_2e**	**73.5**	**840.6**	**1,555.7**	**4,695.6**
• PDB Group - Solar		73.5	840.6	1,555.7	4,695.6

Notes:
(a) Greenhouse gas (GHG) emissions comprise seven types of GHG per GHG Protocol, as defined by the United Nations Framework Convention on Climate Change (UNFCCC) (Kyoto Protocol).
(b) Split by scope and entities may not add up to the total due to rounding. Per IFRS S2 requirements, GHG emissions are disaggregated into Fuel Business (PDB's principal business segment) and Non-Fuel Business. Non-Fuel Business comprises Mesra and Setel.
(c) Under operational control approach, emissions from PETRONAS NGV (PNGV) were also included as PDB operates and maintains these NGV stations on behalf of PNGV. Emissions from PNGV have significantly reduced over the past several years due to progressive downsizing of NGV stations and facilities, culminating in its complete closure of operations and decommissioning by July 2025. PDB will no longer report emissions under PNGV next year onwards.
(d) Base year is 2019, which was selected as a representative year preceding the COVID-19 pandemic, which significantly impacted business-as-usual operations.
(e) Sources of Scope 1 emissions include stationary combustion sources (such as generator sets and firewater pumps and bitumen heater) and mobile combustion sources (such as forklifts and company-owned and operated vehicles), measured from the amount of fuel consumed through purchases. Other sources of emissions include fugitive emissions from refrigerants in chillers and air conditioning, and from fire suppressants (HFC-227ea).
(f) Beginning 2024, we no longer report emissions from our third-party transportation (i.e. from road tanker operations) under Scope 1 – Direct Emissions, due to changes in contractual mode and terms, as these emissions are no longer captured under standard definition of Scope 1 direct emissions, but under Scope 3 indirect emissions. As a result, data from prior years, including base year 2019, were recalculated and re-baselined.
(g) The Group is not subjected to any emissions-limiting regulations such as cap-and-trade schemes or carbon tax systems.
(h) All scope 1 emission from refrigerant emissions loss are estimated in accordance with the API Compendium of GHG Emissions Methodologies for the Natural Gas and Oil Industry (2021) by conservatively applying the refrigerant loss rate of 15% of initial charge per year. This includes all commercial stationary and mobile refrigerant sources the entity uses in its retail locations, distribution centres and its transportation fleet.
(i) For our Non-Fuel Business, all of refrigerants consumed are zero Ozone-Depleting Potential (ODP) refrigerants.
(j) For PNGV operations, emissions include combustion of methane from gas turbines, minor venting during cylinder recertification, maintenance and decommissioning activities, and fugitive emissions.
(k) Scope 2 emissions are from purchased grid electricity, consolidated from electricity bills obtained from grid electricity suppliers, and from Melaka Energy Park (for PDB Melaka Terminals). This also included office premises owned and managed by PDB. Leased office spaces in which PDB has no ownership of assets and/or no operational control over the building/floor set up and electricity are excluded.
(l) For individually insignificant emissions such as retail stations where it is impractical to collect all data, we used simplified methods for estimating emissions. Emissions from some retail stations were modelled by multiplying the number of sites by an average emission factor per site, which was derived from actual data.
(m) GHG emissions reductions result from actions or interventions that have led to ongoing reductions in Scope 2 emissions such that GHG emissions would have been higher in the reporting year if the actions or intervention had not taken place.
(n) The Company did not purchase any carbon credit nor renewable energy certificates during the reporting year.

DIRECT (SCOPE 1) AND INDIRECT (SCOPE 2) GHG EMISSIONS (EQUITY SHARE)

GHG Emissions – Equity [a][b][c]	Unit	2019[d]	2023	2024	2025
Total Scope 1 and Scope 2 emissions	**Thousand tonnes CO_2e**	**114.7**	**107.9**	**101.9**	**112.4**
• PDB Group		101.7	96.9	91.6	99.9
• JV and Associates		13.0	10.9	10.4	12.5
Scope 1 emissions	**Thousand tonnes CO_2e**	**8.0**	**9.6**	**9.2**	**9.2**
• PDB Group		7.6	9.2	9.0	8.8
• JV and Associates		0.4	0.4	0.2	0.4
Scope 2 emissions (location-based)	**Thousand tonnes CO_2e**	**106.7**	**98.3**	**92.7**	**103.3**
• PDB Group only		94.1	87.7	82.5	91.1
• JV and Associates		12.6	10.6	10.2	12.1

Notes:
(a) Equity Share includes emissions from facilities according to percentage of our share of joint arrangements and associates such as KLIA Aviation Fuelling Systems Sdn Bhd, PS Pipeline Sdn Bhd, PS Terminal Sdn Bhd, IOT Management Sdn Bhd, Tanjung Manis Oil Terminal Management Sdn Bhd. and PETROSNiaga Sdn Bhd. For current reporting year, we have not accounted for emissions from Blueshark Malaysia Sdn Bhd as formalisation of JV company occured in late 2025. Numbers shown are equitised according to percentage equity of JV and Associates reflected on pages 10 and 11 of the Report.
(b) Emissions from PETRONAS NGV (PNGV) are excluded.
(c) Split by scope and entities may not add up to the total due to rounding. Per IFRS S2 requirements, GHG emissions are disaggregated into PDB Group, and JV and Associates.
(d) Base year is 2019, which was selected as a representative year preceding the COVID-19 pandemic, which significantly impacted business-as-usual operations.

INDIRECT (SCOPE 3) GHG EMISSIONS (OPERATIONAL CONTROL)

GHG Emissions – Operational Control [a]	Unit	2019[b]	2023	2024	2025
Indirect (Scope 3) emissions	**Million tonnes CO_2e**	**46.6**	**50.1**	**52.3**	**52.2**
• Category 1 - Purchased Goods and Services (Fuel only)[c]	Million tonnes CO_2e	8.3	9.3	9.6	**9.6**
• Category 6 - Business Travel[d]	Tonnes CO_2e	-	-	1,637.9	**1,854.8**
• Category 7 - Employee Commuting[e]	Tonnes CO_2e	-	-	745.1	**692.1**
• Category 11 - Use of Sold Products (Fuel only)[f]	Million tonnes CO_2e	38.3	40.8	42.7	**42.6**

Notes:
(a) Scope 3 - Emissions from sources that are not owned or directly controlled, but are related to our activities. During 2023, we completed a screening-level assessment to better understand our relevant Scope 3 emission categories, in line with the GHG Protocol Corporate Value Chain (Scope 3) Standard. Results from this screening exercise revealed that, in total, upstream emissions from purchased goods and services (more specifically fuel) and downstream emissions from the use of sold products (fuel), were identified as material categories (i.e. Category 1 and 11 respectively) and disclosed in this report. Category 6 (Business Travel) and Category 7 (Employee Commuting) were disclosed for the first time in 2024 in accordance with the Bursa Main Market Listing Requirements at the time. In the coming years, we will continue to review and refine our measurements of Scope 3 emissions to include, where relevant and material, emissions from the other categories as well as to refine our emissions calculations.
(b) Base year is 2019, which was selected as a representative year preceding the COVID-19 pandemic, which significantly impacted business-as-usual operations.
(c) This category includes estimated well-to-tank emissions from refined oil products, LPG, LNG, biofuel, lubricants, bitumen and petcoke purchased.
(d) This category included estimated emissions from transportation of employees from business-related activities in vehicles not owned or operated by the company, such as air travel and vehicle mileage (excluding emissions from e-hailing or other modes of public transport).
(e) This category includes estimated emissions from transportation of employees between their homes and their worksites in vehicles not owned or operated by the company. Emissions from this category was based on data collected from an employee commuting survey conducted in 2024. There is no significant change in the demographics of employees in the Group during the current reporting year, and as such the results of the survey was assumed to remain valid.
(f) This category includes estimated emissions from direct use-phase (combustion) of our fuel such as mogas, diesel and biodiesel, jet fuel, fuel oil, petcoke, LPG and LNG, by our customers.

ENERGY USE

Total Energy Use – Operational Control [a][c][d]	Unit	2019[b]	2023	2024	2025
PDB Group	**Thousand Gigajoules**	**1,172.2**	**1,448.0**	**1,327.6**	**1,303.9**
• Fuel[e]	Thousand Gigajoules	42.0	51.2	51.4	57.0
• Imported electricity [f]	Thousand Gigajoules	1,129.8	1,391.9	1,267.9	1,225.1
• Renewable (Solar)	Thousand Gigajoules	0.4	4.9	8.3	21.8
PNGV	**Thousand Gigajoules**	**184.7**	**62.0**	**47.7**	**8.8**
• Fuel	Thousand Gigajoules	58.9	18.8	12.5	2.5
• Imported electricity	Thousand Gigajoules	125.8	43.2	35.2	6.2

Notes:
(a) Under operational control approach, emissions from PETRONAS NGV (PNGV) were also included as PDB operates and maintains these NGV stations on behalf of PNGV.
(b) Base year is 2019, which was selected as a representative year preceding the COVID-19 pandemic, which significantly impacted business-as-usual operations.
(c) In 2024, we no longer report emissions from our third party transportation (i.e. from road tanker operations) due to changes in contractual mode and terms, which no longer meet the definition of energy used from sources that are owned or controlled. As a result, data from prior years, including base year 2019, were recalculated and re-baselined.
(d) For individually insignificant sources of energy consumption such as retail stations where it is impractical to collect all data, we used simplified methods for estimating consumption. Energy consumption from some retail stations were modelled by multiplying the number of sites by an average consumption factor per site, which was derived from available data.
(e) This includes total fuel consumed by transportation fleet owned and operated by our Non-Fuel Business (i.e. excluding those operated by third parties) for the current reporting period (FY2025), which was estimated at 1,624 Gigajoules. This is tracked through fuel expenses. Percentage renewable is 10% as biodiesel B10 was the primary fuel consumed (Palm Methylester (PME)) used in biodiesel based on International Sustainability and Carbon Certification (ISCC), Roundtable on Sustainable Palm Oil (RSPO) and Malaysian Sustainable Palm Oil (MSPO) certifications) the primary fuel consumed.
(f) This includes total operational energy from Non-Fuel Business i.e. Mesra Café operations consumed from grid electricity for the current reporting period (FY2025), which was estimated at 10,394 Gigajoules. All energy consumed is supplied via grid electricity, except for those café operations located inside Kedai Mesra which are partially powered by renewable solar energy (for those stations fitted and powered by solar). Electricity from Kedai Mesra cannot be disaggregated from the overall retail fuel station operations. Hence, percentage of energy it consumed from renewable solar energy cannot be ascertained.

7.3 Methodologies, Inputs and Assumptions

The methodologies, inputs and key assumptions applied in measuring the Group's greenhouse gas emissions are summarised in the table below. These methodologies are aligned with the Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard and the requirements of IFRS S2 and reflect management's judgement in applying emission factors, activity data and estimation techniques. Relevant topics under the Sustainability Accounting Standards Board (SASB) Standards related to the Oil and Gas–Refining and Marketing industry, and Food Retailers and Distributors industry were also included. Any deviations from these methodologies and inputs have been documented in the respective sections of this report.

The table outlines the scope of emissions, measurement approaches and material assumptions used in the calculation process to support transparency and comparability of disclosures across reporting periods.

Scope	Measurement Approach	Inputs	Assumptions	Reasons for measurement approach, inputs and assumptions	Changes to measurement approach, inputs and assumptions in the reporting period
Scope 1	Activity data collection from fuel consumption, type of fuel, amount and type of refrigerants and fire suppression agents	Fuel purchase receipts Total weight of refrigerant from chiller and air-conditioning records Fire suppression system records	PDB-specific combustion emission factors for diesel and biodiesel[a] Average emission factors for fuel combustion using UK DESNZ Emission Factors (EF) 2025[b] Operating emission factors for refrigerants per API Compendium 2021[c] Global Warming Potentials (GWP) are based on the IPCC Fifth Assessment Report (AR5) with a 100-year time horizon.	UK DESNZ provides comprehensive list emission factors for fuel combustion Methodological guidance from API provides methodological guidance for sector-specific practices and emissions factors/ sources	UK BEIS 2022 EF applied in previous reporting years GWP based on AR4 in previous reporting years

Scope	Measurement Approach	Inputs	Assumptions	Reasons for measurement approach, inputs and assumptions	Changes to measurement approach, inputs and assumptions in the reporting period
Scope 2	Location-based approach	Electricity bills	Average grid emission factor 2022 for Peninsular Malaysia and Sabah, and grid emission factor 2023 for Sarawak[d]	Latest national grid emission factor published by the Energy Commission, Malaysia, and Sarawak Energy	Latest grid emission factors applied in the current year
Scope 3	Average data method	Fuel product volumes (Cat 1 and Cat 11) Employee commuting survey 2024 (Cat 7)	Average emission factors using UK DESNZ Emission Factors 2025, and PDB-specific combustion emission factors for diesel and biodiesel	UK DESNZ provides comprehensive list of emission factors for fuel combustion and modes of transport for employee commuting	UK BEIS 2022 EF applied in previous reporting years
	Spend-based and average data method	Air travel and vehicle mileage claims data (Cat 6)	No significant changes in employee profile and organisation structure since 2024		

Notes:
(a) PDB established combustion emission factors for its diesel and biodiesel, and received independent verification in September 2025.
(b) UK Government Greenhouse Gas Conversion Factors for Company Reporting issued by the Department for Energy Security and Net Zero (DESNZ), formerly the Department for Business Energy and Industrial Strategy (BEIS) and the Department for Environment Food and Rural Affairs (DEFRA).
(c) American Petroleum Institute Compendium of GHG Emissions Methodologies for the Natural Gas and Oil Industry (2021).
(d) Exception: Electricity at PDB's Melaka Terminals are contractually supplied by the neighbouring Melaka Energy Park (MEP) which provided the average emission factor of its Cogeneration plant.

7.4 Internal Carbon Price (ICP) and Carbon Credit

In shaping a more robust framework for climate-related assessments, we are considering various tools to support long-term decision-making, including the possible future use of ICP. While ICP has not yet been applied, any eventual implementation will be guided by organisational readiness, the availability of sound data and methodologies, and consistency with Group-wide practices.

The Group did not purchase any carbon credits or renewable energy certificates (REC) during the reporting year. As we continue to strengthen our efforts to lower emissions from purchased electricity, we may consider RECs in the future to complement ongoing initiatives that support the reduction of reported Scope 2 emissions.

Scan the QR code to read more about the 2025 IFRS S2 and SASB Content Index

Bursa Malaysia's CSI Prescribed Table

Date & Time: 2026-03-10 14:40:05
FYE 31/12/2025

PETRONAS Dagangan Berhad
IFRS S2

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
* GHG Emissions	Scope 1	tCO2e	10,356	—	External (Limited)	Data representing PDB Group (operational control) and was assured by LRQA Malaysia Sdn Bhd
Footnote Sustainability Matter	Data was wrongly input. Amended from 10,400 tCO2e to 10,356 tCO2e					
* GHG Emissions	Scope 2	tCO2e	92,226	—	External (Limited)	Data representing PDB Group (operational control) and was assured by LRQA Malaysia Sdn Bhd
Footnote Sustainability Matter	Data was wrongly input. Amended from 92,200 tCO2e to 92,226 tCO2e					
GHG Emissions	Scope 3 - Category 1	tCO2e	9,645,792	—	External (Limited)	Data representing PDB Group (operational control) and was assured by LRQA Malaysia Sdn Bhd
GHG Emissions	Scope 3 - Category 6	tCO2e	1,854,800	—	No assurance	Data representing PDB Group (operational control)
GHG Emissions	Scope 3 - Category 7	tCO2e	692,100	—	External (Limited)	Data representing PDB Group (operational control) and was assured by LRQA Malaysia Sdn Bhd
GHG Emissions	Scope 3 - Category 11	tCO2e	42,579,375	—	External (Limited)	Data representing PDB Group (operational control) and was assured by LRQA Malaysia Sdn Bhd
* Energy Management	Total energy use	GJ	1,312,656	—	External (Limited)	Data representing PDB Group and PNGV, and was assured by LRQA Malaysia Sdn Bhd
Footnote Sustainability Matter	Data was wrongly input. Amended from 1,303.9 GJ to 1,312,656 GJ					
GHG Emissions	Scope 1	tCO2e	9,164	—	External (Limited)	Data representing PDB Equity Share and was assured by LRQA Malaysia Sdn Bhd

This report was generated on the Bursa Malaysia CSI Platform on 2026-03-10 14:40:05

Note:
Please note that pages 1 to 7 of the Prescribed Table were not disclosed in the ISSB Statement announced on 27 March 2026. In accordance with the Listing Requirements, the full Prescribed Table generated by the CSI platform, comprising pages 1 to 9, is available at the following link: https://www.mymesra.com.my/csi-prescribed-table. For clarity, the information presented on pages 8 to 9 of the Prescribed Table in the ISSB Statement is consistent with the disclosure provided via the link.

Bursa Malaysia's CSI Prescribed Table

PETRONAS Dagangan Berhad
IFRS S2

Date & Time: 2026-03-10_14:40:05
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
GHG Emissions	Scope 2	tCO2e	103,281	—	External (Limited)	Data representing PDB Equity Share and was assured by LRQA Malaysia Sdn Bhd

This report was generated on the Bursa Malaysia CSI Platform on 2026-03-10_14:40:05

Note: *Please note that pages 1 to 7 of the Prescribed Table were not disclosed in the ISSB Statement announced on 27 March 2026. In accordance with the Listing Requirements, the full Prescribed Table generated by the CSI platform, comprising pages 1 to 9, is available at the following link: https://www.mymesra.com.my/csi-prescribed-table. For clarity, the information presented on pages 8 to 9 of the Prescribed Table in the ISSB Statement is consistent with the disclosure provided via the link.*

External Independent Assurance Report

LRQA Group Independent Assurance Statement

Relating to PETRONAS Dagangan Berhad (PDB) Greenhouse Gas (GHG) emissions for calendar year 2025

This Assurance Statement has been prepared for PETRONAS Dagangan Berhad (PDB) in accordance with our contract.

Terms of Engagement

LRQA INSPECTION MALAYSIA SDN. BHD. (LRQA) was commissioned by PETRONAS Dagangan Berhad (PDB) to provide independent assurance of its greenhouse gas (GHG) emissions inventory in the PETRONAS Dagangan Berhad Integrated Report 2025 ("the Report") for the calendar year 2025 against the assurance criteria below to a limited level of assurance and materiality of the professional judgement of the verifier using LRQA's verification procedure that is in accordance with ISO 14064 - Part 3 for greenhouse gas emissions.

Our assurance engagement covered PDB' entities[1] related to its businesses and covered all operations within Malaysia that are under PDB Operational Control and Equity Share (refer Annex A). Our engagement specifically covered the following:

- Verifying conformance of the selected datasets with:
  - PETRONAS Technical Standard, PTS 18.72.05 Greenhouse Gas Emissions Management, March 2023.
  - World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition 2004 (otherwise referred to as the WRI/WBCSD GHG Protocol) for the GHG data[2].
- Evaluating the accuracy and reliability of data and information for the selected emission scopes listed below:
  - Operational control for Direct (Scope 1) and Energy Indirect (Scope 2) expressed in tonnes CO_2e.
  - Indirect Emissions (Scope 3) for Category 1: Purchased Goods and Services, Category 7: Employee Commuting and Category 11: Use of Sold Products expressed in tonnes CO_2e.
  - Equity share for (Scope 1) and Energy Indirect (Scope 2) expressed in tonnes CO_2e.

Our assurance engagement excluded the data and information of PDB suppliers, contractors and any third parties mentioned in the report.

LRQA's responsibility is only to PDB. LRQA disclaims any liability or responsibility to others as explained in the end footnote. PDB' responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of PDB.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that PDB has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Table 1, Table 2 and Table 3.

The opinion expressed is formed on the basis of a limited level of assurance[3] and at the materiality of the professional judgement of the verifier.

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Conducting GHG data verification through interaction with key personnel from sampled operating units from businesses as under:
  - Primary distribution: Remote verification at PS Pipeline Sdn. Bhd. and Independent Oil Terminal Management Sdn. Bhd. (IOTM)
  - Terminals and facilities: Remote verification at Fuel Terminals, Liquefied Petroleum Gas (LPG) Terminals & Bottling Facilities, Aviation Terminals and onsite verification at Bayan Lepas Aviation Fuel Terminal and Kuala Lumpur Aviation Fuel System Sdn. Bhd. (KAFS).
  - Secondary distribution: Remote verification at mobile refueling service vehicle (ROVR).
  - Customer: Remote verification of retail fuel stations, Mesra Retail & Café Sdn. Bhd. outlets and commercial offices and onsite verification at Seksyen 13, Shah Alam retail station.
  - PNGV: Remote verification on the NGV Stations.
  - Verified emissions for Category 1: Purchased Goods limited to petroleum products for trading [4]
  - Verified emissions for Category 7 considering employee survey undertaken through a sample size determined using Taro Yamane Formula 95% confidence level and a normal distribution with 5% margin of error.
  - Category 11 for fuels[5] sold that were externally sourced and retailed by PDB.
  - GHG inventory emissions based on IPCC AR5 GWP

1 PETRONAS Dagangan Berhad (PDB) core business is retail fuel, commercial (diesel, aviation fuel), LPG, lubricants, convenience business, digital payment solutions and includes facilities such as offices, fuel terminals, aviation terminals, LPG terminals, bunkering facilities, petrol stations with Mesra and café. PETRONAS NGV Berhad (PNGV) core business is in supply of NGV for use in vehicles and includes facilities and emission sources such as NGV trucks and gas engine stations.
2 .https://www.ghgprotocol.org/
3 The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites.
4 Mogas, Diesel, Jet A1, Av Gas, Fuel oil, LPG, Additives (for mogas), Additives (for diesel), Additives for (for Jet A1), PME (for biodiesel), Bitumen, Petroleum Coke, Sulphur, Lubricants, LNG DAP
5 Fuels include Mogas, Diesel (B0), Biodiesel (B7), Biodiesel (B10), Biodiesel (B20), AvGas, Jet A1, Jet A1 – International, Fuel Oil - 180 CST, Fuel Oil - 380 CST, Fuel Oil – Others, Kerosene, LPG, PetCoke, LNG – VPS.

External Independent Assurance Report

- Reviewing processes related to the control of GHG emissions data and records;
- Interviewing relevant employees of the organization responsible for managing GHG emissions data and records at the operating unit level and corporate level; and
- Assessing PDB data management systems to confirm they are designed to prevent significant errors, omissions or misstatements in the Report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal quality control.
- Verifying historical GHG emissions data and records at an aggregated level for the calendar year 2025.

Recommendations

- PDB should prepare the GHG inventory prior to verification,
- Establish Internal Quality Control for the data in timely manner, and
- Reconduct survey or update for air-conditioning and other to reflect current operation

LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021 *Conformity audit – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification audits is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

We have conducted to PDB for verification GHG Inventory Scope 1, 2, 3 (Category 1, 7 and 11) for calendar year 2024 and HSE Indicator for year 2025. The verification audits are the only work undertaken by LRQA for PDB and as such does not compromise our independence or impartiality.

Signed Dated: 20th Feb. 2026

Sew Shuh Ping
LRQA GROUP LIMITED Lead Verifier
On behalf of LRQA INSPECTION MALAYSIA SDN. BHD., Level 25, Naza Tower, Platinum Park, No.10, Persiaran KLCC, 50088 Kuala Lumpur

LRQA GROUP LIMITED reference: KLR00000814

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External Independent Assurance Report

Table 1. Summary of PDB Operational Control GHG Emissions data for Scope 1 and Scope 2 emissions:

Operational control Scope	2025 (tCO2e)
Scope 1 emissions	8,984
Scope 2 emissions	91,717

Table 2. Summary of PNGV[6] Operational Control GHG Emissions data for Scope 1 and Scope 2 emissions:

Operational control Scope	2025 (tCO2e)
Scope 1 emissions	1,372
Scope 2 emissions	515

Table 3. Summary of PDB Equity Share GHG Emissions data for Scope 1 and Scope 2 emissions:

Equity Share Scope	2025 (tCO2e)
Scope 1 emissions	9,164
Scope 2 emissions	103,281

Table 4. Summary of PDB GHG Emissions data for Scope 3 emissions:

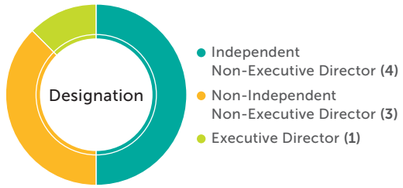
Scope 3	2025 (tCO2e)
Category 1: Purchased Goods and Services[7]	9,645,792
Category 7: Employee Commuting	692
Category 11: Use of Sold Products[8]	42,579,375

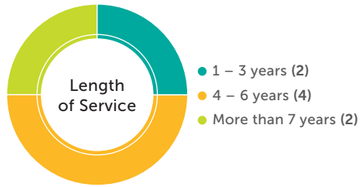
6 Ceased operation in July 2025 and fully decommissioned in October 2025
7 Limited to purchase of petroleum products for trading
8 limited to sales of combustible petroleum products

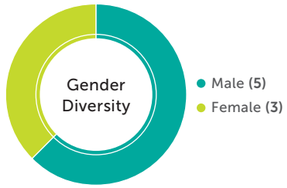
Board at a Glance

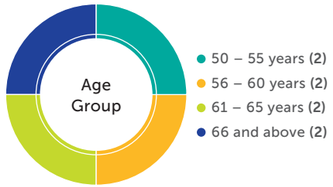
Board at a Glance

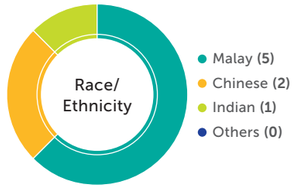


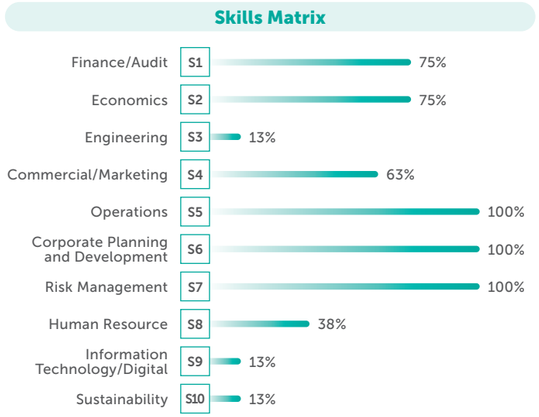


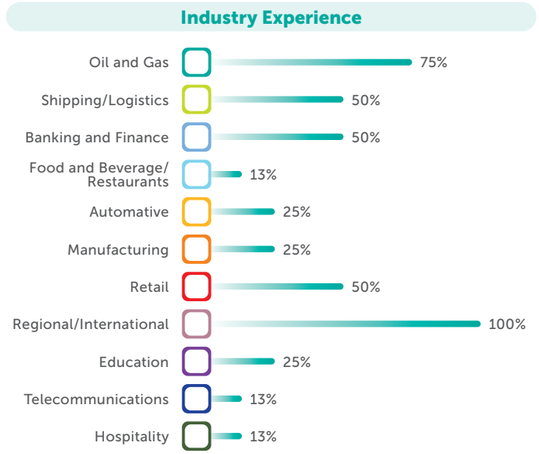












Experienced, Effective And Energetic Leadership

Since the Group's Board structure first established, we have continued to develop and embed strong governance practices across the business.

This focus on governance supports our vision to become a universal symbol of trust by promoting effective decision-making in achieving our strategy.

Datuk Anuar Ahmad
Chairman, Non-Independent Non-Executive Director

Azrul Osman Rani
Managing Director/ Chief Executive Officer

Alvin Michael Hew Thai Kheam
Senior Independent Non-Executive Director

Nirmala Doraisamy
Independent Non-Executive Director

Tang Saw Hua
Independent Non-Executive Director

Datin Arni Laily Anwarrudin
Non-Independent Non-Executive Director

Datuk Sazali Hamzah
Non-Independent Non-Executive Director

Mohd Yuzaidi Mohd Yusoff
Independent Non-Executive Director





Board of Directors' Profile

DATUK ANUAR AHMAD

Chairman, Non-Independent Non-Executive Director

72



Length of Service (as at 28 February 2026):
11 years 6 month

Date of Appointment
1 August 2014
(appointed as Non-Independent Non-Executive Director)

15 April 2016
(re-designated as Independent Non-Executive Director)

1 January 2022
(re-designated as Chairman, Non-Independent Non-Executive Director)

Number of Board Meetings Attended:
7/7

ACADEMIC/PROFESSIONAL QUALIFICATIONS
- Advanced Management Program, Harvard Business School, United States of America (USA)
- Bachelor of Science (Econs) London School of Economics and Political Science, University of London, United Kingdom (UK)

PRESENT DIRECTORSHIPS
Listed entities
- PETRONAS Dagangan Berhad
- Kumpulan Fima Berhad
- Ancom Nylex Berhad

Other public company
- Fima Bulking Services Berhad

OTHER PRINCIPAL APPOINTMENTS
- Chairman of Audit and Risk Committee, Kumpulan Fima Berhad (FIMA)
- Member of Nomination and Remuneration Committee (NRC), FIMA
- Chairman of Fima Bulking Services Berhad
- Independent Non-Executive Chairman of Ancom Nylex Berhad

PAST EXPERIENCES
- Chairman of NRC, PDB
- Member of Board Audit Committee (BAC), PDB
- Member of Board Risk Committee (BRC), PDB
- Director of ENRA Group Berhad (ENRA)
- Chairman of NRC, ENRA
- Member, Audit and Risk Management Committee, ENRA
- Director of Chemical Company of Malaysia Berhad (CCM)
- Chairman of Finance and Investment Committee, CCM
- Member of Risk Management Committee, CCM
- Chairman of Audit Committee, E.A. Technique (M) Berhad (EA Technique)
- Member of Remuneration Committee, EA Technique
- Chairman of PETRONAS Gas Berhad
- Director of PETRONAS
- Member of Executive Committee, PETRONAS
- Member of Management Committee, PETRONAS
- Executive Vice President (EVP) of Gas and Power Business, PETRONAS
- Vice President (VP) of Oil Business, PETRONAS
- VP of Human Resource Management, PETRONAS
- Managing Director/Chief Executive Officer of PDB
- Various senior managerial positions within PETRONAS Group
- Independent Non-Executive Chairman of Nylex (Malaysia) Berhad (Nylex)
- Member of Audit Committee, Nylex

KEY STRENGTHS AND EXPERIENCES
Skills Matrix:
S1 S2 S4 S5 S6 S7 S8

Industry Experiences:

Refer to the legend for Skills Matrix and Industry Experience on Board at a Glance section at page 113.

AZRUL OSMAN RANI

Managing Director/ Chief Executive Officer

52



Length of Service (as at 28 February 2026):
6 years 2 months

Date of Appointment
1 January 2020

Number of Board Meetings Attended:
7/7

ACADEMIC/PROFESSIONAL QUALIFICATIONS
- Advanced Management Program, Harvard Business School, USA
- Bachelor of Science in Economics with double major in Industrial Management, Carnegie Mellon University, Pennsylvania, USA

PRESENT DIRECTORSHIPS
Listed entities
- PETRONAS Dagangan Berhad

Other public company
- Nil

OTHER PRINCIPAL APPOINTMENTS
- Chairman and Director of various companies within PDB
- Director of PETRONAS Lubricants International Sdn Bhd, a subsidiary of PETRONAS

PAST EXPERIENCES
- Head (Commercial Development and JV Formation) of PETRONAS Refinery and Petrochemical Corporation (PRPC), Downstream
- Chief Executive Officer (CEO) of PRPC Utilities and Facilities
- Business Director, Uzbekistan Gas to Liquid Limited Liability Company
- Senior Manager, International Trading, Malaysian International Trading Corporation Sdn Bhd (MITCO)
- Senior Manager for Business Development Oil Portfolio in PETRONAS Business Development Unit
- Trading Manager, Agriculture Product, MITCO
- Country Manager, MITCO Indonesia Office
- Various positions within PETRONAS Group

KEY STRENGTHS AND EXPERIENCES
Skills Matrix:
S2 S4 S5 S6 S7 S8

Industry Experiences:

Refer to the legend for Skills Matrix and Industry Experience on Board at a Glance section at page 113.

ALVIN MICHAEL HEW THAI KHEAM

Senior Independent Non-Executive Director

62



Length of Service (as at 28 February 2026):
8 years

Date of Appointment
6 February 2018

Number of Board Meetings Attended:
7/7

ACADEMIC/PROFESSIONAL QUALIFICATIONS
- Master of Business Administration, INSEAD-Europe Campus, Fontainebleau, Ile de France
- Bachelor of Commerce (Honours), Queen's University, Kingston, Ontario, Canada
- Bachelor of Arts (Minor Economics), Queen's University, Kingston, Ontario, Canada

PRESENT DIRECTORSHIPS

Listed entity
- PETRONAS Dagangan Berhad

Other public company
- Nil

OTHER PRINCIPAL APPOINTMENTS
- Chairman of Board Sustainability and Risk Committee (BSRC), PDB
- Member of NRC, PDB

PAST EXPERIENCES
- Senior Independent Non-Executive Director, Maxis Berhad (Maxis)
- Chairman of Transformation Committee, Maxis
- Member of NRC, Maxis
- Chairman of Audit and Risk Committee, Maxis
- Group Managing Director of Southgate Ventures Pte. Ltd.
- Group Managing Director of SIS Group of Schools
- Board Director of Wine Connection Group
- Board Director of I Can Read System
- Board Director of PSGOURMET Pte. Ltd
- Board Director and Chairman of Governance Committee, Taipei American School
- Board Advisor of TORO Limited
- Board Director and Co-Chair of Events and Communications, European Chamber of Commerce Taiwan
- Director and Treasurer of Toronto Condominium Corp YCC 332
- Managing Director of H2O Capital Limited, Taiwan
- Managing Director of L'Oreal Taiwan and Malaysia
- General Manager of Consumer Products Division, L'Oreal Malaysia
- Project Manager of L'Oreal S.A, Paris
- Brand Manager Hair Care of Procter & Gamble, Vietnam
- Brand Manager South Asia of Procter & Gamble AG, Switzerland
- Financial Analyst of Lancaster Financial Inc., Canada
- Account Manager of Toronto-Dominion Bank, Canada

KEY STRENGTHS AND EXPERIENCES

Skills Matrix:
S1 S2 S4 S5 S6 S7 S8 S10

Industry Experiences:

Refer to the legend for Skills Matrix and Industry Experience on Board at a Glance section at page 113.

NIRMALA DORAISAMY

Independent Non-Executive Director

59



Length of Service (as at 28 February 2026):
6 years 4 months

Date of Appointment
15 October 2019

Number of Board Meetings Attended:
7/7

ACADEMIC/PROFESSIONAL QUALIFICATIONS
- Fellow, Institute of Corporate Directors, Malaysia
- Fellow, Chartered Institute of Management Accountants, United Kingdom
- Member, Malaysian Institute of Accountants (MIA)
- Chartered Global Management Accountant, United Kingdom
- Master in Business Administration, International Islamic University
- Bachelor of Economics (Honours), Universiti Malaya

PRESENT DIRECTORSHIPS

Listed entities
- PETRONAS Dagangan Berhad
- CTOS Digital Berhad

Other public company
- Aeon Bank (M) Berhad

OTHER PRINCIPAL APPOINTMENTS
- Member of BSRC, PDB
- Member of BAC, PDB
- Independent Non-Executive Director, Aeon Bank (M) Bhd (ABB)
- Chairman of BAC, ABB
- Member of Board Risk and Compliance Committee, ABB
- Chairman of Audit Committee, CTOS Digital Berhad (CTOS)
- Member of NRC, CTOS
- Member of Risk and Compliance Committee, CTOS
- Member of ESOS Committee, CTOS
- Independent Director of Setel Ventures Sdn. Bhd. (SVSB)
- Chairman of Board Audit and Risk Committee (BARC), SVSB
- Member of Auditing and Assurance Standards Board, MIA

PAST EXPERIENCES
- Senior Independent Director of Evergreen Fibreboard Bhd (EFB)
- Chairman of Risk and Sustainability Management Committee, EFB
- Chairman of Nomination Committee, EFB
- Member of Remuneration Committee, EFB
- Member of Audit Committee, EFB
- Director of Ecobuilt Holdings Berhad (Ecobuilt)
- Chairman of Nomination Committee, Ecobuilt
- Member of Audit Committee, Ecobuilt
- Head of Risk Management, Credit Guarantee Corporation Bhd
- Various positions in Affin Bank Bhd, Alliance Bank Malaysia Berhad and MBf Finance Bhd

KEY STRENGTHS AND EXPERIENCES

Skills Matrix:
S1 S2 S5 S6 S7

Industry Experiences:

Refer to the legend for Skills Matrix and Industry Experience on Board at a Glance section at page 113.

TANG SAW HUA

Independent Non-Executive Director

66



Length of Service (as at 28 February 2026):
5 years 7 months

Date of Appointment
1 July 2020

Number of Board Meetings Attended:
*6/7**

ACADEMIC/PROFESSIONAL QUALIFICATIONS
- Member of Malaysian Institute of Certified Public Accountants
- Member of Malaysian Institute of Accountants

PRESENT DIRECTORSHIP

Listed entities
- PETRONAS Dagangan Berhad
- DRB-HICOM Berhad

Other public company
- Prasarana Malaysia Berhad

OTHER PRINCIPAL APPOINTMENTS
- Chairman of BAC, PDB
- Member of BSRC, PDB
- Member of NRC, PDB
- Chairman of BAC, Prasarana Malaysia Berhad (Prasarana)
- Member of Finance Committee, Prasarana
- Member of NRC, Prasarana
- Chairman of BAC, DRB-HICOM Berhad (DRB-HICOM)
- Member of Board Risk and Sustainability Committee, DRB-HICOM

PAST EXPERIENCES
- Senior Independent Non-Executive Director of Cycle & Carriage Bintang Berhad (CCB)
- Chairperson of Audit Committee, CCB
- Member of Remuneration Committee, CCB
- Member of Nomination Committee, CCB
- Group CFO of Destination Resorts and Hotel Sdn. Bhd., a wholly owned subsidiary of Khazanah Nasional Berhad
- Senior General Manager of Integrated Petroleum Services Sdn Bhd
- General Manager of Finance, Proton Edar Sdn Bhd
- Group Financial Controller of the Oil and Gas Division in UMW Holdings Berhad
- Head of Finance, Edaran Otomobil Nasional Berhad
- Held various other Accountant positions in manufacturing, hotel and property development organisations

KEY STRENGTHS AND EXPERIENCES
Skills Matrix: S1 S2 S5 S6 S7

Industry Experiences:

Refer to the legend for Skills Matrix and Industry Experience on Board at a Glance section at page 113.

Note
**Ms. Tang Saw Hua recused herself from attending the Special Board meeting held on 21 March 2025 due to a potential conflict of interest that could arise from the discussion of the meeting's agenda.*

DATIN ARNI LAILY ANWARRUDIN

Non-Independent Non-Executive Director

50



Length of Service (as at 28 February 2026):
4 years 8 months

Date of Appointment
1 June 2021

Number of Board Meetings Attended:
7/7

ACADEMIC/PROFESSIONAL QUALIFICATIONS
- Fellow of Institute of Chartered Accountants in England and Wales
- Member of Malaysian Institute of Accountants
- Bachelor of Science degree in Accounting and Finance, London School of Economics and Political Science

PRESENT DIRECTORSHIP

Listed entity
- PETRONAS Dagangan Berhad

Other public company
- Nil

OTHER PRINCIPAL APPOINTMENTS
- Member of BAC, PDB
- Senior General Manager (Strategic Communications Group Strategic Relations and Communications), PETRONAS
- Director of various companies within PETRONAS

PAST EXPERIENCES
- Senior General Manager (Energy Asia and Strategy, Planning and Governance), Group Strategic Relations and Communications, PETRONAS
- Senior General Manager of Merger and Acquisition and Corporate Ventures, PETRONAS
- Head of Group Corporate Finance, PETRONAS
- Head of Corporate Finance and Financial Services, Upstream Business, PETRONAS
- Chief Financial Officer of Gas and Power Business, PETRONAS
- Senior Manager of Transformation and Special Projects, President's Office, PETRONAS
- Senior Manager of Business Planning, Group Strategic Planning, PETRONAS
- Financial Risk Manager of Dow Chemical Singapore
- Treasury Manager of OPTIMAL Group of Companies (JV) between PETRONAS and Dow Chemical

KEY STRENGTHS AND EXPERIENCES
Skills Matrix: S1 S2 S4 S5 S6 S7

Industry Experiences:

Refer to the legend for Skills Matrix and Industry Experience on Board at a Glance section at page 113.

DATUK SAZALI HAMZAH

Non-Independent Non-Executive Director

59



Length of Service (as at 28 February 2026):
3 years 8 months

Date of Appointment
1 June 2022

Number of Board Meetings Attended:
7/7

ACADEMIC/PROFESSIONAL QUALIFICATIONS
- Chartered Fellow of the Institution of Chemical Engineers (IChemE)
- Advanced Management Programme, the Wharton School, University of Pennsylvania, USA
- Senior Management Program, London Business School, London, United Kingdom
- Bachelor of Chemicals Engineering, Lamar University, USA

PRESENT DIRECTORSHIPS

Listed entities
- PETRONAS Dagangan Berhad
- PETRONAS Chemicals Group Berhad

Other public company
- Nil

OTHER PRINCIPAL APPOINTMENTS
- Member of BSRC, PDB
- Executive Vice President and Chief Executive Officer of Downstream Business, PETRONAS
- Member of Executive Leadership Team, PETRONAS
- Chairman PETRONAS Chemicals Group Berhad
- Chairman/Director of various companies within PETRONAS

PAST EXPERIENCES
- Senior Vice President and MD/CEO of PETRONAS Chemicals Group Berhad
- Board member of Institution of Chemical Engineers United Kingdom, Malaysian Branch
- MD/CEO, Malaysia Refining Company Sdn. Bhd.
- MD/CEO, PETRONAS Technical Sdn. Bhd.
- MD/CEO, PETRONAS Penapisan (Melaka) Sdn. Bhd.
- Senior General Manager of Group Technology Solutions, PETRONAS
- Head of Group Project Management and Delivery, PETRONAS
- Head of Group Technical Services, PETRONAS
- Various senior management positions in the refinery and petrochemical business within PETRONAS

KEY STRENGTHS AND EXPERIENCES

Skills Matrix:
S3 S4 S5 S6 S7

Industry Experiences:

Refer to the legend for Skills Matrix and Industry Experience on Board at a Glance section at page 113.

MOHD YUZAIDI MOHD YUSOFF

Independent Non-Executive Director

62



Length of Service (as at 28 February 2026):
3 years 8 months

Date of Appointment
1 June 2022

Number of Board Meetings Attended:
6/7

ACADEMIC/PROFESSIONAL QUALIFICATIONS
- M Sc. Business Administration, San Diego State University, USA
- B Sc. Computer Science, Northern Illinois University, USA

PRESENT DIRECTORSHIPS

Listed entities
- PETRONAS Dagangan Berhad
- Bank Islam Malaysia Berhad

Other public companies
- Prudential Assurance Malaysia Berhad
- Muslim Professionals Forum Berhad

OTHER PRINCIPAL APPOINTMENTS
- Chairman of NRC, PDB
- Member of BAC, PDB
- Independent Non-Executive Director of Bank Islam Malaysia Berhad (BIMB)
- Chairman of Board Information Technology Committee, BIMB
- Chairman of Board Risk Committee, BIMB
- Member of Board Strategic and Sustainability Committee, BIMB
- Independent Non-Executive Director, Prudential Assurance Malaysia Berhad (PAMB)
- Member of Board Nominating Committee, PAMB
- Member of Board Remuneration Committee, PAMB
- Member of Board Audit Committee, PAMB
- Member of Board Risk Management Committee, PAMB
- Chairman, Muslim Professionals Forum Berhad
- Independent Director of Setel Ventures Sdn. Bhd. (SVSB)
- Member of Board Audit and Risk Committee, SVSB
- Chairman Finodyn Sdn. Bhd.

PAST EXPERIENCES
- Board of Trustee, PADU Corporation (PADU)
- Member of Audit and Risk Committee, PADU
- Member of Board Audit and Examination Committee, BIMB
- Member of Board Strategic and Sustainability Committee, BIMB
- Independent Non-Executive Director, Malaysia Digital Economy Corporation Sdn Bhd (MDEC)
- Chairman, Board Audit and Risk Committee, MDEC
- Group Chief Strategy and Corporate Governance Officer, PST Ventures Sdn Bhd
- Co-Founder and Managing Director, Clear Minds Sdn Bhd
- Senior Manager, Accenture

KEY STRENGTHS AND EXPERIENCES

Skills Matrix:
S1 S5 S6 S7 S9

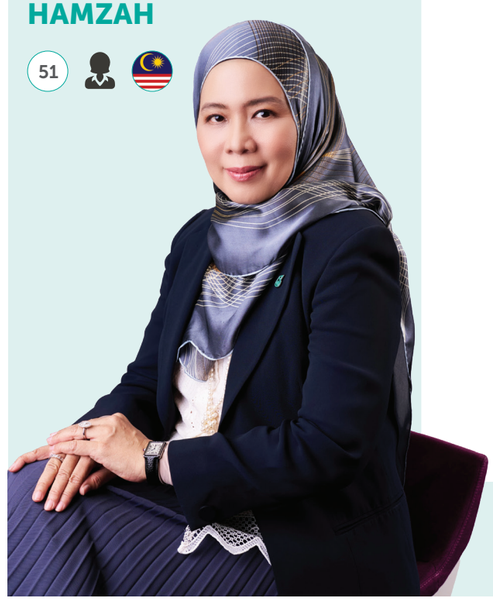
Industry Experiences:

Refer to the legend for Skills Matrix and Industry Experience on Board at a Glance section at page 113.

Company Secretaries

HAZLEENA HAMZAH

51



ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor of Laws (Honours), University of Bristol, United Kingdom
- Degree of an Utter Barrister, Lincoln's Inn
- Master of Business Administration, Middlesex University United Kingdom
- Licensed Company Secretary

DESCRIPTION OF ROLES

- Appointed as Company Secretary of PDB effective 1 January 2026 and acts as an advisor to the Board, particularly with regards to corporate governance and compliance to the regulatory requirements
- Responsible for provision of secretarial and governance advisory services to PDB and its Group of companies and ensuring the interest and reputation of PDB is protected

NORHASHEMA SALEH

FCIS (CS)(CGP)

56



ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Fellow of the Malaysian Institute of Chartered Secretaries and Administrators
- Chartered Company Secretary from the Institute of Chartered Secretaries and Administrators, United Kingdom
- Master of Business Administration, International Islamic University of Malaysia (IIUM)
- Bachelor of Business Administration, IIUM

DESCRIPTION OF ROLES

- She has been the Company Secretary of PDB since May 2023 and acts as an advisor to the Board, particularly with regards to corporate governance and compliance to the regulatory requirements
- Responsible for provision of secretarial and governance advisory services to PDB and its Group of companies and ensuring the interest and reputation of PDB is protected

Additional Information on the Board of Directors:

- ***Family Relationship:*** None of the Directors have any family relationship with any Director and/or Major Shareholder of PDB

- ***Conflict of Interests:*** Save as disclosed below, none of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business, with PDB and/or its subsidiaries:

  - Petroliam Nasional Berhad (PETRONAS) is a major shareholder of PDB. Due to the nature of business of PDB, there are potential transactions with other entities within the PETRONAS Group, of which situations of conflict of interest could arise for the following Non-Independent Non-Executive Directors in their various capacities as employees of PETRONAS as stated in their respective profiles under "Other Principal Appointment:

    1. Datuk Sazali Hamzah
    2. Datin Arni Laily Anwarrudin

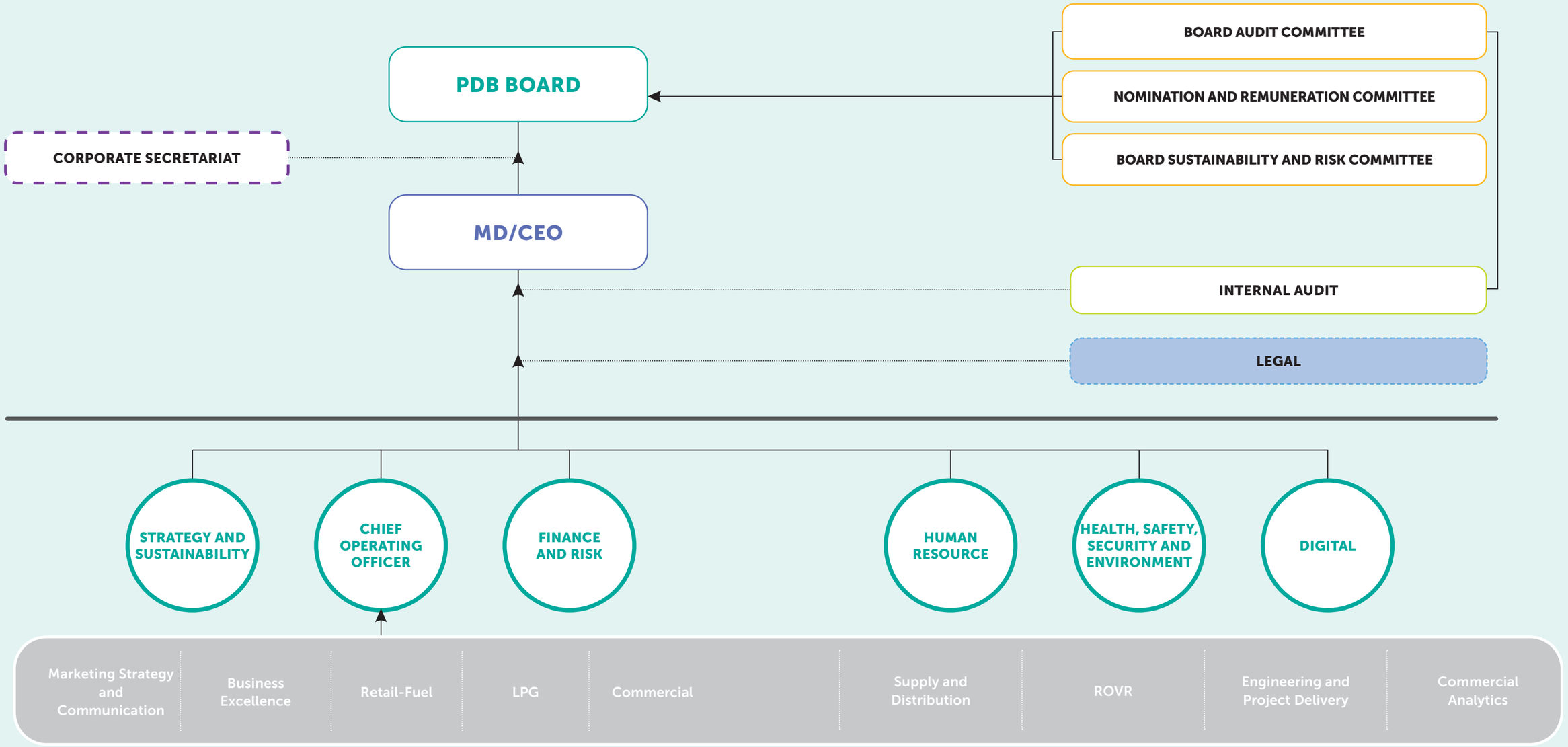
  - Azrul Osman Rani an employee of PETRONAS, a major shareholder of the Company and has been seconded to PDB as the MD/CEO.

- ***Conviction for Offences:*** None of the Directors have any conviction for offences, other than traffic offences, if any, for the past five years

- ***Public Sanction of Penalty:*** None of the Directors have any sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2025

Organisation Structure

Organisation Structure



Note:
1. *Organisation Structure as at 27 February 2026*
2. *Lubricant Business is managed via PDB's subsidiary, PETRONAS Lubricants Marketing (Malaysia) Sdn. Bhd.*
3. *Convenience Business is managed via PDB's subsidiary, Mesra Retail & Cafe Sdn. Bhd.*
4. *Technology Business is managed via PDB's subsidiary, Setel Venture Sdn. Bhd.*

Leadership Team's Profile

SKILLS MATRIX

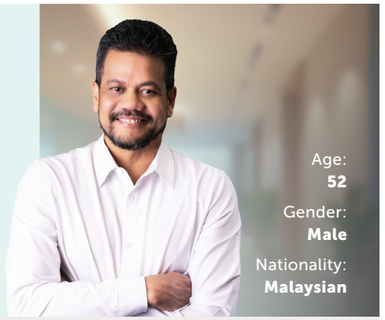
- S1 Finance/Audit
- S2 Economics
- S3 Engineering
- S4 Commercial/Marketing
- S5 Operations
- S6 Corporate Planning and Development
- S7 Human Resource
- S8 Information Technology
- S9 Risk Management
- S10 HSE
- S11 Business Transformation
- S12 Corporate and Marketing Communications
- S13 Brand and Reputation Management
- S14 Law/Secretarial
- S15 Corporate Governance
- S16 Business Model and Venture Formulation
- S17 Strategic Planning and Negotiations
- S18 New Market Penetration
- S19 Economics Model

INDUSTRY EXPERIENCE

- Oil and Gas
- Shipping/Logistics
- Regional/International
- Manufacturing
- Banking and Finance
- Petrochemical
- Education
- Information Technology/Digital
- Legal Practice (Litigation)
- Telecommunications
- Technical Services
- Automotive

AZRUL OSMAN RANI

Managing Director/Chief Executive Officer



Age: **52**
Gender: **Male**
Nationality: **Malaysian**

Date of Appointment: **1 January 2020**

Skills Matrix: S2 S4 S5 S6 S7 S9 S10 S11 S12 S13 S15 S16 S17 S18 S19

Industry Experience

Academic/Professional Qualification
- Advanced Management Program, Harvard Business School, United States of America (USA)
- Bachelor of Science in Economics with double major in Industrial Management, Carnegie Mellon University, Pennsylvania, United States of America (USA)

Key Responsibilities
Responsible for providing strategic, financial and operational leadership including steering PETRONAS Dagangan Berhad's (PDB) overall strategic growth, new ventures, operational excellence, financial and sustainable performance of the Company and its subsidiaries.

Past Experiences
- Head (Commercial Development and JV Formation) of PETRONAS Refinery and Petrochemical Corporation (PRPC), Downstream
- Chief Executive Officer, PRPC Utilities and Facilities
- Business Director, Uzbekistan Gas to Liquid Limited Liability Company
- Senior Manager, International Trading, Malaysian International Trading Corporation Sdn. Bhd. (MITCO)
- Senior Manager for Business Development Oil Portfolio in PETRONAS Business Development Unit
- Trading Manager, Agriculture Product, MITCO
- Country Manager, MITCO Indonesia Office
- Various positions within PETRONAS Group

Leadership Team's Profile

AZUREEN AZITA ABDULLAH

Chief Operating Officer



Age: **49**
Gender: **Female**
Nationality: **Malaysian**

Date of Appointment: **1 June 2024**

Skills Matrix: S3 S4 S5 S6 S8 S11 S16 S17 S19

Industry Experience

Academic/Professional Qualification
- Bachelor of Engineering in Material Science and Engineering (Hons.) from Swansea University Wales, Swansea, United Kingdom (UK)

Key Responsibilities
Responsible for steering and overseeing PDB's diverse business operations, supporting the execution of PDB's strategic growth ventures, and optimising performance to maximise value creation.

Past Experiences
- General Manager (Downstream Digital) PETRONAS
- General Manager (Retail Sales and Operations) PDB
- Senior Manager (Venture Management) PCG
- Manager (EVP Downstream Office) PETRONAS
- Manager, Malaysia Gas Management, Gas Business, PETRONAS
- Various positions within PETRONAS Group

MAZLIE MINHAT

Chief Financial Officer



Age: **47**
Gender: **Male**
Nationality: **Malaysian**

Date of Appointment: **1 November 2025**

Skills Matrix: S1 S2 S4 S6 S7 S9 S15 S17 S19

Industry Experience

Academic/Professional Qualification
- Fellowship, Association of Chartered Certified Accountant (ACCA), United Kingdom (UK)
- Member, Malaysia Institute of Accountants (MIA)
- Bachelor in Accounting (Hons.), Universiti Tenaga Nasional

Key Responsibilities
Responsible for the management of all financial-related matters for PDB and its subsidiaries, risk management and investor relations.

Past Experiences
- Financial Controller, PCG
- Financial Controller, Indian Oil PETRONAS Pvt. Ltd.
- Regional Financial Controller (Asia Pacific), PETRONAS Lubricants International
- Head, Group Accounts and Performance Planning, PCG
- Head, Finance Department, PETRONAS Chemicals Derivatives Sdn. Bhd.
- Head, Finance Department, PETRONAS Chemicals Fertiliser Kedah Sdn. Bhd.
- Manager, Finance Department, PETRONAS Base Oil (M) Sdn. Bhd.
- Various positions within PETRONAS Group

Leadership Team's Profile

SAZLINA AHAMAD



Chief Technology Officer

Age: **44**
Gender: **Female**
Nationality: **Malaysian**

Date of Appointment: **1 July 2024**

Skills Matrix: S8, S11

Industry Experience

Academic/Professional Qualification
- Bachelor of Engineering (Hons.) Electronics Majoring in Telecommunications, Multimedia University
- Master of Business Administration Majoring in Multimedia Marketing, Multimedia University

Key Responsibilities
Responsible for the planning, development and implementation of all digital operations, ensuring system scalability and aligning technology initiatives with business goals to deliver value.

Past Experiences
- Head of Product Management, PETRONAS Digital
- Head of Production Tribe, Product Delivery Upstream, PETRONAS Digital
- Head of Enterprise Network Services, PETRONAS Digital
- Various positions within PETRONAS Group

Refer to the legend for Skills Matrix and Industry Experience on at page 126.

MOHD FEIRUZ MOHD GHAZALI



Head, Retail-Fuel Division

Age: **49**
Gender: **Male**
Nationality: **Malaysian**

Date of Appointment: **1 January 2026**

Skills Matrix: S1, S4, S5, S6, S9, S11, S13, S17

Industry Experience

Academic/Professional Qualification
- Bachelor of Business Administration, Majoring in Operation Management, Universiti Teknologi Mara

Key Responsibilities
Responsible for the performance and growth of Retail-Fuel business including retail network, strategy and planning, customer satisfaction, station operations and dealer management.

Past Experiences
- Chief Executive Officer, Misr PETRONAS Lubricants (PML), Egypt
- Senior Manager, Regional Retail Central, PDB
- Manager, Retail Strategy, PDB
- Manager, Dealer Management, Retail, PDB
- Manager, Retail Sales (Central Region), PDB
- Manager, EA to VP Marketing Office, PETRONAS
- Manager, EA to VP Oil Office, PETRONAS
- Manager, Business Planning, Enterprise Optimisation, PETRONAS
- Manager, Governance, Enterprise Optimisation, PETRONAS
- Various positions within PETRONAS Group

Refer to the legend for Skills Matrix and Industry Experience on at page 126.

Leadership Team's Profile

HARDEEP SINGH KIRPAL SINGH



Head, Commercial Business Division

Age: **56**
Gender: **Male**
Nationality: **Malaysian**

Date of Appointment: **1 March 2023**

Skills Matrix: S2, S4, S5, S6, S15

Industry Experience

Academic/Professional Qualification
- Bachelor of Mechanical Engineering, Universiti Teknologi Malaysia

Key Responsibilities
Responsible for sustainable value creation and growth of Commercial Business including strategic direction, business planning and development, sales and marketing as well as credit risk management.

Past Experiences
- Chief Executive Officer, PETRONAS Lubricants Marketing (Malaysia) Sdn. Bhd.
- Head, International Markets, PETRONAS Lubricants International
- Interim CEO, PT PETRONAS Lubricants Indonesia
- Interim CEO, PETRONAS Lubricants Australia
- Various senior positions in Shell Global and Shell Malaysia

Refer to the legend for Skills Matrix and Industry Experience on at page 126.

ANTON SALLEH HASHIM



Head, LPG Business Division

Age: **52**
Gender: **Male**
Nationality: **Malaysian**

Date of Appointment: **1 August 2022**

Skills Matrix: S2, S17, S18

Industry Experience

Academic/Professional Qualification
- Bachelor of Arts Accounting and Finance (Hons.), University of Lancaster, United Kingdom (UK)

Key Responsibilities
Responsible for LPG's business growth and value creation, direction and strategic planning for the business, as well as the efficiency of LPG's distribution network.

Strengthening market leadership and maximising value creation in high-potential areas, ensuring the LPG Business remains agile and competitive.

Past Experiences
- Chief Executive Officer, PETRONAS Lubricants Marketing (Malaysia) Sdn. Bhd.
- Chief Executive Officer, PETCO Trading (UK) Ltd.
- Head, Light Distillates Trading, PETCO Trading Labuan Co. Ltd.
- Head, Light Distillates LPG and Petroleum Product Group
- Various positions within PETRONAS Group

Refer to the legend for Skills Matrix and Industry Experience on at page 126.

Leadership Team's Profile

NORMAH BASRI



Head, Supply and Distribution Division

Age: **53**
Gender: **Female**
Nationality: **Malaysian**

Date of Appointment: **1 June 2020**

Skills Matrix: S1 S3 S4 S5 S10

Industry Experience

Academic/Professional Qualification
- Bachelor of Accountancy, Universiti Utara Malaysia

Key Responsibilities
Responsible for PDB's overall operational excellence and supply reliability across the integrated value chain.

Past Experiences
- Chief Executive Officer, Kertih Port Sdn. Bhd.
- Head, Supply and Distribution Division, PETRONAS Chemicals Marketing Labuan
- Senior Manager, Logistics and Distribution, PETRONAS Chemicals Marketing Labuan
- Operations Manager (Polymer and Fertiliser), Malaysian International Trading Corporation Sdn Bhd (MITCO)
- Project Services and Procurement, PETRONAS LNG Business (LNG Tiga Project)
- Project PETRONAS LNG Business (LNG Tiga Project)

Refer to the legend for Skills Matrix and Industry Experience on at page 126.

HARLINA PIKRI



Head, Strategy and Sustainability Division

Age: **46**
Gender: **Female**
Nationality: **Malaysian**

Date of Appointment: **1 September 2023**

Skills Matrix: S4 S5 S12 S17 S18

Industry Experience

Academic/Professional Qualification
- Bachelor of Science in Information Management for Business, University College London, United Kingdom (UK)

Key Responsibilities
Responsible for crafting and overseeing the implementation of long-term strategies and business development, as well as managing business improvement and transformation. Additionally, responsible for cultivating culture, promoting sustainability, handling corporate communication and forming government and strategic alliances to foster sustainable growth and future-proof PDB's business, assets and talents.

Past Experiences
- Head (Business Development), Strategic Planning and Business Development, Refining, Marketing and Trading, PETRONAS
- Head, Crude Business Development, PETRONAS Trading Corporation Sdn. Bhd. (PETCO)
- Trading Manager, Fuel Oil and Special Products, PETCO
- Various positions within PETRONAS Group

Refer to the legend for Skills Matrix and Industry Experience on at page 126.

Leadership Team's Profile

SORAYA YAHYA



Chief Human Resource Officer

Age: **50**
Gender: **Female**
Nationality: **Malaysian**

Date of Appointment: **1 January 2025**

Skills Matrix: S7 S11

Industry Experience

Academic/Professional Qualification
- Bachelor of Business Administration (Hons) Human Resource Management, Universiti Teknologi MARA
- Diploma in Banking, Universiti Teknologi MARA

Key Responsibilities
Responsible as a business partner in supporting business leaders and talents on matters related to human resources and talent management.

Past Experiences
- Head, Phase Two emb.arc Project, PETRONAS
- Head, Experience Factory, emb.arc Project, PETRONAS
- Head, HRM Sabah Operations, Malaysia Asset, Petronas Carigali Sdn. Bhd.
- Head, HRM Exploration Division, Petronas Carigali Sdn. Bhd.
- Manager, Leadership and Capability Development PETRONAS
- Manager, Top Talent Development, PETRONAS
- Manager, HRAM Global Functions, Shell Business Operations, Malaysia
- Manager, Talent Development, Shell Malaysia Trading Sdn. Bhd.
- Various positions in Shell Malaysia

Refer to the legend for Skills Matrix and Industry Experience on at page 126.

MOHD FAZNI ISMAIL



Head, Legal

Age: **57**
Gender: **Male**
Nationality: **Malaysian**

Date of Appointment: **1 November 2025**

Skills Matrix: S14

Industry Experience

Academic/Professional Qualification
- Bachelor of Law, Barrister and Solicitor High Court of New Zealand
- Advocate and Solicitor High Court of Malaya
- Member, Malaysian Association of Company Secretaries
- Senior leadership trainee at INSEAD, Oxford and Centre for Energy, Petroleum and Mineral Law and Policy, University of Dundee

Key Responsibilities
Responsible for providing legal strategy, and steering, driving and overseeing the legal services and advisory for PDB and its Group of Companies.

Past Experiences
- General Counsel, Malaysia Assets, PETRONAS Carigali Sdn. Bhd.
- General Counsel, Refining, Marketing and Trading, PETRONAS Penapisan Terengganu Sdn. Bhd. (PPTSB)
- General Counsel, Refining, Marketing and Trading, PETCO
- General Counsel, Refining, Marketing and Trading, Malaysian Refining Company Sdn. Bhd. (MRCSB)
- Head Legal, LNG Trading and Marketing, Malaysia LNG Group of Companies (MLNG)
- Head Legal, LNG Trading and Marketing, PETRONAS LNG Ltd. (PLL)
- Head Legal, PETRONAS Carigali Overseas Sdn. Bhd.
- Senior Advocate and Solicitor in external legal firm

Refer to the legend for Skills Matrix and Industry Experience on at page 126.

Leadership Team's Profile

CHEOK YEN KWAN



Head, Marketing Strategy and Communications Division

Age: **53**
Gender: **Female**
Nationality: **Malaysian**

Date of Appointment: **11 November 2022**

Skills Matrix: S2 S4 S12 S17

Industry Experience

Academic/Professional Qualification
- Bachelor of Science (Economics), Universiti Putra Malaysia

Key Responsibilities
Responsible for marketing, product strategies, brand management, loyalty programme, integrated advertising and communication, digital marketing, research and customer resolution.

Past Experiences
- General Manager, Marketing PETRONAS Lubricants Marketing Malaysia
- Asia Pacific, Senior Marketing Manager Kimberly Clark
- Marketing Manager, Fonterra Brands
- Marketing Manager, Kraft/Cadbury Confectionery
- Product Manager, Standard Chartered Bank
- Various positions in Sony Electronics Malaysia Sdn Bhd

Refer to the legend for Skills Matrix and Industry Experience on at page 126.

AMIR ZAFILY ZAKARIA



Head, Engineering and Project Delivery Division

Age: **48**
Gender: **Male**
Nationality: **Malaysian**

Date of Appointment: **1 July 2023**

Skills Matrix: S3 S4 S5 S10 S16

Industry Experience

Academic/Professional Qualification
- Master of Engineering in Chemical Engineering, Imperial College London, United Kingdom (UK)

Key Responsibilities
Responsible for the engineering services on asset reliability strategy and integrity, technical and operational assurances, product quality management, as well as the delivery of retail and non-retail capital projects for PDB.

Past Experiences
- General Manager (Technical Services), PETRONAS Refinery and Petrochemical Corporation (PRPC) Sdn. Bhd.
- General Manager (Project Development), PRPC Sdn. Bhd.
- Project Manager (Package 29) C4 INA, Project RAPID
- Head (C4 and C5 Derivatives), Project RAPID
- Head (Technical), PETLIN (M) Sdn. Bhd.
- Various positions within PETRONAS Group

Refer to the legend for Skills Matrix and Industry Experience on at page 126.

Leadership Team's Profile

DR RAVI MENON



Head, Health, Safety and Environment Division

Age: **58**
Gender: **Male**
Nationality: **Malaysian**

Date of Appointment: **1 July 2024**

Skills Matrix: S1 S3 S5 S9 S10

Industry Experience

Academic/Professional Qualification
- Doctor of Business Administration, The University of Newcastle, Australia
- Master of Business Administration, University Tun Abdul Razak, Malaysia
- Bachelor of Mechanical Engineering (Hons.), University of Sunderland, United Kingdom (UK)

Key Responsibilities
Responsible to develop HSE strategies and drive the implementation and enforcement of HSE plans, programmes, initiatives to ensure compliance to regulatory requirements and standards in safeguarding PDB's interests, people, environment, assets and reputation.

Past Experiences
- Head of Operations (Northern and Eastern Regions), Supply and Distribution Division (SDD), PDB
- Head of Operations (Central and Southern Regions) SDD, PDB
- Various positions in ExxonMobil, Malaysia and Singapore

Refer to the legend for Skills Matrix and Industry Experience on at page 126.

NORAZLAN SUBAHA



Chief Executive Officer, Mesra Retail & Cafe Sdn. Bhd. (MESRA)

Age: **51**
Gender: **Male**
Nationality: **Malaysian**

Date of Appointment: **1 January 2026**

Skills Matrix: S4 S5 S6 S11 S13

Industry Experience

Academic/Professional Qualification
- Bachelor of Engineering in Computer Engineering (Hons), University of Warwick, United Kingdom (UK)

Key Responsibilities
Responsible for guiding strategic growth agenda for MESRA business which includes both operational and financial perspectives in addition to overseeing value creation for Non-Fuel income, Mesra C-Stores, Café Mesra and Complementary Business Partners.

Past Experiences
- Head, Retail Sales and Operations, PDB
- Head, Business Development, VP Marketing Office, PETRONAS
- Head, Retail Marketing Strategy, PDB
- Project Leader, PDB Commercial Excellence (CX) Project
- Head, Mesra C-store Department, PDB
- Management Trainee, Engen Petroleum Ltd. South Africa
- Various positions within PETRONAS Group

Refer to the legend for Skills Matrix and Industry Experience on at page 126.

Leadership Team's Profile

ABDULLAH AYMAN AWALUDDIN

Chief Executive Officer, Setel Ventures Sdn. Bhd. (SVSB)



Age: **45**
Gender: **Male**
Nationality: **Malaysian**

Date of Appointment: **1 March 2024**

Skills Matrix: S3 S5 S6 S17 S18

Industry Experience

Academic/Professional Qualification
- Master of Business Administration (MBA), Harvard Business School, United States of America (USA)
- Bachelor of Engineering (Mechanical), University of New South Wales, Australia

Key Responsibilities
Responsible for strategic decisions and guiding the overall operational, financial, and sustainable performance of SVSB.

Past Experiences
- Chief Executive Officer, Setel Pay Sdn. Bhd.
- General Manager (Venture Architect), Venture Builder, PDB
- Head (Non-Fuel), Retail Business Division, PDB
- Senior Manager, Corporate Strategic Planning, PETRONAS
- Manager (Analyst), Gas and Power Business, PETRONAS
- Engineer, PETRONAS Gas Berhad

Refer to the legend for Skills Matrix and Industry Experience on at page 126.

MOHD ZAMEER ZAHUR HUSSAIN

Chief Executive Officer, PETRONAS Lubricants Marketing (Malaysia) Sdn. Bhd. (PLMMSB)



Age: **49**
Gender: **Male**
Nationality: **Malaysian**

Date of Appointment: **1 March 2023**

Skills Matrix: S4 S5 S6 S9 S17 S18

Industry Experience

Academic/Professional Qualification
- Bachelor of Business Administration (BBA), University of Malaya
- Master of Business Administration (MBA), University of Manchester, United Kingdom (UK)

Key Responsibilities
Responsible for strategic decisions and guiding the overall operational, financial and sustainable performance of PLMMSB.

Past Experiences
- Head (Sales), Olefins, Glycols and Derivatives, PCG
- Head, Commercial Business Development, PCG
- Head (Performance Planning), Manufacturing Division, PCG
- Head (Sourcing), Centralised Services, PCG
- Head, Logistics, PETRONAS Methanol
- Head, Business Planning, PETRONAS Methanol
- Area Sales Manager and Warehouse Manager of Goodyear Malaysia Berhad
- Service Manager in Federal Auto (Volvo)

Refer to the legend for Skills Matrix and Industry Experience on at page 126.

NIK FARIZA NIK HAMDAN

Head, Internal Audit



Age: **48**
Gender: **Female**
Nationality: **Malaysian**

Date of Appointment: **15 October 2023**

Skills Matrix: S1 S2 S4 S5 S7 S9 S11 S15

Industry Experience

Academic/Professional Qualification
- Fellowship, Association of Chartered Certified Accountants (ACCA)
- Bachelor of Science in Accounting and Finance (Hons.), Liverpool John Moores University

Key Responsibilities
Responsible in supporting Board Audit Committee in the governance responsibilities to strengthen PDB's ability to create, protect and sustain value by providing independent, risk-based assurance, advice, insight and foresight.

Past Experiences
- Head of Corporate Sector, Group Internal Audit, PETRONAS
- Audit Manager, Downstream Sector, Group Internal Audit, PETRONAS
- Audit Manager, Finance and Trading Sector, Group Internal Audit, PETRONAS
- Audit Manager, Emery Oleochemical Malaysia
- Finance Manager, LogicaCMG, Singapore and Malaysia
- Various Finance position in Logica PLC, Dublin and London

Refer to the legend for Skills Matrix and Industry Experience on at page 126.

Declaration
- No family relationship with any Director/Major Shareholder
- No conflict of interest with PDB
- Has never been charged for any offence within the past five years other than traffic offences, if any
- All Leadership Team members at present have no present directorship in public companies and listed issuers, save for Azrul Osman Rani who, in his capacity as MD/CEO, is a Director of PDB



Corporate Governance Overview Statement

Win the Moment, Shape the Next

DATUK ANUAR AHMAD
Chairman

Dear Shareholders,

On behalf of the Board of Directors of PETRONAS Dagangan Berhad (PDB), I am pleased to present the Corporate Governance Overview Statement for the financial year ended 31 December 2025. This Statement outlines how the Board continues to uphold high standards of governance in guiding the Group's direction, anticipating trends and future challenges, act decisively, and achieving success by being consistent with the Group's aspiration of Win the Moment, Shape the Next.

Corporate Governance Overview Statement

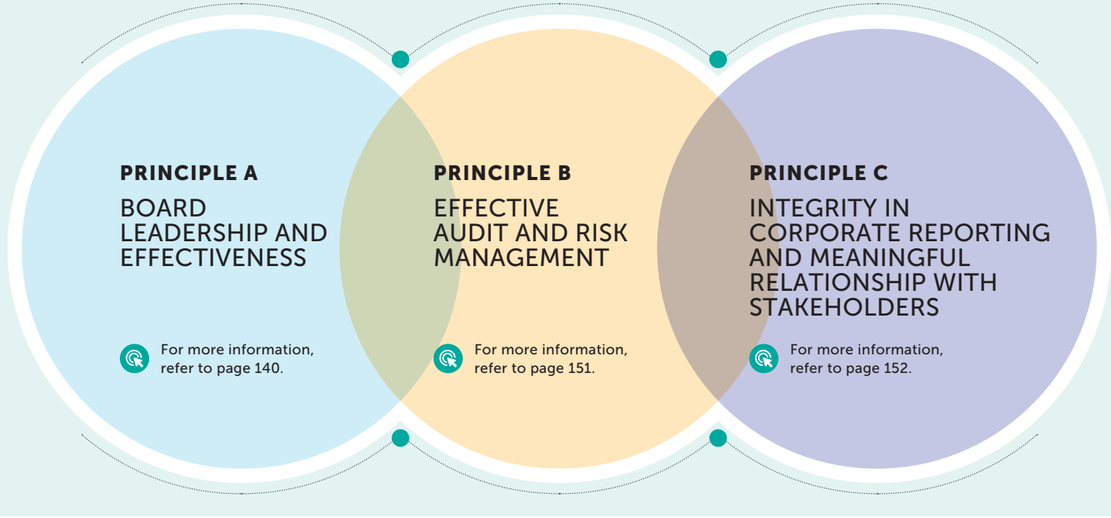
During the year, the Board focused on strengthening governance practices that support effective oversight, sound decision-making and long-term value creation. Governance structures and authorities were maintained to promote accountability and disciplined execution across the Group. This Statement summarises the Board's governance structures, key principles and oversight mechanisms undertaken during the year, with reference to the principles and practices of the Malaysian Code on Corporate Governance 2021 (MCCG). In further enhancing governance maturity and comparability, the Board is also guided by the ASEAN Corporate Governance Scorecard as well as the sustainability-related disclosure principles set out in IFRS S2. Detailed disclosures on the Company's application of each Principle of the MCCG for the year under review are provided in the Corporate Governance Report (CG Report) available on the Company's website.

The Board regards strong governance as fundamental to sustaining trust, resilience and long-term performance. In discharging its responsibilities, emphasis continues to be placed on ethical conduct, transparency and accountability, supported by robust risk management, internal control and compliance frameworks. Governance considerations remain embedded in strategic oversight, performance monitoring and risk deliberations, enabling the Group to respond effectively to evolving business and sustainability, upholding trust while safeguarding stakeholder interests.

In parallel, the Board continues to promote a culture that supports capability building, digital enablement and organisational agility. Flexible Board and Committees meeting arrangements, including physical, hybrid and virtual formats where appropriate, support continuity of oversight and timely decision-making while maintaining high governance standards.

The Board's diversity in age, gender, culture and expertise encourages dynamic discussions. Strategic insights derived from various industries provides a range of perspectives, strengthening the Board's stewardship to deliver informed and effective decisions-making. Continuous improvement remains a priority, supported by the annual Board and Committees evaluation process. The outcomes of the 2025 evaluation affirm that the Board continues to operate at a high level of effectiveness, supported by sound leadership and governance practices.

This Corporate Governance Overview Statement has been prepared in alignment with the MCCG, the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia) and the Bursa Malaysia Corporate Disclosure Guide, taking into consideration regional and international governance and sustainability disclosure benchmarks. It reflects the Board's ongoing commitment to maintaining strong governance standards in support of sustainable performance and stakeholder confidence.



Our Sustainability Governance

PDB's sustainability governance is underpinned by the PETRONAS Group governance framework, which provides a structured and consistent approach to oversight, accountability and ethical conduct across the Group. Governance practices are guided by the PETRONAS Code of Business Ethics and the Group's Shared Values of Loyalty, Integrity, Professionalism and Cohesiveness, embedding responsible behavior, ethical conduct and sound judgement into decision-making at all levels.

In line with the Group's commitment to sustainable development, sustainability considerations encompassing economic, environmental and social dimensions are integrated into business strategy, operations and stakeholder engagement. This commitment is extended across the value chain, with partners, contractors and suppliers expected to uphold responsible and sustainable practices aligned with Group expectations and standards.

Board of Directors (Board)

The Board retains overall responsibility for sustainability governance and provides strategic direction and oversight to ensure sustainability matters are effectively integrated into the Group's business agenda. This includes oversight of key sustainability areas such as climate-related risks, human rights, ethical conduct and social responsibility.

The Board receives structured updates on sustainability performance on a quarterly basis, supported by engagement sessions that enable informed deliberation and timely guidance. These updates provide visibility over progress, emerging risks and opportunities, and the effectiveness of sustainability initiatives, ensuring that sustainability considerations remain integral to governance and decision-making.

Board Sustainability and Risk Committee (BSRC)

The BSRC supports the Board in overseeing sustainability and risk matters through systematic review, evaluation and monitoring of the Group's environmental, social and governance priorities. The BSRC also discharges its responsibilities in relation to risk oversight by reviewing the processes for identifying, assessing and managing principal risks, and overseeing the adequacy of risk management and internal control systems across the Group.

The BSRC convenes quarterly to assess sustainability performance, review risk exposures and consider management's mitigation measures. In performing its functions, the BSRC operates in an advisory capacity and reports its observations and recommendations to the Board. The establishment of the BSRC does not detract from the Board's ultimate statutory and fiduciary responsibilities for governance, sustainability and risk management matters.

Sustainability Action Council

At the management level, the SAC plays a central role in coordinating and advancing the Group's sustainability agenda. The Council provides oversight on sustainability strategies, plans and policies, and monitors performance against established targets and key indicators. Sustainability initiatives are deliberated and endorsed at this forum before being submitted to the BSRC for further consideration.

The Council also addresses emerging sustainability matters, provides intervention where required and ensures that sustainability initiatives are adequately supported through appropriate capital allocation and resource planning. Through regular meetings, the Council facilitates alignment between strategy, execution and governance expectations.

Sustainability Change Agent

Sustainability Change Agents support the execution of the Group's sustainability priorities at the operational level. These roles are responsible for implementing sustainability initiatives, coordinating day-to-day activities and supporting the integration of sustainability considerations into business operations.

Sustainability Change Agents also play a key role in the collection, verification and consolidation of sustainability-related data, supporting accurate reporting and performance monitoring across the Group.

The Board takes full charge of overseeing our sustainability matters, initiatives and performance and accordingly incorporates sustainability into its core mandate.

In 2025, the following sustainability-related matters were discussed during Board meetings:

- Progress on sustainability efforts. Among the areas considered were current efforts in reducing GHG emissions, safety performance, human rights and community investment initiatives
- Evaluation of the PDB sustainability governance structure
- Strategic direction for sustainability reporting
- Integration of sustainability KPIs, including climate-related metrics, into the corporate scorecard, led by the Managing Director (MD/CEO) and selected members of the Leadership Team (LT)

The Board continues to actively enhance its knowledge and expertise on sustainability matters, including on climate change. During the year under review, the Board also attended trainings on a wide range of sustainability topics related to climate, nature and social actions.

Both the MD/CEO and LT provide clear leadership and accountability at the management level, ensuring that sustainability considerations are effectively and systematically integrated into the Group's business processes, decision-making, and operational activities.

The Sustainability Action Council (SAC), made up of selected members from the LT and employees across different business functions, departments and units, continues to oversee our sustainability initiatives and programmes. Through this structured governance mechanism, the SAC supports the consistent execution of sustainability priorities by proactively identifying, monitoring and addressing potential implementation challenges.

The SAC convenes on a bi-monthly basis to review sustainability performance, progress against the Sustainability Roadmap, and emerging sustainability matters. Key issues deliberated at these meetings are escalated, where necessary, to the MD/CEO and the LT for further consideration and decision-making. This escalation process ensures that sustainability-related risks, opportunities and strategic matters receive timely and appropriate senior management attention.

The PDB Sustainability Department serves as the focal point for driving the execution and implementation of the Company's Sustainability Roadmap and acts as the secretariat to the SAC. In this capacity, the department facilitates SAC operations, including coordination, documentation and follow-up of meetings, thereby supporting effective governance, informed decision-making and accountability.

To strengthen implementation at the operational level, the SAC is supported by ad-hoc working groups comprising key personnel across the organisation. These working groups are responsible for identifying, executing and implementing sustainability initiatives within their respective areas of responsibility, as well as developing new initiatives. Each working group is established and led by a member of the LT, reinforcing leadership ownership and cross-functional collaboration.

In 2025, PDB continued to actively engage the Sustainability Change Agents, who are appointed by the respective LT members and serve as the primary points of contact for sustainability-related initiatives, including FTSE4Good disclosures, the PDB Sustainability Report and the Used Cooking Oil (UCO) collection campaign.

Beyond their coordination role, the Sustainability Change Agents act as sustainability champions within their respective divisions, driving awareness, encouraging participation and supporting the adoption of sustainability practices at the operational level. During the year, PDB also conducted two dedicated engagement sessions with the Sustainability Change Agents to strengthen alignment, enhance capability and reinforce their role in supporting the implementation of the Company's sustainability initiatives.

PDB remain an active member and proactively contribute to PETRONAS' Downstream Sustainability Transformation Committee, a forum that fosters collaboration among PETRONAS' Downstream subsidiaries and entities. This collaborative setting allows PDB to connect, exchange best sustainability practices and discuss emerging challenges with other members. Additionally, the committee serves as a platform for aligning our efforts with the broader goals of the PETRONAS Group.

PRINCIPLE A

EFFECTIVE LEADERSHIP

BOARD LEADERSHIP

The Board of Directors of PETRONAS Dagangan Berhad provides leadership and oversight in directing the business and affairs of the Group, acting in the best interests of shareholders while taking into account the expectations of key stakeholders. The Board is responsible for setting the Group's strategic direction, establishing the governance framework and embedding the desired culture and values across the organisation. It also provides effective oversight of Management to ensure that strategy execution is carried out with discipline and that appropriate risk management and internal control systems are in place and functioning effectively.

Clear framework of authorities supports the Board in discharging its responsibilities, with defined policies and procedures to guide organisational conduct and ensure a clear delineation of responsibilities between the Board and Management. In addition, the Board has in place specified matters reserved exclusively for Board approval such as matters on significant investments, key transactions and strategic decisions, ensuring that critical issues receive collective consideration. The Board upholds high standards of ethical conduct and proper use of authority, guided by the PETRONAS Code of Business Ethics. Each Director exercises independent judgement, acts in good faith and applies reasonable care, skill and diligence, drawing on their respective knowledge, expertise and experience in fulfilling their duties.

Significant decisions are deliberated by the full Board to ensure informed and balanced outcomes. The Board places emphasis on transparency and accountability by ensuring that key decisions, the supporting rationale and any dissenting views are clearly recorded in the minutes, providing a robust audit trail of Board deliberations.

BOARD BALANCE AND COMPOSITION

As at the date of this Statement, the Board comprises 8 Directors, including 4 Independent Non-Executive Directors, 3 Non-Independent Non-Executive Directors including the Chairman and 1 Executive Director who also serves as the Managing Director and Chief Executive Officer. Women represent 37.5 percent of the Board.

Executive Director (MD/CEO)	Independent Non-Executive Directors	Non-Independent Non-Executive Directors (including Chairman)
1 out of 8	**4 out of 8**	**3 out of 8**

The Board's composition meets the independence requirements under the MMLR of Bursa Malaysia. This structure promotes effective checks and balances, supports objective decision-making and strengthens overall Board independence.

Board members are appointed based on merit and integrity, bringing a diverse range of skills, experience and industry knowledge relevant to the Group's operations. The diversity of perspectives and collective expertise enhances the Board's effectiveness in providing strategic guidance and exercising objective oversight.

BOARD MEETINGS AND ATTENDANCE

The Board meets at least on a quarterly basis, with additional meetings convened as required. Board and Board Committee meetings, strategy sessions and the Annual General Meeting are scheduled well in advance to facilitate effective planning and preparedness by Directors. This forward planning allows Directors to integrate Board commitments into their professional and personal calendars.

Board proceedings are conducted in an environment that encourages open, constructive and robust discussion. Directors actively participate in deliberations, ensuring that decisions are well considered and informed. Relevant members of senior management and external advisers are invited to attend meetings when necessary to provide insights and perspectives on matters under discussion.

Attendance at Board and Board Committee meetings remains consistently high, reflecting the Directors' commitment despite holding multiple directorships. The Board is satisfied that each Director devotes sufficient time and attention to discharge their responsibilities effectively. Decisions are generally reached through consensus, with the Chairman exercising a casting vote where required, providing clarity and finality in decision-making.

The quorum for Board Meetings shall be at least two (2) Directors. A total of seven Board meetings were held during the year under review. All Board members complied with the minimum attendance requirement of at least 50% of the Board meetings pursuant to Paragraph 15.05(3)(c) of the MMLR of Bursa Malaysia. Board meetings during the year were held either physically or hybrid depending on the suitability and availability of the Board members.

Board of Directors

Datuk Anuar Ahmad
Chairman
Non-Independent Non-Executive Director
Board Meetings: **7/7**
AGM: **1/1**

Azrul Osman Rani
MD/CEO
Board Meetings: **7/7**
AGM: **1/1**

Alvin Michael Hew Thai Kheam
Senior Independent Non-Executive Director
Board Meetings: **7/7**
AGM: **1/1**

Nirmala Doraisamy
Independent Non-Executive Director
Board Meetings: **7/7**
AGM: **1/1**

Tang Saw Hua
Independent Non-Executive Director
Board Meetings: **6/7***
AGM: **1/1**

Datin Arni Laily Anwarrudin
Non-Independent Non-Executive Director
Board Meetings: **7/7**
AGM: **1/1**

Datuk Sazali Hamzah
Non-Independent Non-Executive Director
Board Meetings: **7/7**
AGM: **1/1**

Mohd Yuzaidi Mohd Yusoff
Independent Non-Executive Director
Board Meetings: **6/7**
AGM: **1/1**

Note:
**Ms. Tang Saw Hua recused herself from attending the Special Board meeting held on 21 March 2025 due to a potential conflict of interest that could arise from the discussion of the meeting's agenda.*

BOARD CHARTER

The Board of Directors of PDB operates within a clearly defined governance framework articulated in the Board Charter, which serves as a key reference point in guiding the Board's conduct, oversight and decision-making. The Board Charter supports the effective discharge of the Board's responsibilities by setting out the principles, authorities and expectations that govern the Board's relationship with LT and the Company.

The Board Charter outlines the roles and responsibilities of the Board as a collective body, as well as the duties and accountabilities of individual Directors. It also provides clarity on Board processes, governance practices, deliberation protocols and ongoing development requirements, enabling the Board to function with discipline, consistency and effectiveness. These provisions facilitate constructive engagement between the Board and Management while preserving the Board's independence and oversight role.

In line with the Group's commitment to strong governance standards, the Board Charter is aligned with the principles and recommended practices of the MCCG. The Charter is reviewed periodically and updated as necessary to ensure continued relevance and compliance with prevailing regulatory requirements, governance expectations and best practices.

*Further information on the Board Charter is available on PDB's corporate website at **www.mymesra.com.my**.*

In February 2026, upon recommendation by the Nomination and Remuneration Committee, the Board approved a revision to the Board Charter to explicitly define the Board's roles in relation to PDB's sustainability and climate-related risks and opportunities. Additional enhancements were also introduced to improve clarity and governance effectiveness, which were based on benchmarking against selected publicly listed companies, to further align with the MCCG.

ROLES AND RESPONSIBILITIES

The Board of Directors bears overall responsibility for the leadership and oversight of the Group, guiding its strategic direction and supervising the conduct of its business and affairs. In fulfilling this role, the Board seeks to promote the long-term success and sustainability of the Group through prudent decision-making, disciplined supervision and effective governance.

Each Director is mindful of their statutory and fiduciary duties to act honestly, in good faith and in the best interests of the Company. The Board collectively maintains a comprehensive understanding of how the Group's affairs are directed, managed and controlled, allowing it to exercise informed judgement and oversight. During the financial year under review, the Board is satisfied that it has discharged its responsibilities diligently and in accordance with applicable legal, regulatory and governance requirements.

Corporate Governance Overview Statement

Corporate Governance Overview Statement

SEPARATE ROLES OF CHAIRMAN, MD/CEO AND SENIOR INDEPENDENT DIRECTOR

Clear separation between the roles of the Chairman, the MD/CEO and the Senior Independent Non-Executive Director (SINED) is maintained to ensure an appropriate balance of authority, accountability and independence at the Board level. Each role is defined by distinct responsibilities and serves different primary stakeholders, supporting effective leadership and sound governance.

The Chairman provides leadership to the Board and is responsible for its effectiveness, governance processes and overall conduct, ensuring that Board deliberations are carried out in an orderly, constructive and inclusive manner. The MD/CEO, supported by the LT, has overall responsibility for the management of the Group's business and operations, including the execution of strategies, policies and decisions approved by the Board.

At PDB, the role of Chairman and MD/CEO are held separately by Datuk Anuar Ahmad and Azrul Osman Rani respectively, reinforcing a clear distinction between oversight and executive management. The Chairman does not sit on any Board Committees, further strengthening Board independence and objectivity.

The SINED serves as an important point of contact for shareholders and plays a bridging role between the Chairman and the Non-Executive Directors. The SINED is available to facilitate confidential discussions on matters that may be sensitive in nature and provides an alternative avenue for the expression of views or concerns that may not have been adequately addressed through existing channels.

As the appointed SINED, Alvin Michael Hew Thai Kheam undertakes this role and is available to engage with shareholders and stakeholders where appropriate. Shareholders may communicate with the SINED through the designated email address at *sidpdb@petronas.com*.

Further details on the SINED's profile are set out on page 116 of this Report. The distinct roles and accountabilities of the Chairman and the MD/CEO are documented in the Board Charter, which is available on the Company's corporate website.

SEPARATION OF POWERS BETWEEN THE BOARD AND MANAGEMENT

A clear division of responsibilities exists between the Board and Management to support effective governance and efficient business operations. While the Board retains oversight of strategy, policy direction and key decisions, day-to-day management of the Group is delegated to the MD/CEO, supported by the LT, the Risk Management and Governance Committee and various management-level working groups.

Management is responsible for implementing strategies approved by the Board and ensuring that appropriate systems, controls and resources are in place to achieve business objectives. Performance against strategic and operational Key Performance Indicators is monitored regularly, with structured reporting submitted to the MD/CEO on a monthly basis. In parallel, working groups across business units provide regular progress updates, enabling timely oversight, informed decision-making and responsive management action.

BOARD AND BOARD COMMITTEES

Effective governance at PDB is supported by a structured Board Committee framework that enables focused oversight, informed deliberation and disciplined decision-making. Within this framework, the Board is assisted by three dedicated Board Committees, namely the Nomination and Remuneration Committee (NRC), Board Audit Committee (BAC) and Board Sustainability and Risk Committee (BSRC), each established to support the Board in carrying out its oversight responsibilities.

Each Committee operates under an approved Terms of Reference that defines its scope, authority and accountabilities. The Committees examine matters within their respective mandates in detail and provide observations and recommendations to the Board. Updates on the Committees activities and key deliberations are conveyed to the Board through the circulation of meeting minutes as well as formal reporting by the respective Committee Chairs at Board meetings, ensuring transparency and continuity of oversight.

While certain responsibilities are delegated to the Committees to facilitate efficiency and depth of review, the Board retains overall accountability for governance and oversight of the Group. Clear delineation of roles within the Committee Terms of Reference ensures that delegation does not diminish the Board's collective responsibility or compromise its ability to perform its functions effectively. This arrangement supports a balanced governance structure that combines specialisation with strong Board-level control.

As part of the Group's assurance framework, the Internal Audit Department operates independently and reports functionally to the BAC. This reporting line strengthens the independence of the internal audit function in evaluating the effectiveness of internal controls, risk management and governance processes across the Group.

The Terms of Reference for each Board Committee are available on PDB's corporate website at *www.mymesra.com.my*.



MD/CEO
Tasked with overseeing the day-to-day operations of the business, ensuring organisational effectiveness and executing the Group's strategies and policies

LEADERSHIP TEAM
In charge of regular reporting and progress updates from various business units and support functions, with a key advisory role for the MD/CEO in the implementation of strategies and business operations

WORKING GROUP
Credit Control Committee, HSE Steering Committee, enablers Business Information Technology Committee, Project Steering Committee, Sustainability Action Council

RISK MANAGEMENT AND GOVERNANCE COMMITTEE
Engage in discussions, deliberate on and provide support to PDB management on risk and governance matters

THE BOARD'S KEY FOCUS STRATEGY IN 2025

STRATEGY

Reviewed and approved Group strategic initiatives and plans

The Board deliberated on strategic initiatives aimed at market expansion and diversification, providing pertinent feedback and guidance. Additionally, the Board exercised oversight on the Company's business activities, ensuring the effective execution of initiatives to capitalise on growth opportunities and diversify our market presence, in alignment with our 2025 targets.

Oversaw and evaluated progress of growth projects

The Company's strategic direction, along with its achievements and challenges in pursuing growth strategies including market expansion, sustainability, customer experience enhancement, risk management, talent development and financial performance, were periodically presented to the Board. The Board provided guidance and direction as needed, ensuring alignment with our overarching objectives and targets for 2025 and beyond.

Reviewed and approved PDB's Business Plan and Budget

The Board deliberated and approved PDB's comprehensive five-year business plan, incorporating projections based on market forecasts and consumer trends. Additionally, future growth initiatives and financial forecasts were presented for the Board's consideration. Deliberations also included discussions on resource allocation strategies and potential challenges towards realising PDB's ambitions.

FINANCIAL PERFORMANCE

Reported Group's performance on Quarterly basis

The Group's performance report is circulated on a monthly basis to the Management and is presented as a permanent item during the quarterly Board meetings. It includes the performance of respective business segments and companies within the Group, measuring and tracking performance against approved targets and prior periods. The MD/CEO and LT's KPIs, as well as their performance are presented to the Board for oversight, measurement and tracking against the approved KPI targets, aligning with the Group's aspirations and objectives.

Reviewed and approved the quarterly interim dividend

The Board considers and approves the proposal on declaration of dividend on quarterly basis.

Corporate Governance Overview Statement

SUSTAINABILITY

Strengthened our sustainability governance structures

Advancing our sustainability journey requires deeper, more deliberate engagement at Board and management levels. At PDB, sustainability governance and ESG risk management are prioritised to ensure effective Board oversight of sustainability-related risks and opportunities, and their integration into strategy, decision-making and long-term value creation.

The Board continues to strengthen its collective sustainability expertise, including through the appointment of members with relevant experience, to ensure informed and balanced deliberation on sustainability and climate-related matters. Oversight responsibilities are exercised through BSRC, which reviews sustainability and climate-related risks and opportunities and provides recommendations to the Board for consideration and decision.

As a participant in the oil and gas industry, PDB recognises its responsibility to support the transition towards a lower-carbon economy. Our climate-related actions are guided by PETRONAS' Climate Change Position, PETRONAS Carbon Commitments (PCC) and the Group's aspiration to achieve Net Zero Carbon Emissions (NZCE) by 2050. In alignment with these commitments, we continue to reduce greenhouse gas emissions across our operations, deploy renewable energy solutions and pursue initiatives that strengthen business resilience while creating long-term value.

For further details on Our Sustainability Governance, refer to pages 138 to 139.

At management level, sustainability execution and performance monitoring are overseen by the SAC, chaired by the MD/CEO. The SAC serves as the primary platform to coordinate sustainability initiatives across the organisation, set targets aligned with PETRONAS' Carbon Commitments, and oversee implementation progress. It also plays a key role in driving innovation in sustainability practices and acts as a gatekeeper to ensure initiatives are aligned with PDB's sustainability objectives.

Through this governance structure, PDB seeks to reinforce accountability, transparency and cross-functional collaboration, supporting continuous improvement and strengthening organisational maturity in sustainability governance and practices.

For more information, refer to our Sustainability Report.



RISK AND INTERNAL CONTROL

Management of risks

The Board has endorsed the risk appetite for PDB, delineating key boundaries to ensure that risks undertaken in pursuit of business objectives align with the Board's acceptable level of risk. These boundaries reflect the extent of risk PDB is willing to assume while pursuing strategic and business objectives.

PDB maintains an ongoing process of reviewing, identifying and managing critical risks that could significantly impact its business goals and targets. This is facilitated through the annual approval of the PDB Corporate Risk Profile (CRP). The review encompasses existing risks and considers emerging risks and includes scanning of both internal and external environments that may potentially affect the delivery of business objectives. Climate-related risks and opportunities, including transition risks, physical risks and cleaner energy solutions, are also assessed during deliberations.

The Board closely monitors the Key Risk Indicators (KRIs) identified in the CRP, serving as early warning signals for the increasing likelihood or impact of risks. Mitigations are also identified to manage or reduce the impact of each critical risk. The status of both KRIs and mitigations is regularly monitored by the Board through the quarterly Business Risk Report (BRR).

In the pursuit of comprehensive risk-based decision-making, the Board also considers risks associated with high-impact business matters. This includes assessments related to commercial transactions with high complexity and exposure, key capital projects, new business ventures and special projects. The Board weighs the feasibility and commerciality of these endeavors to ensure informed decision-making.

For further details on the Risk and Internal Control, refer to pages 175 to 189.

GOVERNANCE AND COMPLIANCES

Related Party Transactions (RPT) and Recurrent Related Party Transaction (RRPT) and Conflict of Interest (CoI)

RPT and RRPT
The Board, facilitated by its BAC, ensures that all related party transactions are conducted at arm's length basis and based on standard commercial terms. These transactions are rigorously reviewed to ensure they are fair, reasonable and not detriment to the minority shareholders of PDB. In ensuring this, the Board ensures the processes and adequate procedures are in place as stipulated in the Guideline and Procedures for RPTs and CoI Situations (Guideline).

During the year under review, while there were no RPT contracts, there were 23 RRPT contracts entered by PDB Group, which were reported to the BAC on a quarterly basis. All the RRPTs were transacted on an arm's length basis.

CoI
An established process is in place whereby all Directors are required to declare their interest as and when it arises and these declarations are tabled to the Board for notation. The Board reviews and monitors any CoI and/or potential CoI on a quarterly basis. Directors holding significant commitments outside of the Group are required to disclose them prior to appointment and continually update the Board about any changes. Any actual and/or potential CoI are recorded in a register maintained by the Company Secretary.

For detailed information regarding the situations where a CoI may arise, refer to the relevant sections in the Statement on Risk Management and Internal Control (SORMIC) on pages 175 to 189.

Corporate Governance Overview Statement

Legends F Financial · S Strategy · R Risk · C Corporate Governance and Compliance · ST Sustainability · HR Human Resources

Highlights of the Board Activities During 2025

	Agenda	
FEBRUARY	Update/Approval on Various PDB Projects	S
	PDB Group Performance for Financial Year 2024	F
	Audited Financial Statements of PDB Group 31 December 2024	F
	PDB Business Risk Report (BRR)	R
	Review of PDB Risk Appetite FY2024	R
	Amendment to the BSRC Terms of Reference	C
	Special Interim Dividend	F
	Q4 FY2024 Interim Dividend	F
	Update/Approval on other Financial Related Matters	F
	Renewal of Terms for INEDs	C
	Re-Election of Directors for AGM 2025	C
	Report on Board Effectiveness Evaluation (BEE) for year assessment (YA) 2024	C
	Litigation and Arbitration Report	S
	PDB's Integrated Report FY2024	C
	CG Report FY2024	C
	Convening 43rd AGM	C
	MD/CEO Scorecard	C
MARCH	Approval on Various PDB Projects	S
MAY	Update/Approval on Various PDB Project	S
	Q1 2025 PDB Group Performance and Quarterly Report	F
	Q1 FY2025 Interim Dividend	F
	Update/Approval on other Financial Related Matters	F
	Revision of Limit of Authority (LOA)	C
	BRR as at Q1 FY2025	R
	Revision to the Board Audit Committee's Terms of Reference	C
	Litigation and Arbitration Report	S
	Renewal of Terms as Independent Non-Executive Directors	C
JUNE	Approval on Various PDB Project	S
AUGUST	Update/Approval on Various PDB Projects	S
	Q2 2025 PDB Group Performance and Quarterly Report	F
	Q2 FY2025 Interim Dividend	F
	Update/Approval on other Financial Related Matters	F
	BRR as at Q2 FY2025	R
	Appointment of PDB Key LT	HR
	Litigation and Arbitration Report	S
OCTOBER	Q3 2025 PDB Group Performance	F
	PDB Group Business Plan and Budget FY2026 – FY2030	F
NOVEMBER	Update/Approval on Various PDB Projects	S
	Q3 2025 PDB Quarterly Report	F
	Q3 FY2025 Interim Dividend	F
	Update/Approval on other Financial Related Matters	F
	Change of Company Secretaries	C
	Revision of Various PDB Policies	S/ST
	BRR as at Q3 FY2025	R
	Amendment of BSRC Terms of Reference	C
	Corporate Risk Profile 2026	R
	Scheduled Waste Circularity Target 2030	ST
	Update/Approval on Sustainbility Matters	ST
	Update on Annual BEE Action Items for YA2024 and Proposed Questionnaire for YA2025	C
	Updates on Board Succession Planning	C
	Update on Directors' Training 2025	S
	Litigation and Arbitration Report	S
	High-Level Organisation Structure	C

Corporate Governance Overview Statement

BOARD DIVERSITY

Diversity within the Board of PDB is regarded as a critical enabler of effective governance, balanced deliberation and sound decision-making. The Board seeks to ensure that its composition reflects an appropriate mix of age, gender and experience, allowing for a breadth of perspectives and insights to inform oversight and stewardship of the Group.

In supporting national aspirations and good governance practices, the Board is aligned with the recommendation under the MCCG for at least 30 percent female representation on the Board. As at the reporting period, women comprise 37.5 percent of the Board, reflecting progress beyond the recommended threshold. This commitment to gender diversity is also reflected within the LT, where women account for 40 percent of the composition, reinforcing a culture of inclusivity across leadership levels.

Board diversity extends beyond gender considerations. The Board values differences in background, professional expertise, industry knowledge and regional experience, together with diversity in age, perspective and cultural understanding. This breadth of attributes strengthens the Board's collective capability, supports robust discussions and enhances the Group's ability to respond to evolving business challenges and opportunities in a dynamic operating environment.

In line with the ongoing efforts to maintain a Board composition that is both relevant and capable of meeting the demands of a dynamic business environment, Artificial Intelligence and Retail (Non-Fuel) was included into the Board's collective skill set to complement the existing competencies essential for the Board.

Oversight of Board diversity is managed through the NRC which undertakes regular reviews of Board composition and effectiveness. As part of its annual evaluation process, the Committee considers whether the current mix of skills, experience and diversity remains appropriate and identifies areas for enhancement where necessary. This ongoing review enables the Board to remain balanced, forward-looking and aligned with the Group's long-term sustainability objectives.

In our commitment to a diverse Board, the NRC actively:

- **A** Adhere to the recruitment and sourcing process that seeks to include diverse candidates, including women, in any Director search
- **B** Assess the appropriate mix of diversity (including gender, ethnicity and age), skills, experience and expertise required on the Board and address gaps (if any)
- **C** Make recommendations to the Board in relation to the appointments and maintain an appropriate mix of diversity, skills, experience and expertise on the Board
- **D** Periodically review and report to the Board on requirements in relation to diversity on the Board (if any)

*For more information on the Board Diversity Policy, refer to PDB's corporate website at **www.mymesra.com.my**.*

Board Appointment Process

The Board appointment process is summarised in the chart below:

1. Circumstances giving rise to the appointment of Directors
2. The NRC shall develop and deliberate selection criteria combining competencies and attributes required
3. Search for candidates
4. Assess and shortlist the potential candidates in consultation with the NRC
5. To perform background check that includes Fit and Proper Assessment on CoI
6. Interview shortlisted candidates/ consultation with Chairman of the Board
7. Deliberation by the NRC and recommend to the Board on the suitability of client
8. PDB Board Approval
9. Orientation/Induction
10. Continuous Training and Annual Performance Assessment

Corporate Governance Overview Statement

Director's Re-Election and Re-appointment

Article 107 of the Company's Constitution provides that one-third of the Directors of the Company for the time being shall retire by rotation at each AGM. The Article also provides that all Directors shall retire from office at least once in every three years. Additionally, Article 100 of the Company's Constitution and the Companies Act 2016 (CA 2016) outline that Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM. All the retiring Directors are eligible for re-election and a retiring Director at the AGM, will continue in office until the meeting concludes, whether adjourned or not.

The Board at its meeting held on 24 February 2026 endorsed the recommendation of the NRC for the following Directors to be considered for re-election pursuant to the Article 107 of PDB's Constitution at the Company's forthcoming 44th AGM:

1. Datuk Anuar Ahmad
2. Alvin Michael Hew Thai Kheam
3. Datuk Sazali Hamzah

All the Directors named above have given their consent for the re-election at the 44th AGM and signed the Fit and Proper Declaration in accordance with PDB's Directors' Fit and Proper Policy. However, Datuk Anuar bin Ahmad does not wish to seek for re-election and has expressed his decision to retire at the close of the forthcoming AGM.

Additionally, the PDB Board Succession Planning Framework, states that INEDs are appointed for a term of three years, with the possibility of renewal, subject to review, assessment and endorsement by the NRC and approval by the Board.

For further details on the Director's re-election and re-appointment, refer to NRC Report on pages 158 to 159.

Board and Senior Management Succession Planning

A structured and forward-looking approach to succession planning underpins the Group's ability to sustain effective leadership and governance over the long-term. The Board maintains a formal, long-range plan for the orderly development and renewal of Board membership, balancing continuity with periodic refreshment of skills, experience and perspectives to support the Group's evolving strategic priorities.

Succession planning for the Board is guided by a dedicated framework overseen by the NRC. This framework enables the systematic identification and selection of new Non-Executive Directors under various circumstances, including planned retirements, unforeseen departures, changes in Board size or shifting governance needs. The objective is to ensure that the Board continues to comprise individuals with the appropriate competencies, diversity and independence to fulfil its oversight responsibilities effectively. The NRC also extends its oversight to succession planning for Senior Management, supporting leadership continuity and organisational resilience.

During the year, a revision to the Company's Board Succession Planning Framework and Board Selection Criteria was conducted. Enhancements was affected to the Board Appointment Process and editorial amendments to align with other PETRONAS public listed companies.

Further details on the Board and Senior Management succession planning processes are set out in the NRC on page 158.

Board and Management Strategy Retreat

The Board and Management Strategy Retreat serves as a key governance platform for strategic alignment and forward planning. During the financial year, the retreat was held on a half-yearly basis and brought together Board members and the LT to engage in structured discussions on the operating environment, market outlook and external developments.

These sessions enabled Management to provide updates on business performance and emerging trends, while facilitating in-depth deliberation by the Board on the Group's strategic direction, priorities and future growth plans. The retreat complements regular Board meetings by providing a dedicated forum for strategic reflection and long-term planning.

Directors' Indemnity

In line with sound governance practices, the Company provides indemnification to its Directors in accordance with the provisions of the Companies Act 2016. To further support Directors in the discharge of their duties, the Company has procured Directors' and Officers' Liability Insurance, which provides coverage against liabilities incurred by Directors and Officers while acting in their official capacities.

Directors may, at their discretion, obtain additional Directors' and Officers' insurance coverage for protection against liabilities that may not be indemnified or insured under the Company's policy, subject to insurability. Any premiums payable for such additional coverage are borne by the Directors who elect to take up this option.

Corporate Governance Overview Statement

Qualified and Competent Company Secretary

During the year under review, Mek Yam @ Mariam Hassan vacated her position as Company Secretary on 26 November 2025 and was replaced by Hazleena Hamzah on the even date.

Both are qualified to act as Company Secretary under Section 235 of the CA 2016 and play an important role in ensuring that the Board operates in compliance with the Company's Constitution, applicable laws, regulatory requirements and governance codes.

The Company Secretaries act as key advisers to the Board and its Committees on corporate governance practices, meeting procedures and regulatory developments. All Directors have unrestricted access to their advice and services at all times. The Company Secretaries also support the integrity of Board and Committee processes by facilitating effective communication, ensuring accurate documentation of deliberations and monitoring follow-up actions arising from decisions made.

Based on the annual Board Effectiveness Evaluation, the Board is satisfied with the professionalism, competence and support provided by the Company Secretaries throughout the year, which have contributed positively to the Board's effectiveness and governance standards.

BOARD INDEPENDENCE

Board independence is a core element of PDB's governance framework and supports objective oversight, accountability and sound judgement. Independent Non-Executive Directors contribute impartial perspectives and independent views that strengthen Board deliberations, particularly when assessing Management's proposals and strategic initiatives. Their involvement enhances the quality of decision-making with due consideration given to the long-term interests of shareholders and other stakeholders.

All Directors, regardless of designation, are accountable for acting honestly, in good faith and in the best interests of the Company. Each Director exercises independent judgement and unfettered discretion, ensuring that Board decisions are made free from undue influence or bias.

As at the reporting date, the Board's composition is balanced and with equal proportion of the total of independent and non-independent membership. All Independent Non-Executive Directors meet the prescribed independence criteria, including the absence of relationships that could impair independent judgement. Their participation in operational matters is appropriately limited, with involvement occurring only where collective Board approval is required. Potential conflicts of interest are disclosed prior to meetings, and affected Directors abstain from deliberations on such matters, reinforcing objectivity and integrity in the Board's decision-making process.

During the financial year under review, the INEDs convened separately, without the presence of Management, to discuss matters concerning Board effectiveness, independence, and governance. The session provided an opportunity for open and constructive dialogue, allowing the INEDs to freely exchange views and assess the Board's performance and dynamics. The SINED subsequently briefed the Chairman and MD/CEO on the feedback received from the INEDs for their consideration.

In line with the MCCG, the Board applies a tenure policy that caps the cumulative service of an INED at nine years. Reappointment is assessed on a three-year term basis, subject to review and endorsement by the Nomination and Remuneration Committee and approval by the Board, in accordance with the Group's Board Succession Planning Framework.

INDEPENDENCE

The effectiveness of independent oversight is supported by timely access to accurate and comprehensive information. The Board benefits from direct and unrestricted engagement with Management, enabling Directors to obtain relevant information necessary to discharge their responsibilities. The Chairman oversees this communication process, while the Company Secretaries facilitate information flow among the Board, Board Committees, LT and Non-Executive Directors.

The Company Secretaries play an essential role in ensuring that Board and Committee papers are of high quality, complete and circulated in a timely manner. These papers are distributed through a secure digital platform, typically at least five days before scheduled meetings, allowing Directors sufficient time for review and clarification. The platform supports secure access, collaboration and document management while safeguarding sensitive information.

Directors may request the inclusion of items on meeting agendas, and urgent matters may be tabled under Any Other Business, subject to approval by the Chairman of the Board or the respective Board Committee Chairman together with the Managing Director and Chief Executive Officer. These practices support informed deliberation, effective communication and the consistent exercise of independent judgement at Board level.

Board Effectiveness Evaluation (BEE) Year Assessment 2025 (YA2025)

The BEE is being carried out on an annual basis and as recommended by MCCG. PDB appoints an external independent consultant to conduct the BEE once in three years.

The BEE YA2025 was conducted internally which covered the Board, Board Committees, Peers and Self Evaluations of the Board members. The BEE allows the Directors to focus on assessing the effectiveness and performance of the Board and its Committees in the best interest of the Company.

For more detailed explanation on BEE, refer to NRC Report on pages 159 to 160.

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INDUCTIONS AND TRAININGS

A structured induction and continuous learning framework supports the Board of PDB in discharging its responsibilities effectively. Upon appointment, new Directors participate in a tailored induction programme designed to familiarise them with the Group's business, governance environment and operating context. The programme includes engagement sessions with fellow Board members, members of the LT and the Company Secretaries, enabling new Directors to gain a holistic understanding of the Group and its governance processes.

Ongoing development is also embedded within the Board's governance practices. In 2025, the NRC reviewed the development needs of Directors and identified relevant training programmes and learning opportunities to ensure that the Board remains informed of regulatory developments, emerging governance practices and industry trends. Targeted support and briefings are arranged when Directors assume additional responsibilities, including appointments to Board Committees, to facilitate informed and effective participation.

Continuous professional development extends beyond formal induction. Non-Executive Directors are provided with focused briefings on key Board matters, while all Directors have access to reference materials, insights and learning resources to strengthen their knowledge and capabilities. The Company facilitates a range of development initiatives, reflecting its commitment to maintaining a Board that is competent, engaged and forward-looking.

Throughout the year, the Company continued to organise Directors' education sessions featuring external advisers, guest speakers and senior management. These sessions covered topics relevant to the Group's business and operating environment, including corporate governance, sustainability-related risks and opportunities, financial oversight, global business developments and sector-specific updates. Directors also participated in external conferences, seminars and training programmes, supporting continuous learning and the enhancement of Board effectiveness. The trainings/seminars/conferences attended by the Directors during FY2025 are disclosed in the CG Report 2025, which is available on the Company's corporate website at https://www.mymesra.com.my/

DIRECTOR'S REMUNERATION

The Board recognises that an appropriate remuneration framework is essential to attract, motivate and retain Directors with the calibre, experience and integrity required to provide effective stewardship. Directors' remuneration is structured to reflect market practices, the level of responsibility assumed and the time commitment required, while supporting independence and objectivity in Board deliberations.

In 2025, the Directors' Remuneration Framework for Non-Executive Directors undergone a revision, following the prior update in 2018. This revision resulted in a 25% increase in the Directors' Fee, underscoring the Company's dedication to upholding a competitive and robust remuneration structure for its Board members. These adjustments were presented to shareholders and received approval during the 44th Annual General Meeting.

A formal and transparent Directors' Remuneration Framework is in place, encompassing retainer fees, meeting allowances and benefits in kind. In compliance with Section 230(1) of the Companies Act 2016, shareholders' approval was obtained at the 43rd Annual General Meeting for the payment of Directors' fees covering the period from the 43rd AGM until the forthcoming 44th AGM. Fees and allowances payable to Non-Executive Directors are determined by the Board and remain subject to shareholders' approval. Directors are also reimbursed for expenses reasonably incurred in the performance of their duties.

		Meeting allowance per attendance				
	Monthly Fees	Board	Board Audit Committee	Nomination and Remuneration Committee	Board Sustainability and Risk Committee	Board and Management Strategy Retreat
Chairman	RM30,000	RM3,500	RM3,500	RM3,500	RM3,500	RM3,500
Member	RM20,000	RM3,500	RM3,500	RM3,500	RM3,500	RM3,500

Note: INEDs are entitled to fuel and/or EV charging allowance of RM6,000 per annum

Corporate Governance Overview Statement

In relation to Guidance 7.2 of the Malaysian Code on Corporate Governance 2021, the Company has not adopted separate resolutions for the approval of individual Non-Executive Directors' fees. While there is no immediate plan to table separate resolutions, the Company may explore alternative approaches to meet the intended outcome in future.

Fees and meeting allowances payable to Non-Independent Non-Executive Directors who are employees of PETRONAS are paid directly to PETRONAS. Detailed disclosures on Directors' remuneration for the year under review are set out in the CG Report 2025, which is available on the Company's corporate website at www.mymesra.com.my.

The Managing Director and Chief Executive Officer, Azrul Osman Rani, serves as an Executive Director of the Company and is seconded from PETRONAS. During the financial year, he received total remuneration amounting to RM1,937,190.00 in his capacity as MD/CEO of PDB. A breakdown of his remuneration is disclosed in the Corporate Governance Report.

SENIOR MANAGEMENT REMUNERATION

The Group's approach to Senior Management remuneration supports the attraction, retention and motivation of capable leaders to drive business performance and long-term value creation. Remuneration structures are designed to align rewards with responsibility, performance and market competitiveness, while reinforcing accountability and prudent risk management.

Senior Management remuneration packages, including incentives, are reviewed periodically and benchmarked against relevant market surveys to maintain competitiveness within the industry. This approach ensures alignment with prevailing practices while supporting the Group's talent and leadership requirements.

PETRONAS REMUNERATION PHILOSOPHY AND GUIDING PRINCIPLES

Remuneration at PDB is guided by PETRONAS' remuneration philosophy and human capital principles. These focus on offering competitive and differentiated rewards aligned with job roles, individual performance and business needs, while taking into consideration internal equity, affordability and regulatory requirements.

Employees seconded from PETRONAS have their remuneration benchmarked against industry standards, with training, succession planning and performance management conducted in accordance with PETRONAS Human Resources policies and strategies. The Board places emphasis on ensuring that individuals appointed to management positions possess the appropriate competencies, experience and leadership capabilities to support the Group's objectives.

In line with PETRONAS Group practice, the Company does not disclose detailed components of Senior Management remuneration, including salary, bonus and benefits, due to compliance with the Personal Data Protection Act 2010. This results in a deviation from Practice 8.2 of the MCCG. At present, no alternative measure has been adopted to achieve the intended outcome of enhanced disclosure.

Corporate Governance Overview Statement

PRINCIPLE B

EFFECTIVE AUDIT AND RISK MANAGEMENT

ACCOUNTABILITY AND AUDIT

The Board is committed to providing a fair and objective assessment of the financial position and prospects of the Group in the quarterly financial results, annual financial statements, Integrated Report and all other reports or statements to shareholders, investor and relevant regulatory authorities.

RPT and CoI

A structured framework governs the management of RPT and CoI situations, including RRPTs. This framework comprises established policies, guidelines and procedures that require all transactions with related parties to be undertaken on an arm's length basis, under normal commercial terms and in a manner that safeguards the interests of Minority Shareholders.

All RPTs, including RRPTs, entered into by the Company or its subsidiaries are subject to review by the BAC. Where such transactions require the approval of the Board or Shareholders, Directors, Major Shareholders or persons connected to them with direct or indirect interests are required to abstain from deliberations and voting. This obligation extends to ensuring that connected persons similarly refrain from voting on the relevant resolutions.

Further disclosures on the governance and controls on RPT are provided in the Board Audit Committee Report and the Statement on Risk Management and Internal Control (SORMIC) on page 168 and 187 of this Integrated Report, respectively.

A comprehensive listing of related party transactions is also disclosed in the Audited Financial Statements on pages 246 to 248 of this Integrated Report.

Risk Management And Internal Control

Oversight of risk management and internal control forms an integral part of the Board's responsibilities. The Board reviews the adequacy and effectiveness of the Group's risk management framework and internal control systems on an ongoing basis to ensure that material risks are appropriately identified, assessed and managed.

These arrangements support the protection of shareholders' investments and the safeguarding of the Group's assets, while enabling the Group to pursue its objectives within defined risk parameters. Additional information on the risk management and internal control framework is set out in the SORMIC on pages 175 to 189 of this Integrated Report.

Trading On Insider Information

To support compliance with Chapter 14 of the MMLR of Bursa Malaysia, controls are in place to regulate dealings in the Company's securities by Directors and Principal Officers. The Company Secretary issues notices on a quarterly basis to inform Directors and members of the LT of Closed Periods and the restrictions applicable when in possession of price-sensitive information relating to the Company.

These measures promote orderly market conduct and uphold high standards of integrity. During the financial year under review, no trading in the Company's shares was carried out by the Company's Principal Officers.

PRINCIPLE C

EFFECTIVE COMMUNICATION WITH STAKEHOLDERS

RELATIONSHIP WITH SHAREHOLDERS

Communications Between PDB And Investors

PDB adopts a transparent and structured approach to engagement with shareholders and its broader stakeholder base. The Board supports open and constructive communication with parties who have an interest in, are affected by, or have the ability to influence the Group's activities. These stakeholders comprise investors, governments, customers, suppliers, vendors, business partners, employees, local communities, regulatory authorities, the media, non-governmental organisations and international bodies. Effective engagement supports informed decision-making and sustained confidence in the Group.

The principle of fair and equitable treatment of shareholders underpins the Company's investor relations practices. No distinction is made between institutional and retail shareholders, and disclosures are managed to ensure consistent and equal access to information. Shareholders are provided with the same information through announcements to Bursa Malaysia Securities Berhad, updates on the Company's corporate website, press releases, issuance of the Integrated Report and media engagements. Following the Annual General Meeting, a press conference is conducted and all presentation materials are promptly uploaded to the corporate website.

Responsibility for overseeing shareholder communication rests with the Chairman, supported by Management. This governance structure ensures that engagement with shareholders and other stakeholders is coordinated, responsive and aligned with the Board's oversight expectations. The Managing Director and Chief Executive Officer, together with the Chief Operating Officer, Chief Financial Officer and the Investor Relations Unit, conducts regular engagements with institutional shareholders and analysts. These engagements include quarterly briefings and dialogue sessions that provide updates on financial performance, operational developments and business outlook.

The Company's corporate website, www.mymesra.com.my, serves as a central information portal for shareholders and stakeholders. It is updated on an ongoing basis with corporate and business information, including Bursa Malaysia announcements, press releases, analyst briefings and quarterly financial results, enabling timely and convenient access to relevant disclosures.

Event	Date	Format	Audience	
			Fund Manager/ Analyst	Company
ANALYST BRIEFING				
Q4 2024	21 Feb 2025	Virtual Meeting	23	21
Q1 2025	26 May 2025		29	22
Q2 2025	26 Aug 2025		30	22
Q3 2025	27 Nov 2025		34	26
GROUP MEETING				
Terminal Visit @ Subang Aviation	10 Apr 2025	Physical Meeting	6	3
ARA Annual Reporting Seminar	30 May 2025		30	20
Terminal Visit @ Pasir Gudang and Pengerang	25-26 Jun 2025		11	6
Group Meeting with Affin on Commercial Business	16 Oct 2025		12	9
Terminal Visit @ Kerteh	27-28 Oct 2025		12	7
Sustainability Engagement Forum	30 Oct 2025		32	17
INDIVIDUAL MEETING				
Meeting with EPF	11 Mar 2025	Physical Meeting	6	2
Meeting with Victory Capital	11 Mar 2025	Virtual Meeting	1	1
EPF Engagement on Directors' Remuneration and Net Zero	11 Apr 2025		14	1
Meeting with CLP Holdings	30 May 2025	Physical Meeting	1	1
Meeting with STR Consulting	30 May 2025		1	1
Meeting with Principal Asset Management	8 Jul 2025		2	2
Meeting with EPF Equity	2 Sep 2025		4	1
Meeting with EPF Sustainability	23 Sep 2025		4	1
Meeting with EPF Strategic Investment	25 Sep 2025		4	1
Meeting with Aberdeen Asset Management	8 Dec 2025		2	1
ANNUAL GENERAL MEETING				
PDB 43rd AGM	24 Apr 2025	Physical Meeting	1,684 Shareholders	

Annual General Meeting

The AGM is the principal forum for dialogue and an avenue for the Chairman and Board members to interact with the shareholders. The Chairman plays a pivotal role in accommodating constructive dialogue between shareholders and the Board. The shareholders are strongly encouraged to attend, participate, speak and vote at the Company's AGM. All queries posed to the Board prior to and during the AGM are responded to accordingly.

The notice and agenda of our 43rd AGM together with Forms of Proxy were given to the Shareholders not less than 28 days before the AGM. This gave Shareholders sufficient time to prepare themselves to attend the AGM or to appoint proxies to attend and vote on their behalf. Each item of ordinary business included in the notice of the AGM will be accompanied by an explanatory statement on the effects of the proposed resolution.

In addition, the Notice was also published in the local English and Bahasa Malaysia newspapers and made available on the PDB's corporate website.

The 43rd AGM was held physically on Thursday, 24 April 2025. The Company had notified the Shareholders on the conduct of the physical AGM in the Administrative Guide on 24 March 2025. The same was also published through the announcement to Bursa Malaysia and the PDB's corporate website respectively.

During the 43rd AGM, the MD/CEO presented a comprehensive review of the Group's performance initiatives and value created for Shareholders. This review was supported by a visual and graphic presentation of the key points and financial figures. All Directors, LT, External Auditors and other advisors, were also present at the 43rd AGM to provide answers and clarification to the Shareholders.

At the AGM, the Chairman plays a pivotal role in fostering constructive dialogue between Shareholders, the Board and Senior Management.

Before the commencement of the 43rd AGM, Shareholders were encouraged and given sufficient opportunity by the Board to submit questions pertaining to the Integrated Report, resolutions being proposed and the business of the Company or the Group in general prior to seeking approval from members and proxies on the resolutions, all of which were recorded accordingly in the Minutes of the 43rd AGM.

The Company received 30 live and 53 pre-submitted questions. During the meeting, the Company addressed 19 live questions from Shareholders. The remaining questions, along with the Minutes of the 43rd AGM were published on PDB's corporate website after the conclusion of the meeting.

The responses to the queries raised by the Minority Shareholder Watch Group prior to the 43rd AGM were also shared with Shareholders during the 43rd AGM and the same was made available on PDB's corporate website prior to the AGM Day.

Pursuant to Paragraph 8.29A of the MMLR of Bursa Malaysia, all resolutions to be tabled at the 43rd AGM will be put to vote on a poll. At the 43rd AGM, PDB had engaged Boardroom Share Registrars Sdn Bhd as the Poll Administrator and Scrutineer Solutions Sdn Bhd as Independent Scrutineer for the conduct of poll via e-Vote application. The Board also encouraged active participation by Shareholders and investors during the 43rd AGM. A total number of 1,684 Shareholders and attended the AGM which represented a total of 215,027,675 shares.

Corporate Governance Overview Statement

The poll results which had been verified by the Independent Scrutineer is as follows:

Resolution(s)	Vote For		Vote Against		Result
	No of Units	%	No of Units	%	
Resolution 1	923,697,593	99.9895	96,550	0.0105	Accepted
Resolution 2	923,773,910	99.9980	18,639	0.0020	Accepted
Resolution 3	923,362,120	99.9534	430,531	0.0466	Accepted
Resolution 4	804,114,141	99.9850	120,937	0.0150	Accepted
Resolution 5	804,118,658	99.9853	118,419	0.0147	Accepted
Resolution 6	921,133,546	99.7121	2,659.257	0.2879	Accepted

The 44th AGM of the Company will be conducted in a hybrid format, in line with the latest requirements announced by the Securities Commission Malaysia and Bursa Malaysia on 30 August 2024. These regulations stipulate that all public listed companies must hold hybrid or physical general meetings commencing from 1 March 2025. For further information regarding the date, time, and venue of the 44th AGM, please refer to the AGM notice.

Minutes of AGMs is accessible via PDB's corporate website, ***www.mymesra.com.my.***

Financial Calendar

2026

24 February
Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2025

24 February
Announcement of the audited financial statements for the financial year ended 31 December 2025

25 March
Date of payment of the interim dividend for the 4th quarter ended 31 December 2025

27 March
Date of Notice of 44th Annual General Meeting and date of issuance of FY2025 Integrated Report

27 April
44th Annual General Meeting

2025

20 February
Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2024

26 February
Announcement of the audited financial statements for the financial year ended 31 December 2024

21 March
Date of payment of the interim and special dividend for the 4th quarter ended 31 December 2024

24 March
Date of Notice of 43rd Annual General Meeting and date of issuance of FY2024 Integrated Report

24 April
43rd Annual General Meeting

23 May
Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2025

20 June
Date of payment of the interim dividend for the 1st quarter ended 31 March 2025

25 August
Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2025

23 September
Date of payment of the interim dividend for the 2nd quarter ended 30 June 2025

26 November
Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2025

24 December
Date of payment of the interim dividend for the 3rd quarter ended 30 September 2025

Corporate Governance Overview Statement

Dividend Payment

Our dividends are paid within 30 days upon the date of declaration. All shareholders are treated equally and paid within the prescribed timeline as follows:

Type of Dividend	Declaration Date	Entitlement	Payment Date
Interim/Special Dividend	20 February	7 March	21 March
Interim Dividend	23 May	11 June	21 June
Interim Dividend	25 August	11 September	23 September
Interim Dividend	26 November	11 December	24 December

RELATIONSHIP WITH EXTERNAL AUDITORS

External Auditors

Oversight of the external audit function is carried out through the Board Audit Committee, which supports a professional, independent and transparent relationship with the Company's External Auditors, KPMG PLT. Engagement with the External Auditors is structured to promote effective audit planning, robust scrutiny and high-quality financial reporting.

During the financial year under review, the BAC met with the External Auditors without the presence of Management to enable open discussions on audit scope, audit approach, key audit areas, audit outcomes and the adequacy of the Group's financial reporting processes. These sessions also provided the Committee with direct insights into audit findings and matters arising from the audit of the annual financial statements. No significant issues requiring escalation were identified during the year.

Further details on the role and responsibilities of the BAC in relation to the External Auditors are set out in the BAC Report on page 166 of this Integrated Report

Directors' Responsibility Statement

The Directors acknowledge their responsibility for the preparation of the financial statements of the Company and the Group in accordance with the Companies Act 2016 and applicable accounting standards. Assurance has been provided that the financial statements for each financial year present a true and fair view of the financial position of the Company and the Group as at the end of the reporting period, as well as the financial performance and cash flows of the Group for the year.

The Directors' Responsibility Statement for the Audited Financial Statements of the Company and the Group is set out on page 192. of this Integrated Report. Comprehensive details of the financial statements for the financial year ended 31 December 2025 are presented in the Financial Report section on pages 190 to 268.

Internal Audit Division

The Internal Audit Division provides independent and objective assurance to support effective governance, risk management and internal control across the Group. Functionally reporting to the BAC, the Internal Audit Division operates with full independence and has unrestricted access to records, systems, properties and personnel necessary for the discharge of its responsibilities.

Using a risk-based approach, the Internal Audit Division undertakes both planned and ad hoc assurance and advisory engagements. These reviews provide insight into the effectiveness of governance processes, risk management practices and internal control systems, while supporting Management in strengthening control environments where required. Audit activities also include monitoring compliance with internal policies, regulatory requirements and recognised internal auditing standards issued by the Institute of Internal Auditors.

Audit findings, together with recommendations and Management's responses, are reported to the BAC on a quarterly basis. This enables timely oversight, effective follow-up and continuous improvement of the Group's governance and control framework.

STATEMENT BY THE BOARD ON COMPLIANCE

For the year under review, the Board concluded that the Company has fulfilled its obligations under the relevant paragraphs of the MMLR of Bursa Malaysia and CA 2016. Additionally, the Company has applied and implemented the MCCG Principles and Practices. The CG Report 2025 details the ways in which the Company applied its practices and adopted the MCCG Principles during the reviewed year which is available on www.mymesra.com.my.

The Board remains committed to enhancing the Company's corporate governance standards and fostering a culture of ethical conduct, transparency and sustainable value creation. Our ultimate goal is to maximise long-term shareholder value while considering the interests of all stakeholders within the Group.

ADDITIONAL COMPLIANCE INFORMATION – MATERIAL CONTRACTS

Material Contracts

Save as disclosed in the Audited Financial Statement of PDB for the financial year ended 31 December 2025, there were no material contracts or loans transacted by the Company or its subsidiaries involving Directors' or Major Shareholders' interests, either still subsisting at the end of the year ended 31 December 2025 or entered into since the end of the previous financial year.

Utilisation of Proceeds Raised from Corporate Proposals

There were no proceeds raised from corporate proposals during the financial year ended 31 December 2025.

For more information, refer to Note 14 on page 232 of the Financial Report.

This Statement is made in accordance with a resolution of the Board of Directors dated 24 February 2026.

DATUK ANUAR AHMAD
Chairman

Nomination and Remuneration Committee Report



Dear Valued Shareholders,

On behalf of the Nomination and Remuneration Committee (NRC), I am pleased to present this report for the financial year ended 31 December 2025. During the year, the NRC continued to strengthen the Group's governance framework by reviewing and enhancing its policies, processes and practices to ensure ongoing alignment with regulatory requirements and leading governance standards.

Key areas of focus included board composition and succession planning, the evaluation of Board and Committees effectiveness, and the review of remuneration structures to support long-term value creation while maintaining alignment with the Group's strategic objectives and stakeholder expectations. The NRC also oversaw the implementation of initiatives aimed at enhancing leadership development and talent management to build a sustainable pipeline of future leaders.

The NRC remains committed to supporting the Board in promoting transparency, accountability and effective stewardship, and will continue to uphold high standards of governance to safeguard the interests of the Company and its stakeholders.

MOHD YUZAIDI MOHD YUSOFF
Chairman

Nomination and Remuneration Committee Report

OVERVIEW

This report provides Shareholders with a comprehensive overview of the activities undertaken by the NRC during the financial year under review, in accordance with Paragraph 15.08A(3) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia). It highlights the NRC's key role in overseeing matters relating to Board composition, remuneration, training and development, succession planning and the evaluation processes for the Board, Board Committees and individual Directors to support effective governance and performance.

The report also outlines the NRC's responsibilities in reviewing leadership appointment, performance and succession planning to ensure continuity, stability and the availability of capable leadership to support the Group's long-term strategic objectives.

TERMS OF REFERENCE

The NRC operates in accordance with its Terms of Reference (ToR), which clearly sets out the NRC's duties and responsibilities, as prescribed under the MMLR of Bursa Malaysia and recommended by the Malaysian Code on Corporate Governance (MCCG).

The NRC undertakes periodic reviews of its ToR to ensure continued alignment with regulatory requirements and evolving governance best practices, as well as to ensure that all activities undertaken remain within its defined scope.

The ToR of the NRC is accessible via PDB's corporate website, ***www.mymesra.com.my.***

COMPOSITION

The NRC comprises three Independent Non-Executive Directors (INED) and is chaired by Mohd Yuzaidi Mohd Yusoff. This composition complies with Practice 5.8 of the MCCG, which recommends that the NRC be chaired by an INED.

The NRC's composition exceeds the minimum requirement under Paragraph 15.08A(1) of the MMLR of Bursa Malaysia, which requires the NRC to comprise Non-Executive Directors with a majority being INED.

In addition, the Company adheres to Practice 1.4 of the MCCG and PDB established Board Selection Criteria for NRC, which stipulates that the Chairman of the Board shall not be a member of the NRC, thereby reinforcing the independence and objectivity of the NRC's deliberations.

As at the date of this report, the composition of the NRC is as follows:

Chairman	Member	Member
Mohd Yuzaidi Mohd Yusoff *INED*	**Alvin Michael Hew Thai Kheam** *Senior INED*	**Tang Saw Hua** *INED*
Date of Appointment as NRC Member	**Date of Appointment as NRC Member**	**Date of Appointment as NRC Member**
29 February 2024	**17 November 2020**	**17 November 2020**
Tenure on the NRC	**Tenure on the NRC**	**Tenure on the NRC**
2 years	**5 years 3 months**	**5 years 3 months**

Nomination and Remuneration Committee Report

MEETINGS AND ATTENDANCE

In November 2024, the NRC scheduled its meeting calendar for FY2025 with proposed agenda to enable members to plan their commitments in advance and ensure sufficient notice of meeting dates. Six meetings were convened during the financial year under review, all of which met the requisite quorum as prescribed in the NRC's ToR. Full attendance was recorded for all meetings held in 2025, demonstrating the members' strong commitment to their responsibilities.

Meeting agendas and papers were circulated to members via a secure collaborative software platform, on average five days before each meeting. This early distribution allowed adequate time for review and preparation ahead of discussions. The electronic dissemination of documents also enhanced operational efficiency and strengthened information security by reducing the risk of unauthorised access to sensitive information.

Where relevant, the Managing Director and Chief Executive Officer (MD/CEO), together with the Head of Human Resources and other Leadership Team (LT) members, were invited to attend the meetings. Their participation provided valuable insights and clarifications on agenda items, supporting informed deliberations and decision-making by the NRC.

Detailed records of proceedings, including key discussions and views expressed by members, were accurately captured in the meeting minutes. The signed minutes were properly maintained by the Company Secretary and the Human Resources, where applicable. All minutes from NRC meetings were subsequently tabled for confirmation and presented to the Board for notation, in line with established governance practices, NRC Circular Resolution duly approved by the NRC will be presented at the next NRC Meeting for notation.

ROLES AND RESPONSIBILITIES OF THE NRC AND RELATED ACTIVITIES IN 2025

Board and Senior Management Succession Planning

The Board has instituted a comprehensive Board Succession Planning Framework to ensure a systematic approach to identifying and selecting new Non-Executive Directors (NEDs) when a vacancy arises. Such vacancies may result from anticipated retirements, unforeseen departures, Board size expansions, or other scenarios. NRC is entrusted with the responsibility of ensuring the proper succession planning for Directors. This includes a review of the Board's requisite blend of skills and experience, as well as evaluating the tenure of INED.

In addition to overseeing succession planning for Directors, the NRC is mandated to review and deliberate the succession plan for the MD/CEO and key LT that consists of Chief Operating Officer and Chief Financial Officer (CFO).

During the year under review, the NRC had reviewed and endorsed the changes to the Board and High-Level Organisation Structure of PDB as below:

1. Resignation of Tunku Alizakri as the INED of PDB on 1 June 2025.
2. Resignation of Farzlina Ahmad Murad as the CFO of PDB on 1 November 2025.
3. Appointment of Mazlie Minhat as the new CFO of PDB on 1 November 2025.

The NRC also overseen the mobility of other LT members that took place during the FY2025.

Review and Assessment of the Directors for Renewal of INED term and Re-election of Directors at the AGM

NRC holds the responsibility of recommending the re-election of Directors who are retiring at the Annual General Meeting (AGM), as outlined in Articles 100 and 107 of PDB's Constitution. Article 100 of the Constitution grants the Board the authority to appoint individuals as Directors to fill casual vacancies or add to the existing Board and any Director so appointed holds office until the next following AGM and is then eligible for re-election. Article 107 of the Company's Constitution mandates that one-third of the Directors retire by rotation at an AGM, at least once in every three years and are eligible for re-election at that AGM.

Additionally, the PDB Board Succession Planning Framework states that INEDs are appointed for a term of three years, with a maximum tenure of nine years subject to review and endorsement by the NRC and approval by the Board.

Re-election of Directors at the 43rd AGM held on 24 April 2025 and Renewal of INED appointment terms during financial year 2025

The NRC reviewed, endorsed and recommended the following for the Board's approval and/or presentation to the Shareholders for approval:

1. Re-election of Encik Azrul Osman Rani, Mohd Yuzaidi Mohd Yusoff and Nirmala Doraisamy.
2. Renewal of the INED terms of appointment for Mohd Yuzaidi Mohd Yusoff and Nirmala Doraisamy.

Nomination and Remuneration Committee Report

Re-election of Directors at the forthcoming AGM

The NRC endorses the rotation list of Directors who stand for re-election at the AGM before recommending it to the Board for approval. In determining Directors' eligibility for re-election and re-appointment, the NRC assesses their competencies, commitment, contributions and performance based on the Board Effectiveness Evaluation. The assessment also considers their ability to act in the best interest of PDB, ensuring a thorough and comprehensive review of their suitability for re-election.

The Directors who stand for re-election at the upcoming AGM on 27 April 2026 have consented for their re-election and signed the Fit and Proper Declaration prior to NRC's assessment, endorsement and recommendation to the Board for approval and subsequent presentation to the Shareholders for approval.

Datuk Anuar Ahmad (Datuk Anuar), Alvin Michael Hew Thai Kheam (Alvin) and Datuk Sazali Hamzah (Datuk Sazali) are the Directors representing one-third and have been the longest in office since their last election and they shall retire at the forthcoming AGM and shall be eligible for re-election, pursuant to Article 107 of the Constitution. Alvin and Datuk Sazali being eligible, have offered themself for re-election as Directors of the Company. However, Datuk Anuar will not be seeking re-election and accordingly will retire as Director and Chairman at the conclusion of the forthcoming 44th AGM. There were no Board members who shall retire and be considered for re-election pursuant to Article 100 of the Company's Constitution.

The NRC and the Board had at their respective meetings held on 11 February 2026 and 24 February 2026, endorsed and approved the aforesaid re-election of Directors for presentation to the Shareholders for approval.

Training for the Board

In line with the requirement under Paragraph 15.08 of the MMLR of the Bursa Malaysia, the NRC has been proactive in reviewing and addressing the training needs of Board members. The NRC believes that continuous education is essential for keeping abreast of industry development and new regulations to enable the Directors to effectively discharge their duties.

The NRC also reviewed and endorsed the Directors' request to attend overseas training programmes, in accordance with the Directors' Training Guideline. In line with the expectations of the MCCG for continuous professional development, the NRC recognised that such training provides Directors with enhanced exposure to international governance practices, emerging regulatory developments and broader industry insights, thereby strengthening their competencies and supporting more effective Board oversight.

The NRC also reviewed the guideline for Directors' training to encourage Directors to attend relevant trainings programmes in both local and international with facilitation by the Company Secretary.

All Directors have completed the Mandatory Accreditation Programme ("MAP") Part I and Part II as prescribed by Bursa Malaysia which Directors are required to complete by 1 August 2025.

The NRC assessed the training needs of the Directors and is satisfied that all Directors have met their training needs. During the financial year under review, all Directors attended training/seminar/conference which the details as tabulated in the PDB Corporate Governance Report 2025.

MD/CEO and Key LT Performance Appraisal

During the year under review and up to the date of this report, the NRC deliberated, reviewed and evaluated:

1. MD/CEO Scorecard and Key LT performance for the financial year 2024 and 2025 against the set targets
2. MD/CEO and Key LT Scorecard for financial year 2025 and 2026

Board Effectiveness Evaluation (BEE)

The NRC assists the Board in reviewing its effectiveness, mix of skills and composition via the BEE exercise, which is conducted annually and once every three years with the assistance of an independent third party consultants as recommended by MCCG.

Findings from the BEE are used to establish the Board's skills matrix, which is referred to by the Board and the NRC to support the Board's succession planning activities, including strengthening of its talent pool with the right mix of skills and diversity in terms of gender and ethnicity. It also helps the NRC to identify training each of Directors.

In addition, BEE is undertaken to assess the effectiveness of the Board as a whole and the Board Committees and contribution of each individual Director.

During the year under review and up to the date of this report, the NRC has:
- Assessed the BEE findings for year assessment (YA) 2024;
- Reviewed the follow up actions on BEE YA2024 recommendations;
- Established questionnaires for BEE YA2025; and
- Assessed the BEE findings for YA2025.

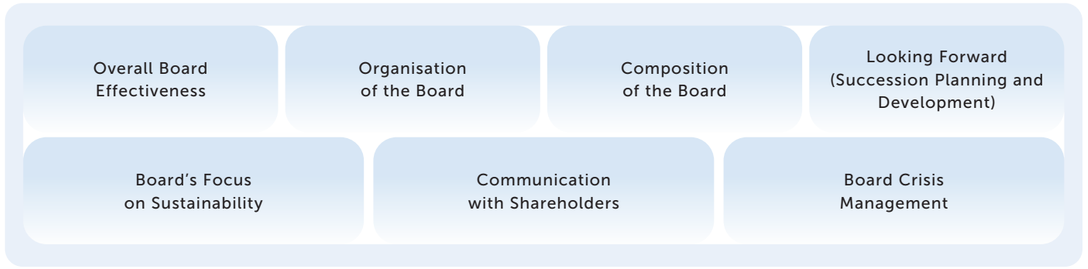
Board Effectiveness Evaluation YA2025

The BEE YA2025 was conducted internally via a digital platform to simplify the assessment process, which covers the assessment on the effectiveness of the Board, Board Committees, Peer and Self Evaluations of the Board Members.

This BEE offers a comprehensive assessment framework and methodology and provides a balanced perspective on the Board's performance, highlighting strengths and areas for improvement and supports the Board in its forward-looking development and growth through the following process:

Nomination and Remuneration Committee Report

The process of gathering feedback began with the distribution of comprehensive online questionnaires through a digital platform in December 2025. These questionnaires, aligned with the latest enhancements of the MCCG and incorporating best practices, covered seven key assessment parameters comprising:



Additional questionnaires on independent directorship have also been provided to all INEDs.

The Board evaluation methodology encompassed a strategic framework that assessed the performance of the Board, its Committees and individual Directors. The findings insights were then used to develop recommendations and actionable plans aimed at enhancing the Board's overall effectiveness.

A detailed report on the outcome of the exercise was presented to the NRC and Board on 11 February 2026 and 24 February 2026 respectively. The presentation focused on discussing the observations and prioritising recommendations aligned with corporate governance best practices.

The BEE results confirmed the strength of the Board and its high performing Boardroom culture. Priority areas and key findings have been incorporated in the action plans that would further improve the Board performance in 2026.

Board Effectiveness Evaluation YA2024

The NRC reviewed the results of the BEE YA2024 which was undertaken by an external independent consultant and acknowledged that PDB continued to be led by an effective, committed, and well-run Board. The findings of the BEE YA2024 were presented at the NRC and Board meetings on 10 February 2025 and 20 February 2025, respectively. The Board acknowledged the findings and identified areas that require further improvement in 2025.

Based on feedback from the BEE YA2024, Management, during the financial year 2025, reviewed, amongst other matters, the Limits of Authority to provide a balance between the authority of the Board, Board Committees, and the MD/CEO; the Board Succession Planning Framework and Board Selection Criteria to ensure alignment with industry best practices; and assessed Board training and development needs to keep the Board abreast of emerging trends, particularly in the areas of ESG and artificial intelligence.

Board Charter

At its meeting in February 2026, the NRC reviewed and endorsed the revision to the Board Charter for approval by the Board. The amendments were intended to clearly define the Board's roles in relation to PDB's sustainability and climate-related risks and opportunities, aligning with the MMLR and in accordance with the IFRS Sustainability Disclosure Standards (IFRS S1 and S2).

A benchmarking exercise against other publicly listed companies was also performed to ensure alignment with the MCCG.

Annual Reporting

During the financial year and up to the date of this report, the NRC reviewed and endorsed the disclosures in the NRC Report FY2024 and FY2025. The NRC also reviewed and endorsed the Corporate Governance Overview Statement FY2024 and FY2025, ensuring the reports were prepared in compliance with the relevant regulatory requirements and guidelines in particular MMLR of Bursa Malaysia and MCCG.

Nomination and Remuneration Committee Report

BOARD APPOINTMENT PROCESS

A structured and transparent approach is applied by the NRC in managing the Board appointment process. Selection criteria are developed based on the competencies, experience and attributes required to support effective Board leadership. Initial screening and evaluation of candidates are conducted by the NRC before its findings and recommendations are submitted to the Board for consideration.

Before any recommendation is made, shortlisted candidates undergo comprehensive background checks, including assessments of financial standing and personal integrity. Each individual is evaluated holistically, taking into account their skills, professional experience, personal attributes, integrity and capacity to commit sufficient time to the role. Consideration is also given to promoting diversity across the Board, including age and gender representation.

In line with the Board Selection Criteria, a three year cooling off period applies to individuals who are existing or former officers, advisers or transacting parties of PDB or its related corporations prior to any appointment as INEDs. This requirement is also applicable to Non Independent Non Executive Directors (NINEDs) to safeguard objectivity in Board appointments.

A formal recruitment and sourcing framework is adopted to evaluate the appropriate mix of diversity, skills, experience and expertise required on the Board and to address any identified gaps. Recommendations are provided to the Board to maintain a balanced composition, with periodic reviews conducted on diversity requirements, where applicable.

Where appropriate, independent external sources may be engaged to identify suitably qualified candidates for potential appointment as INED. This widens the pool of prospective candidates and strengthens the selection process to ensure the Board continues to benefit from relevant expertise and experience.

Throughout the candidate assessment process, adherence to the Board Succession Planning Framework (BSPF) is maintained, as outlined in the Board Appointment Process. This reinforces the NRC's commitment to sustaining a robust and competent Board composition in line with established governance practices.

During the year under review, the NRC reviewed the BSPF, Board and Board Committees Selection Criteria as well as Board appointment process to ensure alignment with the best practice and PDB needs.

FIT AND PROPER POLICY

Pursuant to Paragraph 15.01A of the MMLR, the Company has established a Fit and Proper Policy to govern the appointment and re election of Directors of the Company and its subsidiaries. This Policy sets out clear criteria and assessment processes to determine the suitability, competence and integrity of Directors.

During the financial year under review and up to the date of this report, assessments on the fitness and propriety of Directors were carried out by the NRC prior to recommending any re election of Directors or renewal of terms for INED for the Board's approval.

NRC'S EFFECTIVENESS REVIEW AND PERFORMANCE

Drawing from the findings of the BEE for YA2025, the Board is of the view that the NRC has effectively discharged its duties and fulfilled the responsibilities outlined in its ToR. Valuable contributions have been made through sound advice and recommendations, particularly in the areas of Board competencies and succession planning for Directors and senior management.

Overall, the Board remains satisfied with the performance of the NRC and acknowledges its role in strengthening governance practices and supporting the long-term sustainability of the Group.

NRC PRIORITY AREAS IN FY2026

In 2026, the NRC will drive a future-fit governance agenda by deepening the Board's focus on Sustainability, advancing Director development, and strengthening succession planning and leadership capability.

Guided by the BEE YA2025 results, the NRC will also refine the Board's composition and skills matrix, enhance oversight of BEE action items, and champion stronger Board dynamics and stakeholder engagement while equipping the Board to anticipate and respond to emerging trends, including digital disruption and the accelerating influence of artificial intelligence.

With the forthcoming departure of the Non-Independent Non-Executive Chairman, who will not be seeking re-election, and additional INED tenure approaching completion, the NRC will elevate Board succession planning as a strategic priority in 2026. This ensures that leadership transitions are executed smoothly, the Board's effectiveness is preserved, and governance continuity remains uncompromised as the organisation prepares for its next phase of growth.

MOHD YUZAIDI MOHD YUSOFF
Chairman
Nomination and Remuneration Committee

Board Audit Committee Report



Dear Valued Shareholders,

On behalf of the Board Audit Committee (BAC), I am pleased to present this report for the financial year ended 31 December 2025. This report provides an overview of the Committee's key areas of focus, significant activities and deliberations undertaken during the year in fulfilling its oversight responsibilities.

Throughout the year, the BAC continued to support the Board in safeguarding the integrity of the Group's financial reporting, strengthening internal control systems, and overseeing risk management and audit processes, in line with its Terms of Reference and applicable regulatory requirements.

TANG SAW HUA
Chairman

Board Audit Committee Report

OVERVIEW

This report sets out the activities of the BAC during the financial year under review. The Committee assists the Board of Directors in fulfilling its oversight responsibilities in relation to the integrity of the financial reporting process, the effectiveness of internal and external audit functions, the adequacy of the internal control system and the review of audit outcomes. Through its deliberations, the BAC provides independent oversight to support sound financial governance and accountability.

TERMS OF REFERENCE

The BAC operates in accordance with its Terms of Reference (ToR), which are aligned with the requirements of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia) and the best practice recommendations set out in the Malaysian Code on Corporate Governance 2021 (MCCG). Throughout the year under review, all activities undertaken by the Committee were conducted in full compliance with its Terms of Reference (ToR), ensuring clarity of roles, responsibilities and authority in the discharge of its duties.

*For more information on BAC's ToR, refer to PDB's corporate website at **www.mymesra.com.my.***

COMPOSITION

As at the date of this report, the BAC comprises four members, all of whom are Non-Executive Directors, with a majority being Independent Directors. This composition complies with Paragraph 15.09(1)(b) of Bursa Malaysia's MMLR as well as the recommendations of the MCCG. No alternate director has been appointed to the Committee, reinforcing the consistency and continuity of its oversight role.

In line with the MCCG, the BAC Selection Criteria includes a requirement to safeguard independence through the implementation of a three-year cooling off period for former partners of the Company's external auditors before they may be considered for appointment to the Committee. This measure mitigates potential conflicts of interest and supports the integrity and objectivity of the audit process.

As at the date of this report, the BAC composition is as follows:

Members			
Tang Saw Hua *Chairman, Independent Non-Executive Director (INED)*	**Nirmala Doraisamy** *INED*	**Datin Arni Laily Anwarrudin** *Non-Independent Non-Executive Director*	**Mohd Yuzaidi Mohd Yusoff** *INED*
Date of Appointment as BAC Member			
1 July 2020	**19 February 2021**	**1 June 2021**	**1 June 2022**
Tenure on the BAC			
5 years 7 months	**5 years**	**4 years 8 months**	**3 years 8 months**
Number of Meetings Attended			
6/6	**6/6**	**5/6**	**6/6**

Board Audit Committee Report

Strong financial expertise is reflected in the professional credentials held by the majority of BAC members, as detailed below:

1. Tang Saw Hua, the Chairperson, is a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants.
2. Nirmala Doraisamy is a Fellow of the Chartered Institute of Management Accountants in the United Kingdom, a member of the MIA and a member of the Auditing and Assurance Standards Board of the MIA.
3. Datin Arni Laily Anwarrudin is a Fellow of the Institute of Chartered Accountants in England and Wales.

This composition exceeds the minimum requirement under Paragraph 15.09(c)(i) of the MMLR, which stipulates that at least one member must possess professional accountancy qualifications. Such depth of expertise strengthens the Committee's ability to oversee financial reporting and governance matters effectively.

MEETINGS AND ATTENDANCE

Six meetings were convened by the BAC during the financial year ended 31 December 2025, all of which recorded full attendance and exceeded the quorum requirements set out in its ToR.

To facilitate timely reporting, meetings were deliberately scheduled ahead of Board meetings. This arrangement enabled key issues, material findings and significant observations to be promptly escalated to the Board, which holds ultimate oversight responsibility.

Attendance at meetings included the Managing Director and Chief Executive Officer (MD/CEO), Chief Financial Officer (CFO), Chief Audit Executive (CAE), Head of Legal, External Auditors and other relevant personnel, where appropriate. Their participation provided updates and clarifications on audit matters, financial performance and internal control issues. The Company Secretary served as Secretary to the Committee.

Internal audit reports were presented by the CAE, while members of the Leadership Team were invited, when necessary, to brief the Committee on matters arising from audit findings or issues impacting the Group's financial results. External Auditors also attended meetings to present the annual audit plan and report on the outcomes of statutory audits conducted on the Company and its subsidiaries. Both Internal and External Auditors acted as key sounding boards to support the Committee's deliberations.

During the year, a private session was held with the External Auditors on 14 February 2025, without Management present, during which no unusual findings were reported.

Advance scheduling of meetings before the start of each financial year allowed members to plan their commitments accordingly. Agendas and meeting papers were circulated through a secure collaborative software platform, enhancing efficiency, strengthening data security and enabling members to access documents electronically at any time. This approach also supports the Company's sustainability objectives through reduced paper usage.

Key deliberations during the year covered the review of quarterly and annual financial statements submitted to Bursa Malaysia, assessments of related party transactions (RPTs) and recurrent related party transactions (RRPTs), consideration of internal and external audit reports, monitoring of outstanding audit issues and agreed corrective actions, as well as matters relating to internal controls.

All proceedings were comprehensively recorded in the meeting minutes, which were duly signed and maintained by the Company Secretary. The minutes and any Circular Resolutions were tabled for confirmation and notation respectively, at subsequent meetings before being presented to the Board.

CONTINUOUS TRAINING

Ongoing professional development is a priority for the BAC. Throughout the year, members participated in relevant training programmes covering updates in accounting standards, auditing practices and regulatory requirements, in line with Practice 9.5 of the MCCG. This continuous learning enables the Committee to stay informed and effective in discharging its oversight responsibilities.

Board Audit Committee Report

SUMMARY OF THE BAC'S ACTIVITIES IN 2025

Summary of the BAC's activities performed during the year under review were as follows:

1. Financial Reporting

   a) Reviewed the quarterly financial results and press release prior to the approval by the Board, to ensure compliance with the MMLR of Bursa Malaysia, the applicable financial reporting standards as well as other relevant legal and Regulatory requirements. The reviews and discussions were conducted with the MD/CEO and the CFO of PDB.
   b) Reviewed the audited financial statements for the year under review prior to the approval by the Board, to ensure that they were prepared in accordance with the provisions of the Companies Act 2016 (CA 2016) and the applicable financial reporting standards. The reviews and discussions were conducted with the presence of MD/CEO and the CFO of PDB.
   c) Reviewed and deliberated specific key areas affecting the Group's financial results and endorsed recommendations made by the Management for Board's approval.

2. External Audit

   a) Reviewed and recommended the terms of engagement of the External Auditors for the Board's approval.
   b) Reviewed the independent auditor's review report for half-year financial statements in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".
   c) Reviewed and approved the External Auditor's annual audit plan for the Group, outlining their scope of work.
   d) Reviewed the proposed fees for the statutory audit as well as for the non-audit services. The BAC endorsed the proposed audit fees and the said fees were duly approved by the Board.
   e) Total audit and non-audit fees paid to the External Auditors are as follows:

Particulars	2025		2024	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Statutory Audit Fees	**941**	**617**	913	599
Non-Audit Fees	**355**	**347**	362	318
Percentage of Non-Audit Fees over Statutory Audit Fees	**38%**	**56%***	39%	53%

* *Relates to other assurance services performed by the External Auditors*

3. Internal Audit (IA)

   a) Reviewed and approved the risk-based Financial Year 2025 Annual Audit Plan and budget to ensure comprehensiveness of audit coverage, resources and competencies to execute the internal audit functions effectively
   b) Reviewed the internal audit, review and investigation reports, recommendations and the relevant corresponding action plans to strengthen PDB's overall system of governance, risk and internal controls. The BAC had also put forward various suggestions for improvement to reinforce the oversight role and to ensure that Management holds individuals accountable for their internal control, risk and governance responsibilities.
   c) Monitored the quarterly audit, review and investigation findings status with deliberation on the rectification actions and timelines taken by Management to ensure the control lapses were addressed and resolved timely. The BAC also deliberated on the justifications given by Management for extension of rectification timeline and approved such request based on justifications.
   d) Reviewed and approved the revision of the IA Charter in compliance with the Global Internal Audit Standards (GIAS).
   e) Reviewed the 5-year Quality Assurance Implementation Plan (QAIP), incorporating updates on ongoing quality assurance continuous improvement initiatives and the outcomes of the External Quality Assessment Review (EQAR) of PDB IA activities.
   f) Assessed the performance of the PDB IA with regard to their ability to provide independent and objective assurance in conformance with recognised international standards.
   g) Reviewed the independence, objectivity and assessed any conflict of interest of PDB IA and internal auditors through the annual declaration, if any.

4. Internal Control and Compliance

   Reviewed the effectiveness of the system of internal controls, taking into account the findings from internal and external audit reports.

5. Corporate Governance

   a) Reviewed RPTs and RRPTs in accordance with the Policy and the Guideline on RPT and Conflict of Interest (CoI) situation to ensure the transactions are at all times carried out on arm's length basis and normal commercial terms and not to the detriment of the Minority Shareholders, BAC also reviewed the status update of the RPTs and RRPTs on a quarterly basis.
   b) Conducted external auditors' assessment in accordance with the Framework on External Auditor.
   c) Reviewed a gap assessment of the BAC's Terms of Reference to ensure compliance with the BAC's roles and responsibilities.
   d) Reviewed and endorsed the revision to its Terms of Reference to ensure continued alignment with prevailing regulatory requirements and governance best practices.

6. Annual Reporting

   Reviewed and endorsed the disclosures on the Corporate Governance Overview Statement (CGOS), BAC Report and Statement on Risk Management and Internal Control (SORMIC) for the financial year ended 31 December 2024 for inclusion in the Integrated Report 2024.

EXTERNAL AUDIT

Independence of the external auditors is upheld through the rotation of the Audit Engagement Partner every seven years, with a mandatory five year cooling off period before any potential reappointment, in accordance with the requirements of the Malaysian Institute of Accountants. In addition, an Independent Partner Review is conducted by the external auditors to further safeguard objectivity throughout the audit engagement.

Written assurance was provided by the external auditors to the BAC, confirming compliance with all relevant professional and regulatory requirements and affirming their independence for the financial year under review.

An annual assessment of the external auditors' performance, suitability and independence was carried out by the BAC. The evaluation focused on four key areas, namely the quality of the audit engagement team and services rendered, adequacy of resources, effectiveness of communication and interaction, as well as independence, objectivity and professional scepticism. This structured assessment forms part of the Committee's ongoing oversight process.

ANNUAL REPORTING

Reviews were conducted on the CGOS, BAC Report and SORMIC for the financial year ended 31 December 2025 prior to their inclusion in the Integrated Report 2025. These reviews ensured compliance with applicable regulatory requirements and relevant reporting guidelines.

These statements are set out on pages 236 to 255, 162 to 168 and 175 to 189.

INTERNAL AUDIT FUNCTION

Support to the BAC is provided by a dedicated PDB Internal Audit (PDB IA) function, which centralised under PETRONAS Group Internal Audit. The PDB IA carries out governance responsibilities as outlined in the BAC's ToR and has unrestricted access to the Group's functions and assets within its scope of review. Its mission focuses on safeguarding and enhancing the Group's value through risk based and objective assurance, advisory services and insights.

Through a systematic approach, the PDB IA evaluates and improves the effectiveness of governance, risk management and internal control processes across the Group, contributing to the achievement of strategic objectives.

Functionally reporting to the BAC and administratively to the Group Chief Audit Executive (GCAE), the CAE, Nik Fariza Nik Hamdan, carries out her duties with independence and objectivity in accordance with the BAC approved Audit Charter. She is a member of the Association of Chartered Certified Accountants and holds a Bachelor of Commerce majoring in Accounting and Finance from Liverpool John Moores University, United Kingdom.

Operations of the PDB IA are guided by its Audit Charter, which defines its responsibilities, authority and scope of work within the Group. An annual declaration is made on independence, objectivity and freedom from any conflict of interest in accordance with the International Professional Practices Framework Code of Ethics. Any potential conflict arising after this declaration is promptly reported to the CAE.

Audit activities follow the internal audit manual and adopt the five components of the Internal Control Integrated Framework issued by the Committee of Sponsoring Organisations, comprising:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities

A risk-based audit approach is applied, with audit plans prioritised according to the Group's key risks and critical business areas. Inputs are derived from various sources, including the Group's risk profile, PETRONAS Downstream emerging risks, strategic priorities, business developments, materiality and criticality of operations, previous audit findings, as well as feedback from the BAC and Leadership Team.

This approach supports effective audit coverage and aligns internal audit activities with the Group's strategic direction and risk landscape.

During the year under review, the PDB IA performed eight audits and one review based on the FY2025 Annual Audit and Assurance Plan and presented to the BAC on quarterly basis, as follows:

1. Audit on Customer Resolution Management Activities (Mesralink and Zendesk)
2. Audit on Highstreet Lubricant Business Activities
3. Review on Overall Governance of Project Management
4. Audit on e-KYC Implementation for Setel Ventures Sdn Bhd
5. Audit on Convenient Store (C-Store) Operations for Mesra
6. Audit on Anti-Money Laundering (AML) Implementation for Setel Ventures Sdn Bhd
7. Audit on Personal Data Management
8. Attestation on Setel Ventures Sdn Bhd Compliance and Regulatory Audit (Cyber security and Fraud Risk Management)
9. Attestation on Process Improvements in Sanctions Screening for Setel Ventures Sdn Bhd

The audit reports and recommendations were discussed and agreed with PDB Management to ensure the closure of audit recommendations are within the agreed timeframe. The status of these audit recommendations is monitored and reported to the BAC through the Quarterly Audit Status Report (QASR), ensuring continuous oversight and accountability.

Based on the audits and review activities performed throughout the year, the governance, risk management and internal controls are assessed to be progressing positively with observable enhancements in control design, monitoring and issue remediation.

During the year, BAC approved PDB IA 5-Years Strategic Plan with the objective to enhance audit effectiveness and credibility to Global Internal Audit Standard (GIAS) by incorporating advanced methods and technologies, reliable expertise and stakeholder trust.

The following initiatives were completed in FY2025:

1. The 5-year PDB IA Talent Development Blueprint, approved in June 2025, aligns with PDB and GIAS requirements to build digital fluency, enhance cyber security and analytics capabilities, advance AI-driven auditing, and sustain continuous learning through automation.
2. The 5-year Quality Assurance Implementation Plan (QAIP), which was endorsed by the BAC in May 2025, to ensure systematic enhancement of audit quality, compliance with global internal audit standards, and continuous improvement of assurance and advisory practices.
3. Integrity Risk Assessment (IRA) Heat Map to align with the organisation's Integrity Risk Assessment, Corruption Risk Assessment, and Corporate Liability Framework. This initiative reflects PDB IA's commitment to proactive risk management and provides clear, demonstrable evidence of strengthened integrity-related risk oversight for Setel Ventures Sdn Bhd.
4. Analytics Assessment to support its shift toward a data-driven audit function. The initiative aims to strengthen internal controls and risk detection across key operations, enhance audit insights through data, and improve data accessibility by mapping system architecture and data flows across PDB. It also promotes continuous improvements in audit coverage, analytics capability, and operational efficiency through a structured and repeatable assessment approach
5. Automated Auditor's Performance Evaluation system to streamline and modernize the evaluation process by eliminating delays, repetitive data entry, and record duplication. The system improves efficiency by reducing manual workload, enhances user experience through simplified data entry and faster approvals, and increases transparency with clear tracking of approval status and performance metrics. It also supports continuous improvement by capturing user feedback to guide future enhancements.
6. Stakeholder Management Blueprint outlines a 5-year plan to strengthen PDB IA's role as a trusted business partner through structured engagement, alignment with organisational priorities, and enhanced collaboration and capabilities.

These enhancements have strengthened the PDB IA's ability to conduct thematic and value-chain audits, providing deeper insights and holistic assurance to support the Group's strategic objectives.

In 2025, External Quality Assessment Review (EQAR) for PDB IA was completed in October 2025 and was rated "Generally Achieves" by the independent assessors from the Institute of Internal Auditors Malaysia (IIAM). The results of the assessment was presented to the BAC in November 2025.

The Group remains committed to empowering Internal Auditors with the right technical skillsets and business knowledge to discharge their duties and responsibilities. PDB IA supports continuous professional development through certification and upskilling programmes, enabling them to pursue the following relevant internal auditor certifications:

During the year under review, PDB IA recorded that 87% of its staff hold various relevant professional certifications, reflecting the commitment to maintaining high competency standards.

1. Certified Internal Auditor (CIA)
2. Certified Information Systems Auditor (CISA)
3. Certified Fraud Examiner (CFE)
4. Committee of Sponsoring Organisations (COSO) Certification
5. Environmental, Social and Governance (ESG) Certification

Board Audit Committee Report

INTERNAL AUDIT RESOURCES AND DEVELOPMENT

PDB IA is supported by 16 professional team members with diverse experience across audit and investigation. PDB IA's capability is underpinned by a strong mix of professional qualifications with 11 team members holding recognised certifications from the Institute of Internal Auditors (CIA and ESG), the Association of Certified Fraud Examiners (ACFE) and COSO. These credentials strengthen the technical depth, credibility and capacity to deliver effective assurance.

Other functions are leveraged at the Group level, including the assurance planning and analytics function. In addition, PDB IA has two (2) dedicated assurance planning and resources to support risk-based planning and effective audit delivery.

Ongoing capability building is prioritised through structured training programmes designed to enhance business acumen and promote the adoption of industry best practices. These initiatives draw on both in-house and external accredited training providers. Online e-learning platforms and continuous on-the-job assessments are utilised to evaluate competency levels, while collaboration with external specialists, PETRONAS Group experts and independent technical assessors provides additional depth and perspective.

At Group level, individual Superior Managed Assessments (SMA) are conducted annually to identify strengths and development areas. Based on the assessment outcomes, Personal Development Plans are developed to support continuous improvement. In parallel, the BAC undertakes an annual review of the PDB IA's overall performance, including the individual performance of the CAE, in accordance with its Terms of Reference.

Throughout the year, regular private sessions were held between the BAC and the Chief Audit Executive to facilitate timely exchanges on industry trends and regulatory developments. Organised by the Company Secretary and properly documented, these sessions align with the Global Internal Audit Standards (GIAS) under Domain III, Principle 6.3, which supports private engagement between the Committee and the CAE without Management present.

Such engagements strengthen alignment between audit activities and the strategic direction set by the BAC, enhancing the effectiveness and accountability of the internal audit function in supporting the Group.

Total costs incurred by the Group's internal audit function for the financial year 2025 amounted to RM5.1 million.

RELATED PARTY TRANSACTIONS

Reviews of related party transactions (RPTs) and recurrent related party transactions (RRPTs) were conducted to ensure compliance with the CA 2016, MMLR of Bursa Malaysia and the Malaysian Financial Reporting Standards. These reviews aim to confirm that transactions are conducted on terms no more favourable than those available to the public and do not prejudice the interests of minority shareholders.

The BAC is satisfied that the Policy, and Guideline on RPT and CoI provide adequate procedures and processes to identify, monitor and track all RPTs/RRPTs in a timely and orderly manner to ensure that all RPTs/RRPTs are carried out on an arm's length basis, in the best interests of the Group, fair, reasonable and on normal commercial terms and are not detrimental to the Minority Shareholders. The BAC also reviews, from time to time any RPTs/RRPTs that may arise within the Group in accordance with the Policy and the Guideline.

During the year under review, no RPTs were recorded. The BAC noted that all RRPTs were concluded at prevailing market rates, conducted on an arm's length basis and were not detrimental to the interests of minority Shareholders.

CONFLICT OF INTEREST

Clear processes are in place to manage CoI and potential CoI, including those arising from competing business activities involving the Company or its subsidiaries. Based on quarterly declarations provided by Directors and Key Senior Management, no conflicts were identified during the year under review, except as disclosed in their respective profiles.

BAC EFFECTIVENESS REVIEW AND PERFORMANCE

Performance of the BAC was evaluated through the annual Board Effectiveness Evaluation conducted during the year. The Board agreed that the Committee discharged its duties and responsibilities in accordance with its ToR. Recognition was also given to the BAC's contributions in providing effective oversight of financial and audit matters, supporting sound and informed decision-making at Board level.

REPORTING TO THE EXCHANGE

For the financial year ended 2025, full compliance with the MMLR of Bursa Malaysia was observed by the Company. As such, no reporting under Paragraph 15.16 of the MMLR is required.

TANG SAW HUA
Chairman
Board Audit Committee

Board Sustainability and Risk Committee Report



Dear Valued Shareholders,

It is my pleasure to present the Board Sustainability and Risk Committee (BSRC) Report of PETRONAS Dagangan Berhad for the financial year ended 31 December 2025. This report outlines how the Committee discharged its responsibilities in overseeing the Company's risk governance framework and sustainability agenda.

During the year, the BSRC provided strategic oversight on the Group's risk appetite, ensuring that risk considerations were embedded into business planning and decision-making processes. In tandem, the Committee guided the execution of PDB's sustainability strategy, monitoring progress across the organisation to support consistent implementation and transparent reporting.

Through regular reviews and engagements with Management, the BSRC strengthened its governance oversight to support long-term resilience and responsible growth. The Committee will continue to support the Board in promoting sound risk management practices and advancing sustainability priorities across the Group.

ALVIN MICHAEL HEW THAI KHEAM
Chairman

Board Sustainability and Risk Committee Report

The BSRC is a Board-level committee set up to support the Board in discharging stewardship related to risk management and sustainability framework and policies function for PDB.

OVERVIEW

During the financial year under review, the BSRC undertook active oversight of PETRONAS Dagangan Berhad's sustainability strategies and risk management practices. This report summarises the Committee's key activities and how it supported the Board in strengthening governance, resilience and long-term value creation.

TERMS OF REFERENCE

Guidance for the BSRC's authority, duties and functions is set out in its Terms of Reference (ToR). Periodic reviews of the ToR are conducted to maintain its relevance and clarity, ensuring that the Committee's activities continue to fall within a well-defined scope and remain aligned with regulatory expectations and evolving governance practices.

The BSRC ToR was revised twice during the year to enhance its oversight roles in relation to PDB's sustainability and climate-related risks and opportunities, as well as to improve the clarity and accessibility of the ToR through editorial improvements and content restructuring.

*The ToR of the BSRC is accessible via PDB's corporate website, **www.mymesra.com.my.***

COMPOSITION

Membership of the BSRC comprises four Directors, including three Independent Non-Executive Directors, one of whom serves as Senior Independent Non-Executive Director, and one Non-Independent Non-Executive Director. The BSRC is Chaired by the Senior Independent Director and is primarily made up of Independent Directors, which is aligned with Principle B, Chapter II of the Malaysian Code on Corporate Governance (MCCG), Step Up 10.3. This composition ensures a well-rounded mix of experience and diverse viewpoints, which enhances the committee's ability to provide effective oversight.

Each Committee member brings sound judgement, objectivity, professionalism and relevant management experience, supported by strong integrity and industry knowledge. No alternate director has been appointed to the BSRC, reinforcing accountability and consistency in the Committee's deliberations.

As at the date of this report, the composition of the BSRC is as follows:

Members	Alvin Michael Hew Thai Kheam *Chairman, SINED*	Nirmala Doraisamy *INED*	Tang Saw Hua *INED*	Datuk Sazali Hamzah *NINED*
Date of Appointment as BSRC Member	26 February 2019	15 October 2019	17 November 2020	1 June 2022
Tenure on the BSRC	7 years	6 years 4 months	5 years 3 months	3 years 8 months
Number of Meetings Attended	4/4	4/4	4/4	3/4

MEETINGS AND ATTENDANCE

Advance planning was undertaken in November 2024, when all BSRC meeting dates for 2025 were scheduled to enable members to plan their commitments for the year. This early scheduling ensured sufficient notice and supported consistent attendance. Meetings were convened on a quarterly basis, and during the year under review, a total of four meetings were conducted to enable the Committee to discharge its duties and responsibilities effectively.

Beyond formal meetings, the BSRC Chairman, together with several members, also participated in a series of syndication sessions with Management. These engagements provided deeper insights into operational matters and enabled constructive guidance on key issues, including sustainability-related matters. Attendance details of Committee members are set out in the table above.

To support productive deliberations, key members of the Leadership team, including the Managing Director and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Head of Risk and Governance, Head of Legal and Head of Strategy, attended all meetings to provide inputs, advice and clarifications on agenda items. The Company Secretary served as Secretary to the Committee.

Risk management updates, including monitoring activities and the corporate risk profile, were presented by the Head of Risk and Governance. Selected members of the Leadership Team were also invited, where appropriate, to brief the Committee on specific strategic or high impact matters.

Meeting agendas and papers, comprising both qualitative and quantitative information, were circulated electronically through a secure collaborative platform, on average five days prior to each meeting. This facilitated timely preparation, streamlined document distribution and strengthened information security.

Board Sustainability and Risk Committee Report

Discussions during the year focused on reviews of PDB's risk appetite, corporate risk profile, business risk reports, initiatives to strengthen risk culture and broader risk management matters. Proposed business ventures requiring risk assessment and strategic guidance from the Committee were also deliberated.

All meetings were duly minuted, with signed records maintained by the Company Secretary. Minutes were tabled for confirmation at subsequent meetings before being presented to the Board for notation.

From a sustainability perspective, the BSRC ensured that Management provided accurate and relevant data on sustainability risks and opportunities. Oversight of the reporting process was exercised to promote transparency and consistency in disclosures. Close collaboration with Management supported the development of meaningful sustainability reports aligned with the Company's strategy and purpose. Progress against sustainability targets was closely monitored, with proactive identification and management of emerging risks and opportunities.

The Committee also assessed the clarity of the Company's purpose and its alignment with strategic objectives. This included evaluating the extent to which purpose was embedded within the organisation's overall goals and decision-making processes.

The BSRC Chairman provides the Board with reports on topics discussed during the BSRC meetings. This forms a regular part of the agenda for scheduled Board meetings, thereby ensuring that Board members are apprised of important developments and decision-making processes.

ANNUAL REPORTING

Reviews were conducted on the BSRC Report and the Statement on Risk Management and Internal Control for the financial year ended 31 December 2025 prior to their inclusion in the Integrated Report 2025. These reviews ensured compliance with applicable regulatory requirements and relevant reporting guidelines.

ACTIVITIES OF THE BSRC DURING THE FINANCIAL YEAR 2025

During the year under review, the BSRC carried out the following activities in discharging its functions and duties:

i. **Sustainability and Climate-Related Matters**

The BSRC discussed and provided guidance and oversight on various Economic, Environmental, Social and Governance (EESG) topics in financial year 2025 amongst others:

a) The importance of strengthening Board oversight of sustainability performance through regular sustainability updates to BSRC, including progress on EESG priorities, regulatory readiness and emerging sustainability risks and opportunities.
b) The importance of enhancing sustainability governance through the adoption of PETRONAS Level 1 Directives, namely the Commitment to Net Zero Carbon Emissions (NZCE) by 2050 and the Position on Nature and Biodiversity, to ensure alignment with PETRONAS' Group-wide sustainability commitments and decarbonisation ambitions.
c) The need to strengthen accuracy, consistency and robustness of sustainability disclosures, including progress on National Sustainability Reporting Framework (NSRF) and IFRS S1 and S2 readiness, and to close gaps identified in environmental performance,and EESG reporting.
d) The importance of Management's action plans, data collection and validation processes for emissions as well as assurance and Board endorsement of sustainability disclosures, to ensure consistency, credibility and integration into long-term sustainability and performance KPIs.

ii. **Risk Appetite**

Reviewed, deliberated and endorsed PDB's risk appetite and the level of tolerance that PDB is willing to accept in pursuing its strategic objectives.

iii. **Corporate Risk Profile**

Reviewed, deliberated and endorsed PDB's critical risks as registered in the Corporate Risk Profile for the Board's approval.

iv. **Risk Monitoring**

Reviewed and endorsed the adequacy and effectiveness of the risk management practices through the monitoring of Key Risk Indicators (KRIs) and mitigation implementation as updated in the quarterly Business Risk Reports (BRR).

Reviewed any breach of risk appetite thresholds and specific actions taken to ensure risks undertaken in pursuit of strategic and business objectives were consistently within the approved levels.

v. **Risk Assessment in Decision-Making**

Reviewed and deliberated new business propositions and initiatives, including, but not limited to:

a) Mergers and acquisitions, divestments and joint-venture proposals in local and foreign countries
b) Commercial transactions with high complexity and financial exposure
c) Country-related decisions (entry or exit management)
d) Key capital projects
e) New business ventures and/or special projects

These assessments incorporated financial, strategic, operational and sustainability considerations to support informed decision-making and long-term value creation.

vi. **Emerging Critical Risks**

Deliberated emerging risks manifested from internal or external environment including sustainability, climate-related, regulatory and market-driven risks that could impact the delivery of business objectives.

The BSRC played a vital role in reviewing the adequacy and effectiveness of risk management processes for PDB. In this regard, the BSRC reviews and challenges the BRR, focusing on the status of KRIs and risk mitigation implementation in ensuring effective management of risks.

vii. **Annual Reporting**

Reviewed and endorsed the disclosures in the BSRC Report and SORMIC for the financial year ended 31 December 2025 for inclusion in the Integrated Report 2025.

BSRC EFFECTIVENESS REVIEW AND PERFORMANCE

An annual Board Effectiveness Evaluation was conducted during the year to assess the performance of the BSRC. The evaluation indicated that the Committee is well structured and appropriately represented, with a balanced mix of skills, expertise and experience that supported robust deliberations and strengthened the Company's decision-making process.

Overall satisfaction was expressed by the Board regarding the BSRC's performance, noting that the Committee effectively discharged its functions, duties and responsibilities in accordance with its Terms of Reference. The Board also acknowledged the Committee's contributions in providing strategic oversight on risk management and sustainability matters, which supported the Group's governance framework and long-term objectives.

ALVIN MICHAEL HEW THAI KHEAM
Chairman
Board Sustainability and Risk Committee

Corporate Integrity and Ethics

INTEGRITY AND ETHICS

At PDB, we uphold strong business standards by adhering to rigorous personal and professional conduct. This commitment is embedded within our corporate culture, where ethics and compliance principles form the foundation of a comprehensive suite of policies, codes and guidelines. These frameworks guide our people in executing the Group's business strategy responsibly, consistently and with integrity.

Building on this foundation, our compliance programmes translate these principles into daily practice. Through robust governance structures and clear accountability, we promote consistent ethical behaviour across our value chain and reinforce expectations for responsible business conduct.

In doing so, we put in place adequate safeguards to uphold the Amanah entrusted to the Group while supporting long-term business sustainability for the benefit of present and future generations. This approach extends beyond regulatory compliance, reflecting our responsibility to protect stakeholder interests, preserve trust and create lasting value.

GROUNDED ON PRINCIPLES OF TRUST

The Corporate Liability Provision under Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 came into full force on 1 June 2020. Under this provision, a commercial organisation may be deemed to have committed an offence if a person associated with the organisation engages in corrupt conduct for the organisation's benefit. Such conduct includes corruptly giving, offering or promising gratification with the intent to obtain or retain business or to secure an advantage in the conduct of business. As a result, organisations are required to put in place appropriate safeguards to prevent corrupt practices and to demonstrate that reasonable steps have been taken to manage and reduce these risks.

In meeting these regulatory expectations, the Group applies its Principles of Trust as the basis for ethical conduct and responsible decision-making across the organisation. These principles shape how employees, business partners and representatives perform their roles, promoting integrity, accountability and transparency in everyday activities.

Guidelines on Adequate Procedures and the T.R.U.S.T. Principles

The Prime Minister's Office developed and issued the Guidelines on Adequate Procedures to prevent persons associated with a commercial organisation from committing corrupt practices. The Guidelines of Adequate Procedures is intended to assist commercial organisations in implementing anti-corruption policies, procedures, controls and programmes revolving around the following T.R.U.S.T. Principles:

T TOP LEVEL COMMITMENT	R RISK ASSESSMENT	U UNDERTAKE CONTROL MEASURES	S SYSTEMATIC REVIEW, MONITORING AND ENFORCEMENT	T TRAINING AND COMMUNICATION
Top level management plays a central role in setting the tone from the top and fostering a culture of integrity across the organisation. Leadership oversight is essential in promoting ethical conduct, raising awareness and building organisational capability to manage corruption risks, while ensuring compliance with applicable anti-corruption laws and regulatory requirements.	Comprehensive corruption risk assessments are conducted on a periodic basis to identify, assess and mitigating corruption risks within the organisation's activities, business relationships and operating environment. The outcomes of these assessments inform the design and enhancement of mitigation measures.	Based on identified risks, appropriate controls and contingency measures are established to address corruption risks effectively. These include due diligence processes, reporting and whistleblowing channels, as well as clearly defined policies and procedures. Control measures are reviewed and updated to remain aligned with current business practices and regulatory developments.	Regular reviews are undertaken to assess the effectiveness of the organisation's anti-corruption policies, procedures and programmes, taking into account organisational growth and operational changes. Monitoring and enforcement mechanisms support consistent application, while documentation of review outcomes strengthens governance, accountability and regulatory defensibility.	Training and communication programmes are implemented for employees and associated persons, including contractors, suppliers and vendors, to enhance understanding of corruption risks, preventive measures and the consequences of non compliance. These initiatives support consistent awareness and reinforce ethical expectations across the organisation and its value chain.

Corporate Integrity and Ethics

EMBEDDED IN OUR CULTURE

To translate these principles into action, PDB has implemented a range of targeted programmes to embed ethical practices and strengthen compliance across the organisation. Led by the Compliance Department in close collaboration with key divisions, these efforts have further enhanced the Group's integrity programmes for both employees and counterparties. Collectively, these initiatives promote awareness, reinforce compliance expectations and cultivate a positive culture of integrity and ethics throughout the organisation.

A key highlight of these efforts is the PDB Integrity Showcase 2025, which serves as a dedicated platform for employees to reflect on and reaffirm the central role of integrity and ethics in their daily responsibilities. The Showcase reinforces a shared commitment to upholding high standards of conduct that underpin the Group's business activities and operational decisions.

Through a series of structured integrity programmes aligned with the theme "Driving Evolution with Integrity," the Showcase underscores the importance of ethical values and shared accountability in safeguarding the organisation's reputation, stakeholder trust and long-term resilience. These initiatives support a consistent and principled approach to decision-making as PDB continues to evolve in a dynamic operating environment, ensuring that integrity remains at the core of how we operate and grow.

The following PDB Integrity Programmes were successfully executed in 2025:

Programme	No. of Sessions	Duration	Audience
1. PDB Integrity Showcase 2025			
a. Integrity Contest			
• PDB Integrity Playlist Conquest	1	September 2025	
• PDB Integrity Crossword Trivia	1	September 2025	
b. Integrity Engagements			
• Exhibition Gallery Walk	1	September 2025	PDB Group Employees
• Exclusive Sharing by Chief Integrity Officer	1	September 2025	
• PDB Integrity Mini Podcast	2	October 2025	
2. PDB Compliance Forum 2025	1	June 2025	
3. Anti-Bribery Management System (ABMS) Upskilling Session	1	August 2025	
4. Embedding Leadership in Anti-Bribery Management System (ABMS)	1	October 2025	PDB Leadership Team
5. PDB Integrity Campaigns (Online Communication)	8	January – August 2025	
6. Integrity "Unplugged" Lessons Learnt (Online Communication)	4	April – July 2025	
7. Integrity Check-In with PDB LT (Video Clip)	3	February – April 2025	PDB Group Employees
8. Integrity Reels by Warga PDB (Video Clip)	4	June – October 2025	
9. Integrity In Action by PDB Dealer (Video Clip)	3	April – October 2025	
10. PDB Integrity Strengthening 2025 @ ASAS	2	April – December 2025	PDB Dealers
11. PDB Compliance Terminal Visit to Pasir Gudang Fuel and LPG Terminal	1	November 2025	
12. PDB Compliance Terminal Visit to Johor Bahru Regional Office	1	November 2025	PDB Group Employees
13. PDB Compliance Terminal Visit to Senai Aviation Fuel Terminal	1	November 2025	
14. PDB Compliance Terminal Visit to Melaka Fuel and LPG Terminal	1	November 2025	

Corporate Integrity and Ethics

Anti-Bribery and Corruption Policy and Manual

PDB upholds the highest standards of integrity and ethical conduct across all aspects of its business. In addition to the adoption of the PETRONAS Anti-Bribery and Corruption (ABC) Policy, the Group practises a zero-tolerance approach towards all forms of bribery and corruption. This commitment reflects PDB's emphasis on responsible business conduct, sound governance and compliance with applicable laws and regulations.

The PETRONAS ABC Manual sets out the principles underpinning this approach and provides clear guidance to employees on managing situations involving improper solicitation, bribery and other corrupt practices, as well as addressing ethical risks in business dealings. These requirements form an integral part of PDB's governance framework and support consistent ethical decision-making across the organisation.

While the ABC Manual is developed for PETRONAS directors and employees, PDB extends these expectations to all parties acting on its behalf. Contractors, sub-contractors, consultants, agents, representatives and other counterparties are expected to comply with the ABC Policy and related procedures. To reinforce this obligation, compliance clauses are incorporated into all relevant agreements with customers, suppliers, partners and vendors.

*Further information on the Anti-Bribery and Corruption framework is available on the PDB corporate website at **www.mymesra.com.my.***

PDB Integrity Management Standard (IMS)

In strengthening its corporate integrity and ethics framework, PDB implements its Integrity Management Standard (IMS) which ensures meets the minimum requirements of the Guidelines on Adequate Procedures issued by the Prime Minister's Office. IMS is structured in alignment with ISO 37001:2016 Anti-Bribery Management System standards and is supported by established management systems, guidelines and procedures across PETRONAS Corporate Divisions and PDB's operations.

Integrity is a core Shared Value of PETRONAS and remains fundamental to PDB's ability to pursue its objectives responsibly and sustainably. Through IMS, PDB is guided by a systematic approach to preventing, detecting and responding to integrity risks, encompassing both corruption and non-corruption related matters.

The adoption of IMS reinforces PDB's commitment to ethical conduct by embedding integrity practices within a formal management system. This approach supports consistent application, strengthens governance and promotes the continuous improvement of the Group's compliance and integrity programmes.

Whistleblowing

A transparent and trusted reporting framework is a key component of PDB's integrity and governance arrangements. In line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and the T.R.U.S.T. Principles, senior management actively promotes the use of established reporting channels to enable the disclosure of actual or suspected corruption and integrity related misconduct.

Aligned with PETRONAS' aspiration to uphold the highest standards of integrity across its business and operations, PDB has adopted the PETRONAS Whistleblowing Policy. The policy provides a formal and accessible platform for PETRONAS employees and members of the public to report improper conduct, while offering assurance that disclosures may be made in good faith without fear of retaliation or adverse consequences.

Reportable misconduct includes, but is not limited to, fraud, bribery, abuse of power, conflicts of interest, theft or embezzlement, misuse of company property and non compliance with internal policies or procedures.

To support confidentiality and trust in the reporting process, PDB leverages PETRONAS' whistleblowing platform powered by Whispli, a secure and confidential communication channel. The platform is designed to protect the identity of whistleblowers by allowing individuals to control the information they disclose, maintaining robust data security and enabling anonymous reporting where preferred, with no identifying information transmitted to PETRONAS.

*Further details on the PETRONAS Whistleblowing Policy are available on the PDB Corporate Website at **www.mymesra.com.my***

Statement on Risk Management and Internal Control

RISK MANAGEMENT AND INTERNAL CONTROL AT PDB

This Statement on Risk Management and Internal Control (SORMIC) is issued in compliance with paragraph 15.26(B) of Bursa Malaysia Securities Berhad (Bursa Malaysia) Main Market Listing Requirements (MMLR). The provision requires the Board of Directors of a public listed company to disclose the status of its risk management and internal control arrangements and the manner in which these systems support the company's governance responsibilities.

Across the Group, risk management and internal control are integrated into the way PDB and its subsidiaries conduct their businesses. Formal frameworks and control mechanisms have been established and embedded to provide oversight over the deployment of resources, safeguard assets, and protect the value of investments held by the Group. These measures form part of the Group's broader governance architecture and support the sustainability of its operations.

Through the systematic management of business and key risks, the Group seeks to maintain operational resilience while remaining positioned to pursue opportunities that align with its objectives and risk appetite.

Responsibility And Accountability

Effective risk management and internal control are viewed by the Board as essential components of sound corporate governance. With this in mind, the Board accepts accountability for maintaining systems that provide reasonable assurance over the protection of shareholders' investments and the integrity of the Group's assets.

In fulfilling this role, the Board oversees the establishment, implementation, and ongoing review of the Group's risk management and internal control system. This includes evaluating whether the system is adequate and effective in identifying, assessing, and addressing risks that could affect the achievement of strategic and operational objectives.

The Board's oversight responsibilities are supported through delegated roles to the Board Audit Committee (BAC) and the Board Sustainability and Risk Committee (BSRC), which assist the Board by providing focused review and oversight within their respective areas.

RISK OVERSIGHT STRUCTURE

The Group has put in place a structured risk oversight arrangement that enables the movement of risk-related information across organisational levels, supporting visibility, monitoring, and accountability in the implementation of risk management practices.

At the operational level, management develops and approves the relevant risk management and governance frameworks and guidelines. The Group's risk management policy undergoes review by the Risk Management and Governance Committee (RMGC), following which it is presented to the BSRC for deliberation. Upon recommendation by the BSRC, the policy is submitted to the PDB Board for approval.

This governance flow reinforces a coordinated approach to risk oversight, ensuring that risk management policies and practices remain aligned with the Group's governance expectations and strategic direction.

Board of Directors

Reviews and approves annual corporate plan, which includes overall corporate strategy, operational plan, marketing plan, human resources plan, financial plan and budget, risk management plan and information technology plan.

Board Committee Level

BAC
- Reviews quarterly financial statement and audit matters
- Reviews the effectiveness of the internal control system and compliance
- Reviews related party transactions and conflicts of interest

BSRC
- Reviews the adequacy and effectiveness of risk management practices
- Reviews and endorses the Group's principal risks
- Provides oversight on sustainability by assessing, evaluating and monitoring the elements of its pillars which comprise Environmental, Economic, Social and Governance

Management Level

Leadership Team
- Responsible for the overall management strategy and policy issues

Growth Initiatives and Steering Committee
- Responsible for the overall oversight and strategic direction of growth projects

Risk Management and Governance Committee (RMGC)
- Responsible for the overall oversight of risk management and governance activities

Sustainability Action Council (SAC)
- Responsible for the overall operationalisation of sustainable strategies, ensuring a balanced achievement of the Group's Environmental, Economic, Social and Governance performance
- Closely monitors the regulatory developments relating to sustainability, which may have a material impact to the Group

Operational Level

Business Information Technology Committee
- Provides strategic direction and endorsement for Digital and Information Communication Technology (ICT) investments across businesses

Change Review Committee
- Review and monitor risks on any project change proposal

Credit Control Committee
- Reviews, monitors and reports credit risk

HSE Steering Committee
- Reviews and deliberates on HSE performance and risks
- Tracks and monitors the closure progress of HSE incidents and assurance action items

Business Leadership Team
- Responsible for the overall Divisional strategy and execution, including Sustainability and Risk Management

Statement on Risk Management and Internal Control

The Group's approach to risk oversight is underpinned by the Three Lines of Defence Model, which clarifies roles and accountabilities among the parties involved in risk management and governance. Through this model, responsibilities for risk ownership, oversight, and assurance are clearly delineated, allowing risks to be managed systematically and consistently across the organisation.

Three Lines of Defence Model



To support this arrangement, the Group operates a comprehensive risk and governance mechanism encompassing systems, processes, knowledge management practices and assurance activities. Collectively, these elements provide a structured foundation for managing risks and maintaining effective governance over the Group's operations.

The Risk and Governance Department (R&G) plays a central role in driving the Group's risk and governance agenda. Risk management is embedded into day to day activities and decision-making processes rather than treated as a discrete or periodic exercise. Through ongoing identification, assessment, and mitigation of risks, the Group seeks to address exposures that could affect the achievement of its business objectives. These processes have been in place throughout the financial year under review and continue up to the date of approval of this statement.

Oversight of internal controls is carried out by the Head of R&G through an integrated and structured approach. This enables consistent application of the Group's policies, standards, and guidelines across operating units. Regular reviews are undertaken to strengthen internal controls and promote continuous improvement, balancing the need for operational effectiveness with appropriate levels of control.

Beyond systems and procedures, R&G also focuses on nurturing a risk aware culture across the Group. This includes reinforcing the role of risk considerations in decision-making and encouraging adherence to internal control requirements throughout the organisation.

During the financial year under review, representatives from each division and subsidiary were formally designated as Risk Focals. This initiative was introduced to reinforce risk management practices at all organisational levels. The appointed Risk Focals are responsible for driving the implementation of risk management processes within their respective divisions and companies, guided by the Enterprise Risk Management (ERM), Crisis Management (CM), and Business Continuity Management (BCM) frameworks and guidelines, with support provided by R&G.

PDB RISK POLICY

The Group's risk policy sets out the overarching principles and guidance that shape how risks are addressed across the organisation. It serves as a reference point for decision-making by clearly articulating management's expectations on the management of risks. By providing a common understanding of acceptable risk practices, the policy supports consistent application of risk management principles throughout the Group.

PDB shall continuously strive to implement:

- Risk management best practices to protect and create value within the set boundaries
- Risk-based decision-making by providing a balanced and holistic view of exposures to achieve business objectives

PDB is committed to becoming a risk-resilient organisation

Managing risk is everyone's responsibility

Statement on Risk Management and Internal Control

PETRONAS RESILIENCY MODEL

The Group's risk management approach is anchored on the PETRONAS Resiliency Model, which serves as a holistic reference for managing uncertainty and strengthening organisational resilience. The model brings together the key elements required to support the Group's long-term sustainability by presenting a unified view of how risks are identified anticipated and managed across the enterprise.

Under this model, business resilience is addressed through three interconnected dimensions namely Enterprise Risk Management, Crisis Management and Business Continuity Management. Each dimension addresses different stages and types of risk exposure while operating as part of a coordinated structure rather than as stand alone disciplines.

The application of the PETRONAS Resiliency Model is reinforced through established risk management frameworks and supporting guidelines. These instruments provide clarity on roles processes and expectations and are intended to embed consistent risk management practices throughout the Group's operations and subsidiaries.

Oversight of the effectiveness and application of the Group's risk management practices is carried out through structured monitoring and reporting arrangements. Updates on implementation progress and key risk matters are escalated to the RMGC followed by the BSRC and ultimately to the Board enabling informed oversight at each level of governance.

Enterprise Risk Management (ERM)

ERM is a structured and holistic approach to identify, assess, treat and monitor risks. The aim is to reduce the likelihood and impact of all identified risks and to enhance the organisation's ability to achieve its strategic objectives.

Crisis Management (CM)

CM is a comprehensive set of processes by which the organisation responds and manages crises that threaten to harm people, environment, assets and reputation.

Business Continuity Management (BCM)

BCM is a holistic management process that aims to build the capability of an organisation to recover and continue delivery of products or services at acceptable predefined levels following a prolonged disruptive incident.

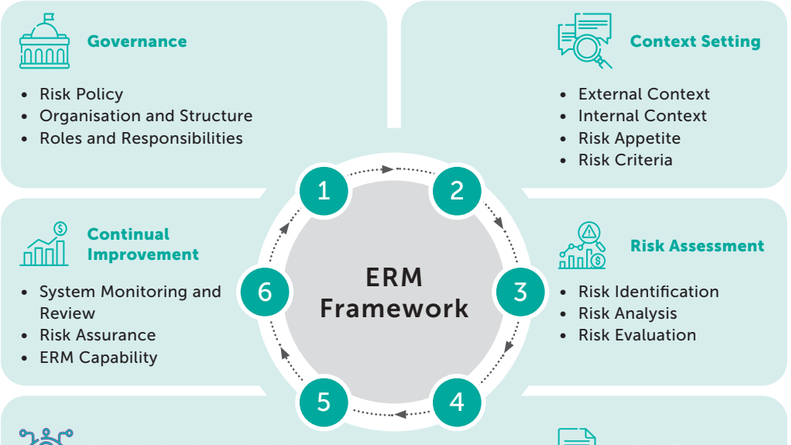
ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

The Group adheres to the PETRONAS ERM Framework (ERMF) as depicted in the diagram below:

The ERMF outlines the elements and processes to identify, assess, treat, monitor and review risks impacting its business

It aims to improve the ability to reduce the likelihood and/ or impact of identified risks that may affect the achievement of business objectives

The framework provides a standard and consistent approach to implementing ERM across the entity



Statement on Risk Management and Internal Control

Corporate Risk Profile (CRP)

The Group maintains a structured Corporate Risk Profile (CRP) that consolidates principal risks, related mitigation measures, and key risk indicators (KRIs). This profile is refreshed on an annual basis in line with the Enterprise Risk Management (ERM) process to reflect changes in the business environment, operating conditions, and strategic priorities.

The annual review process serves as a mechanism for verifying that risk responses remain appropriate and effective. Updates on the status of PDB's CRP, including KRIs and mitigation actions for principal risks, are tabled for deliberation at quarterly meetings of the RMGC, the BSRC, and the Board.

During the financial year under review, risk profiling activities were carried out across the Group with active participation from Management and relevant Subject Matter Experts. These exercises examined a range of information sources to establish the risk context, including assessments of internal operations and evaluations of external conditions. As part of this process, both internal and external risk drivers were identified, encompassing risks arising from sustainability considerations and climate change that could influence the Group's businesses and operations.

Risk assessment outcomes are aligned with the Group's business strategies and operational plans. Exposures assessed to have a high probability of occurrence and a material impact are elevated and classified as principal risks within the CRP. For each principal risk, specific response and mitigation measures are formulated, and accountability is assigned to designated risk owners to support ongoing monitoring and management.

At the operational level, risk profiling is conducted within each division through the development of a Divisional Risk Profile (DRP), which is reviewed and endorsed by the respective Head of Division. Significant operational risks identified through this process are captured within PDB's Operational Risk Profile and are subsequently subjected to quarterly monitoring and review by the RMGC.

In support of more effective risk oversight, the Group leveraged on the use of myRisk, a revamped PETRONAS risk management information system. The platform enhances the consistency and transparency of risk reporting and monitoring by serving as a centralised repository for risk management information across the Group.

The following structured process within the ERMF was adopted:

Context Setting

- Define the scope of the risk assessment (Business Decision/ Risk Profile/Project)
- Understand external environment and consider the strategic, organisational/ business objectives, KPIs, stakeholders' expectations and preliminary risks
- Determine the Risk Appetite (the level of risk that an organisation is willing to pursue)

Risk Assessment

Risk Identification
- Develop risk descriptions and risk statements
- Assign risk ownership
- Identify causes and consequences

Risk Analysis
- Identify and assess existing mitigations
- Determine the current risk impact
- Establish current risk rating by using the Risk Matrix
- Identify causes and consequences

Risk Evaluation
- Evaluate the level of the identified risk - High, Medium and Low
- Evaluate which risk needs treatment
- Prioritise risk which requires treatment implementation
- Identify causes and consequences

Risk Treatment

- **Identify Risk Treatment Strategy**
- **Identify New Mitigations for Each Identified Risk**
- **Determine the New Risk Impact**
- **Establish Target Risk Rating by using the Risk Matrix**

Risk Monitoring and Review

- Identify Key Risk Indicators (leading and lagging) as triggering mechanisms
- Monitor risk updates through MyRisk and ensure Corporate Digital Assurance sign-off
- Provide quarterly risk status report to RMGC, BSRC and the Board

During the year under review, the Group undertook materiality prioritisation exercises to assess whether its sustainability priorities remained relevant within the context of evolving expectations and operating conditions. This review involved benchmarking the Group's existing positions against applicable standards and recognised frameworks to ensure continued alignment with PETRONAS' Sustainability Approach. Each Material Matter was aligned more clearly with the four strategic focus areas namely Creating Sustainable Value through Responsible Governance, Delivering Net Zero, Thriving with Nature and Fostering a Just Transition to provide greater clarity on how sustainability considerations are integrated into the Group's risk and value creation narratives.

Statement on Risk Management and Internal Control

Risk Assessment In Decision-Making

Risk considerations form an explicit part of the Group's governance and approval processes. To embed risk discipline consistently, the Group requires all Board and Management papers to incorporate a formal risk assessment. This requirement supports informed deliberation by ensuring that decision makers understand the nature and magnitude of potential risks, the level of risk appetite being applied, and the controls proposed to support the intended outcomes.

Throughout the year under review, the BSRC played an active role in supporting the Board's review of business proposals and major strategic initiatives. This involvement enabled risk implications to be examined and evaluated prior to matters being escalated to the Board for approval, reinforcing prudent decision-making aligned with the Group's governance expectations.

Risk Appetite and Tolerance Framework

The Group's approach to risk taking is guided by a clearly defined risk appetite, which outlines the level and boundaries of risk that the Group is prepared to accept within its overall risk capacity while pursuing strategic and business objectives. This position provides a common reference for assessing risk exposure across the organisation and supports consistency in decision-making.

The Risk Appetite Statement articulates the Group's underlying philosophy toward risk. It is complemented by Risk Tolerance parameters and corresponding Risk Thresholds that translate this philosophy into measurable limits. Together, these elements establish the benchmarks against which actual risk exposures are assessed.

Operational

Health, Safety and Environment (HSE)
1. Fatality
2. Major Fire
3. Major LOPC

Operational Excellence
1. On-Time In Full
2. Resignation of Personnel in Key Positions

Project Delivery
1. Project Schedule
2. Project Cost

ICT
1. Critical System Downtime
2. Cyber security Incidents

Financial

Optimal Working Capital

Maximum Indebtedness Level

Trapped Liquidity

Strategic

Capital Investment

Reputational

Conventional media negative mentions

Social media negative mentions

FTSE4Good Rating

Legal and Regulatory

Compliance to laws and regulations governing the conduct of business

PDB's Risk Appetite was formulated through alignment with its business strategies and structured around five designated Risk Appetite Areas. This alignment enables risks assumed in the course of executing strategic and operational plans to be evaluated against clearly defined expectations and acceptable limits. To support effective oversight, mechanisms for monitoring and reporting Risk Appetite metrics are in place. Any exceedance of established Risk Thresholds is escalated promptly to Management and the Board to facilitate discussion and the determination of appropriate actions.

During the financial year under review, enhancements were made to the operational dimension of PDB's Risk Appetite, specifically in relation to revision of the thresholds. Each threshold has been revalidated with latest information to ensure the risk tolerance limits are relevant and measurable for monitoring.

Crisis Management (CM)

The Group adheres to PETRONAS' CM Framework (CMF) as depicted in the diagram below:

Governance
- PETRONAS Risk Oversight Structure
- PETRONAS CM Structure

Continual Improvement
- Assurance
- System Review and Monitoring
- Capability Building

Testing and Exercising (T&E)
- T&E Planning
- T&E Execution
- T&E Review



- PETRONAS Three-tiered Response Protocol and Activation
- Roles and Responsibilities in CM

Crisis Assessment
- Risk Assessment (Risk Identification, Risk Analysis and Risk Evaluation)
- Creditable Scenarios Identification
- Thresholds Identification

Crisis Response Strategy
- Strategies and Actions Development
- Resources Identification
- Emergency/CM Plan Establishment
- Emergency/CM Plan Communication

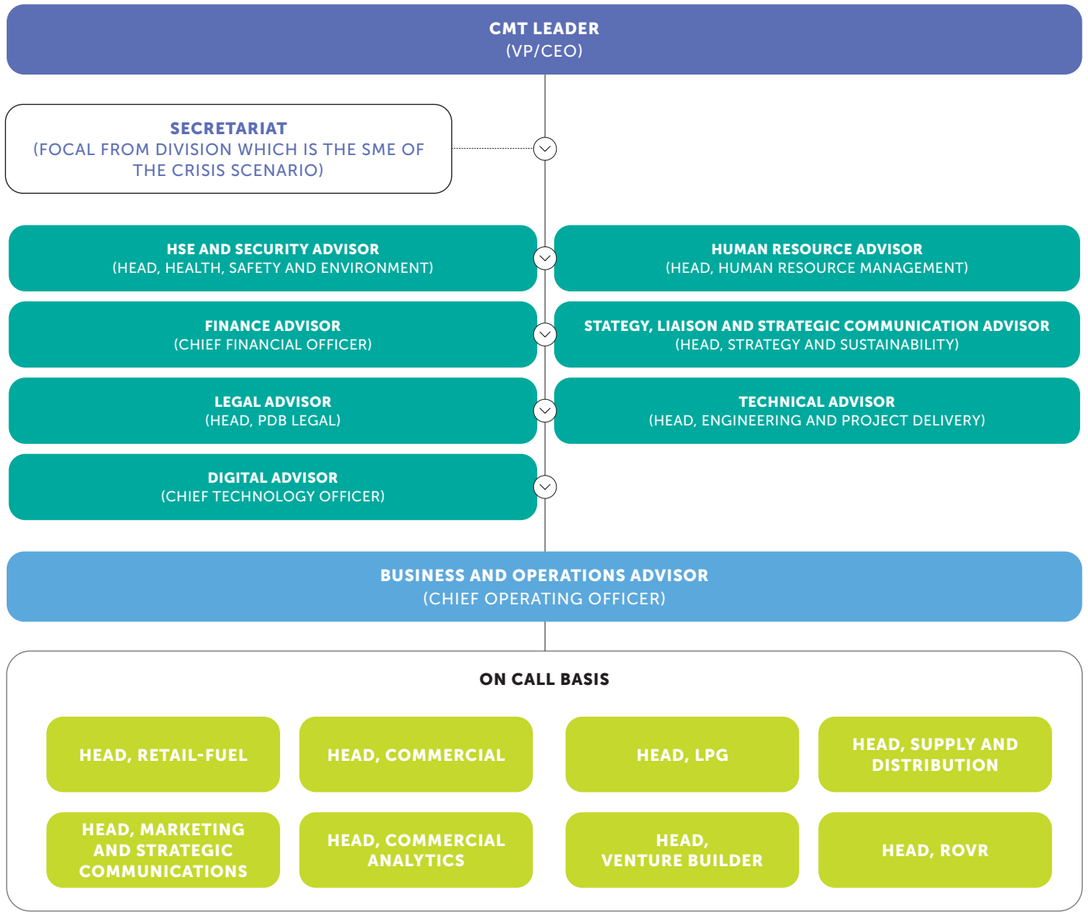
Statement on Risk Management and Internal Control

Crisis preparedness within the Group is structured around the PETRONAS Crisis Management Framework (CMF), which provides an end-to-end approach for anticipating, responding to, and managing crisis situations. The framework establishes a common foundation for coordinated response and decision-making during high impact events.

The plan aligns with PETRONAS CMF requirements and is designed to strengthen the Group's ability to exercise control and provide strategic direction during crisis situations. The plan clearly outlines escalation mechanisms, decision authority, and the respective roles and responsibilities of the Crisis Management Team (CMT). Updates to the composition and structure of the PDB CMT were also implemented to reflect current best practices in crisis governance and response.

Crisis response is executed through a three-tiered response protocol that defines varying levels of control, accountability, and capability depending on the severity and scale of the incident. This approach provides clarity on response ownership and ensures that appropriate resources and competencies are mobilised in a timely manner. Throughout any emergency or crisis event, response efforts are guided by clear priorities centred on the protection of People, Environment, Assets and Reputation (PEAR).

The CMP incorporates a structured assessment methodology covering both HSE and non HSE related crisis scenarios. Credible risk scenarios, trigger thresholds, and corresponding response strategies are defined to support early identification and effective management of potential crises. Within this structure, the PDB CMT functions as the highest level crisis governance body, responsible for setting strategic direction and overseeing coordinated actions to address and stabilise crisis situations.



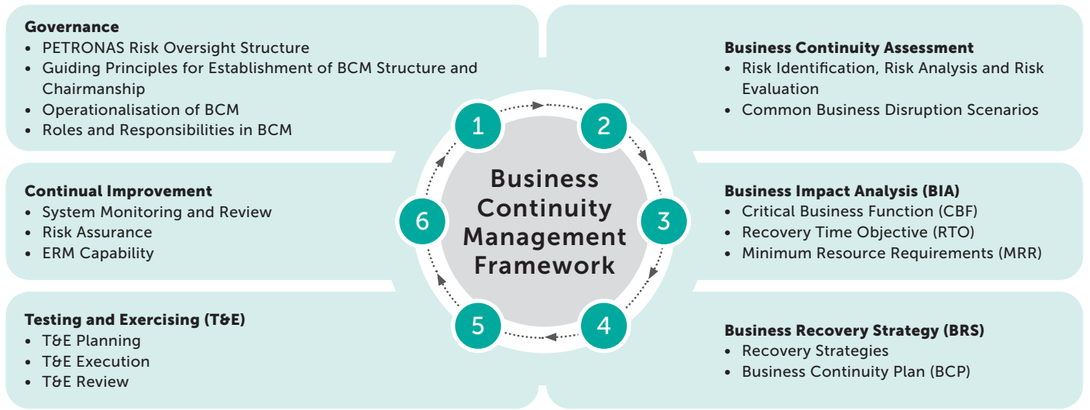
Statement on Risk Management and Internal Control

In support of crisis preparedness and capability in responding to crisis and recovering from business PDB leveraged on AI Agent to develop a Crisis Simulator, designed to provide our critical business function (CBF) management a more accessible way in experiencing Testing and Exercising (T&E).

The Group carried out an integrated emergency and crisis simulation covering an oil spill and flash flood scenario at the terminal, along with a chemical spill incident at a petrol station. This exercise was designed to simulate complex and concurrent disruptions and to assess the Group's ability to respond under escalated conditions. The exercise focused on evaluating the effectiveness of the Incident Action Plan, assessing the operational readiness of the Emergency Response Team (ERT) and Emergency Management Team (EMT), and confirming the robustness of the Group's recovery approach following a severe disruption.

Business Continuity Management

The Group adopts the PETRONAS Business Continuity Management Framework (BCMF) as its overarching reference for managing prolonged disruptions and sustaining critical operations during crisis situations. The framework provides a structured and consistent methodology for implementing BCM practices across the organisation, supporting preparedness, response, and recovery capabilities.



The BCMF is built around six core elements that define the minimum requirements for effective implementation and operation of business continuity arrangements. Together, these elements establish a common baseline across the Group and support the achievement of essential business continuity attributes within each entity.

During the financial year under review, further enhancement on PDB Business Continuity Plan (BCP) on recovery strategy for ICT failures was performed. The enhancement was on the development of manual workarounds for all identified critical systems across the Group. The implementation of these manual workarounds strengthens our preparedness to continue critical operations and to recover effectively from disruptions caused by unplanned system downtime. Apart from ICT failure, our BCP also identified other disruption scenarios such as failure related to workplace availability, workforce capacity, information and communication technology, supply chain continuity, facilities, and key interdependencies.

To further reinforce preparedness, call tree testing was conducted to validate communication readiness and the ability to rapidly notify personnel supporting critical business functions upon activation of the PDB BCP. Observations and outcomes from these tests were consolidated and reviewed to identify opportunities for further enhancement as part of the Group's continuous improvement efforts.

CONTINUAL IMPROVEMENTS UNDER THE RISK MANAGEMENT FRAMEWORK

The Group places emphasis on cultivating a Generative Risk Culture as a key enabler of effective and sustainable risk management practices. To support this objective, PDB developed a Resiliency Roadmap informed by insights from a risk maturity survey and a series of focus group discussions. These engagements were conducted to surface operational challenges, address business pain points, and identify practical opportunities to further embed risk awareness and ownership across the organisation.

The Resiliency Roadmap sets out a range of initiatives spanning leadership and operational levels. At the senior manager level, a bespoke upskilling programme was introduced to enhance the capabilities of middle managers and mitigate potential competency gaps. At the operational level, targeted training programmes were implemented to develop risk mindset among Risk Focals. These efforts were complemented by knowledge sharing sessions facilitated by industry practitioners, as well as Risk Clinics organised for employees throughout the year.

Collectively, these initiatives are intended to strengthen accountability and reinforce the application of risk considerations in day-to-day decision-making. By building capabilities and maintaining consistent engagement on risk matters at all levels, the Group seeks to improve the quality of its risk management outcomes and integrate risk discipline into organisational practices.

Statement on Risk Management and Internal Control

To provide stakeholders with assurance on the adequacy and effectiveness of the Group's risk management practices, PDB established a risk assurance programme during the year under review. This programme was structured based on the Annual Assurance Masterplan (AAM), which received endorsement from the RMGC. As part of the programme, self assessments were carried out to evaluate the Group's level of compliance with the requirements set out under the applicable risk management frameworks.

The continuous efforts towards incorporating a Generative Risk Culture in 2025 have been recognised by established risk practitioners and organisation. PDB was awarded the Risk Culture Excellence Award 2025 by Malaysian Association of Risk and Insurance Management (MARIM).

INTERNAL AUDIT

The PDB Internal Audit (IA) function served as trusted business partner to safeguard, protect and enhance the Group's interest through independent and objective assurance and advisory services. PDB IA aims to deliver value-added and sustainable recommendations, aligned with the Board Audit Committee's directives to support the realisation of the PDB MFT's aspirations.

PDB Internal Audit processes and activities are guided by the following references:

- Adherence to the International Professional Practices Framework (IPPF) of Institute of Internal Auditors (IIA) which includes the mandatory component of Global Internal Audit Standards (GIAS) effective from 9 January 2025 as well as Topical Requirements and Global Guidance
- Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control Framework
- Internal Audit Charter

To preserve independence and objectivity, PDB IA reports directly to the BAC. Audit plans, findings, and reports are subject to the oversight of the BAC, reinforcing impartiality, professional judgement, and adherence to the principles of due professional care.

Audit activities are conducted using a structured and methodical approach focused on evaluating and enhancing the effectiveness of governance, risk management, and internal control practices across auditable entities within PDB. A Risk Based Auditing (RBA) methodology is applied to assess the adequacy of internal controls, integrity related measures including anti corruption controls, and the operation of whistleblowing mechanisms. Audit coverage is prioritised based on risk exposure and executed in accordance with the audit plan approved by the BAC. Continuous risk sensing is conducted to ensure audit activities remain responsive to emerging risks and evolving enterprise strategies.

Where specialised expertise is required, PDB IA works collaboratively with PETRONAS Group Internal Audit (GIA) and relevant external parties. These engagements cover areas such as information technology, cyber security, corporate liability, and sustainability reporting, allowing assurance activities to be supported by appropriate technical depth.

Audit reports presented to the BAC include assessments of the adequacy and effectiveness of governance arrangements, risk management practices, and internal control systems. Recommendations are provided to address identified gaps, with an emphasis on corrective actions that are sustainable over the longer term. Progress updates on agreed action plans and outstanding recommendations are tabled to the BAC on a quarterly basis to facilitate ongoing monitoring.

PDB IA supports the Board and Management in demonstrating a sustained commitment to a robust internal control environment amid increasing regulatory expectations and heightened scrutiny, including those relating to subsidy mechanisms. By enhancing control design and leveraging data analytics and emerging technologies, including artificial intelligence, PDB IA delivers assurance and advisory insights that go beyond control gap identification to drive productivity, efficiency, and strong governance aligned with PDB's strategic objectives.

KEY ELEMENTS OF INTERNAL CONTROL SYSTEMS

In supporting the Board's responsibility for maintaining an effective system of internal control, the Group operates a control environment designed to facilitate disciplined execution of strategies and the orderly conduct of business activities. These arrangements are structured to support accountability, operational effectiveness, and compliance across the Group.

Organisation Structure

The Group maintains an organisational structure configured to support its strategic priorities, business activities, and regulatory obligations. This structure establishes clearly defined roles, responsibilities, authorities, and reporting lines, enabling functions and business units to operate with clarity and accountability. The framework supports the execution of the Group's objectives while providing an operating platform for effective management and control.

Limits of Authority

Decision-making within the Group is governed by an established Limits of Authority (LOA) framework, through which the Board delegates specific powers to Management. The LOA specifies approval thresholds and authority levels, allowing decisions to be made efficiently while retaining appropriate governance oversight.

The LOA serves as a reference point for determining the appropriate approval level for transactions and initiatives, including those matters reserved for Board consideration. Oversight mechanisms are in place to provide PDB with visibility over significant decisions made at subsidiary level, reinforcing alignment with the Group's strategic direction. The LOA is reviewed periodically and updated as required to reflect changes in organisational structure, business scope, or operational requirements.

PDB Governance Management Guideline (PDBGMG) and PDB Governance Adoption and Deviation Management Guideline (PDBGADMG) are in place, defining the requirements and procedures of the Group governance documents, including the process for adopting or seeking deviation from applicable governance standards, ensuring consistency in governance practices across the Group.

Statement on Risk Management and Internal Control

Governance documentation, adoption and deviation processes, and Legal Register management are maintained in myGovernance system, which is the group-wide platform in managing Level 1, Level 2, and Level 3 governance documents.

HSE Management System

Health, Safety and Environment (HSE) risks are managed through the application of the PETRONAS Health, Safety and Environment Management System (HSE MS). The system provides a structured and consistent approach for managing HSE risk across the PDB's operations, with a focus on protecting People, Environment, Assets and Reputation (PEAR).

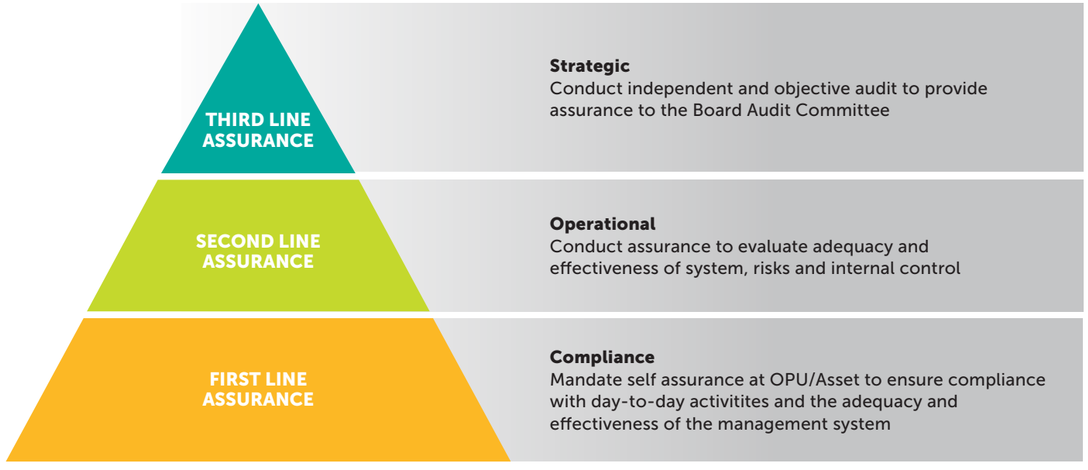
HSE risks are continuously assessed and monitored through Hazard and Effects Management Process (HEMP) and Enterprise Risk Management (ERM) framework. Mitigations measures are implemented to control HSE risks associated with PDB facilities, projects, new non-traditional business activities, and transportation related activities. Risk controls are applied with the objective of reducing exposures to As Low As Reasonably Practicable (ALARP).

PDB continues to strengthen its HSE culture through the I.CARE initiative, which promotes individual accountability for safety and encourages intervention to protect the well being of colleagues and stakeholders. This initiative adopts a structured approach to achieve Generative HSE Culture at all levels in the organisation. Assurance programmes are conducted to assess compliance with PETRONAS HSE MS, PETRONAS Technical Standards and regulatory requirement.

Integrated Assurance

The Group applies the PETRONAS Assurance Framework as the foundation for its assurance activities across the organisation. The framework introduces a structured and consistent approach to assurance planning, documentation, and review, enabling systematic evaluation of internal control effectiveness. Through this approach, Management and the Board receive clearer visibility over assurance outcomes, supporting informed oversight and decision-making.

The PETRONAS Assurance Framework is applied across PDB and its subsidiaries, encompassing the First Line, Second Line, and Third Line of Assurance. This layered structure supports coordinated assurance coverage and reduces duplication by clarifying roles and responsibilities across the assurance landscape.



At the Group level, self assurance activities are carried out to provide reasonable assurance to the holding company that enterprise risks are being addressed through adequate and effective mitigation measures. These activities are conducted using the myASSURANCE digital platform, which supports standardised reporting, monitoring, and traceability of assurance results across designated risk areas and assurance categories.

First Line Assurance (FLA) activities are guided by PDB First Line Assurance Guideline to ensure consistent standards for planning and execution across PDB Group and aligns First Line activities with the PETRONAS Assurance Framework.

How We Approach Our Financial Statements

For The Financial Year Ended 31 December 2025

The purpose of financial statements is to communicate the Group's financial information to its stakeholders, especially shareholders, investors and lenders. In this section we try to help readers who are not familiar with accounting rules and financial expressions to understand our financial information, by explaining the functions and relationships between the essential financial statements: the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of financial position and the statement of cash flows. For comprehensive and authoritative definitions and explanations, readers should turn to the relevant accounting standards, but we hope this section offers useful guidance.

STATEMENT OF PROFIT OR LOSS AND STATEMENT OF OTHER COMPREHENSIVE INCOME

"Financial performance measured by recording the flow of resources over a period of time"

The objective of this statement is to present all income and expenses (transactions with non-owners) in a performance statement.

STATEMENT OF FINANCIAL POSITION

"A snapshot, taken at a point in time, of all the assets the company owns and all the claims against those assets"

This statement sums up the Group's economic resources (non-current assets and working capital) and owners' equity at a particular point of time, in this case, our year end at 31 December 2025. It also shows how the economic resources contributed by lenders and shareholders are used in the business.

STATEMENT OF CASH FLOWS

"A report on sources and uses of cash"

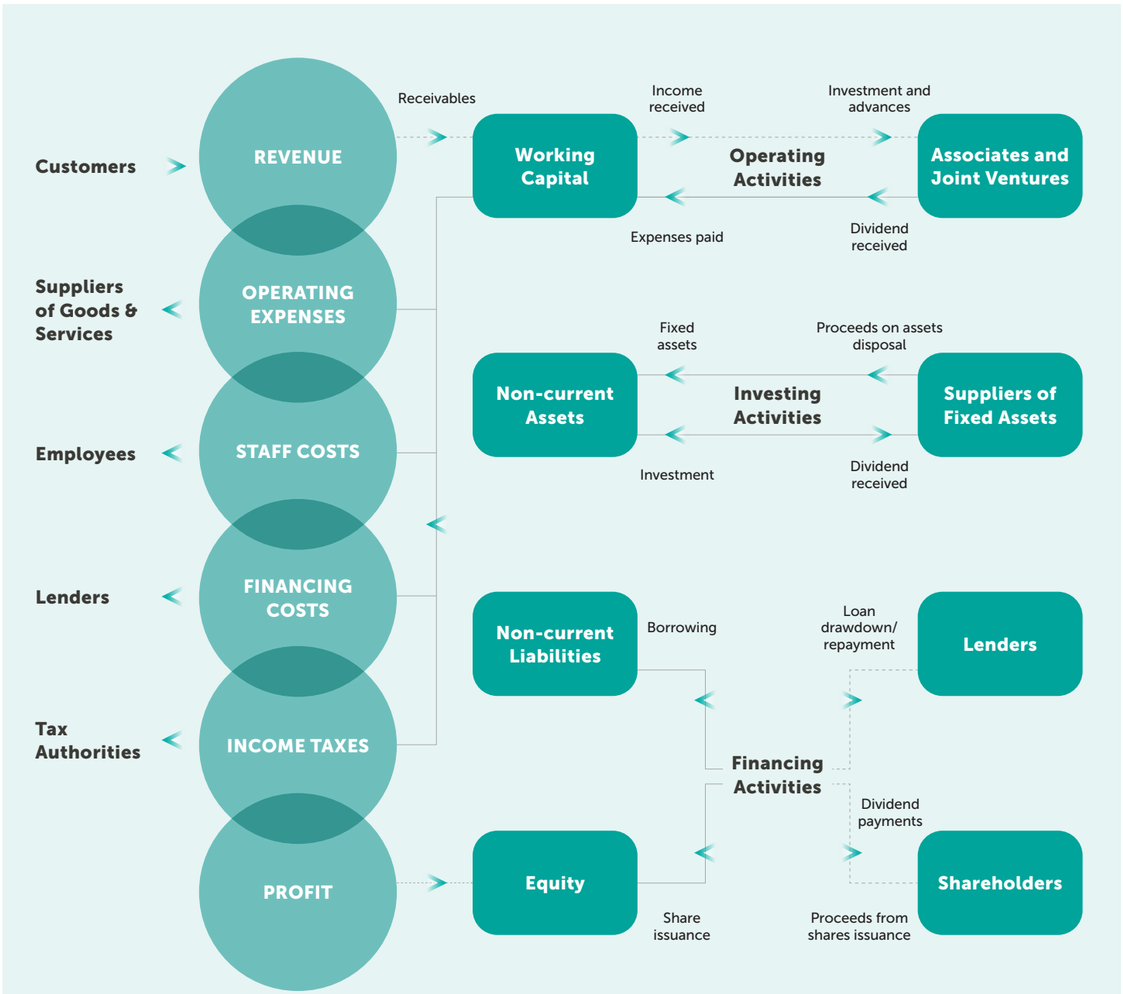
This statement divides the cash flows into operating, investing and financing. While the operating profit reflects the operating cash flows, certain non-cash charges or credits, such as depreciation, amortisation and impairment losses, resulting the operating cash flows and the operating profit to be different. Investing cash flows are the cash flows arising from the purchase or disposal of non-current assets. Financing cash flows represent the cash flows between the Group, its shareholders and lenders.

How We Approach Our Financial Statements

For The Financial Year Ended 31 December 2025

The diagram below illustrates the relationships between the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of financial position and the statement of cash flows, as well as their links with the Group's stakeholders.

The Group earns revenue from customers through the deployment of non-current assets and working capital. It also pays operating expenses to suppliers of goods as well as services, incurs staff costs and also invests in additional non-current assets. The net balance of revenue, operating expenses and staff costs as well as interest costs is the operating profit. After deducting income taxes charged by tax authorities, this profit is available for payment for distribution to shareholders as dividends in return for their contribution of funds to the Group. The Group also invests in subsidiaries and other entities, thereby receiving dividend income from them in return.



Statement of Directors' Responsibility

The financial statements of the Group and of the Company as set out on pages 199 to 265, are properly drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2025 and of the results of their operations and cash flows for the financial year ended on that date.

The Directors consider the following in preparing the financial statements of the Group and of the Company:

- appropriate accounting policies have been used and are consistently applied;
- reasonable and prudent judgments and estimates were made;
- all Malaysian Financial Reporting Standards (MFRS) Accounting Standards as issued by Malaysian Accounting Standards Board, International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board and the Companies Act, 2016 in Malaysia have been adhered to; and
- prepared on a going concern basis.

The Directors are also responsible for ensuring that the accounting and other records and registers required by the Companies Act, 2016 to be retained by the Group and the Company have been properly kept in accordance with the provisions of the said Act.

The Directors also have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud as well as other irregularities.

Directors' Report

For The Financial Year Ended 31 December 2025

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

There have been no significant changes in the nature of principal activities of the Company during the financial year, which are domestic marketing of petroleum products and non-fuel business.

The principal activities of subsidiaries, associates and joint ventures are stated in Note 30, Note 31 and Note 32 to the financial statements respectively and the Board of Directors ("Board") deems such information included in the Company's Directors' Report by such reference and shall form part of the Company's Directors' Report.

HOLDING AND ULTIMATE HOLDING COMPANY

The holding and ultimate holding company is Petroliam Nasional Berhad ("PETRONAS"), a company incorporated in Malaysia.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 30 to the financial statements.

RESULTS

In RM'000	Group	Company
Profit for the year	1,136,482	1,111,083
Attributable to:		
Shareholders of the Company	1,099,162	1,111,083
Non-controlling interests	37,320	–

DIVIDENDS

During the financial year, the amount of dividends paid by the Company were as follows:

a) In respect of the financial year ended 31 December 2024 as reported in the Directors' Report of that year:

   i. an interim dividend of 25.0 sen per ordinary share amounting to RM248,363,500 declared on 20 February 2025 and paid on 21 March 2025; and
   ii. a special dividend of 20.0 sen per ordinary share amounting to RM198,690,800 declared on 20 February 2025 and paid on 21 March 2025.

b) In respect of the financial year ended 31 December 2025:

   i. an interim dividend of 20.0 sen per ordinary share amounting to RM198,690,800 declared on 23 May 2025 and paid on 20 June 2025;
   ii. an interim dividend of 22.0 sen per ordinary share amounting to RM218,559,880 declared on 25 August 2025 and paid on 23 September 2025; and
   iii. an interim dividend of 24.0 sen per ordinary share amounting to RM238,428,960 declared on 26 November 2025 and paid on 24 December 2025.

The Directors had on 24 February 2026 declared an interim dividend of 26.0 sen per ordinary share amounting to RM258,298,040 in respect of the financial year ended 31 December 2025.

In addition, the Directors declared a special dividend of 20.0 sen per ordinary share amounting to RM198,690,800 in respect of the financial year ended 31 December 2025.

The financial statements for the current financial year do not reflect these declared interim and special dividends. Such dividends will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

Further details on dividends are disclosed in Note 23.

Directors' Report
For The Financial Year Ended 31 December 2025

RESERVES AND PROVISIONS

There were no material movements to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

DIRECTORS

Directors who served during the financial year until the date of this report are:

Datuk Anuar bin Ahmad (Chairman)
Azrul bin Osman Rani
Alvin Michael Hew Thai Kheam
Nirmala a/p Doraisamy
Tang Saw Hua
Datin Arni Laily binti Anwarrudin
Datuk Sazali bin Hamzah
Mohd Yuzaidi bin Mohd Yusoff
Tunku Alizakri bin Raja Muhammad Alias (resigned on 1 June 2025)

In accordance with Article 107 of the Company's Constitution, Datuk Anuar bin Ahmad, Alvin Michael Hew Thai Kheam and Datuk Sazali bin Hamzah are due for retirement by rotation at the forthcoming Annual General Meeting ("AGM") of the Company. Alvin Michael Hew Thai Kheam and Datuk Sazali bin Hamzah, being eligible for re-election have given their consent for re-election at the forthcoming AGM and Datuk Anuar bin Ahmad does not wish to seek for re-election and has expressed his decision to retire at the close of the forthcoming AGM.

The Company has been granted a relief order pursuant to Section 255(1) of the Companies Act, 2016 relieving the Company's Directors from full compliance to the requirements under Section 253(2) of the Companies Act, 2016.

The names of Directors of subsidiaries are available on the Company's corporate website and the Board deems such information is included in the Company's Directors' Report by such reference and shall form part of the Company's Directors' Report.

DIRECTORS' INTERESTS

The Directors in office at the end of the financial year who have interests and deemed interests in the shares of the Company and of its related corporations other than wholly-owned subsidiaries (including the interests of the spouses and/or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares in PETRONAS Chemicals Group Berhad			
Name	Balance at 1.1.2025	Bought	Sold	Balance at 31.12.2025
Datin Arni Laily binti Anwarrudin	**6,000**	-	-	**6,000**
Datuk Sazali bin Hamzah - child	**8,000**	-	-	**8,000**

None of the other Directors holding office at 31 December 2025 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than the benefit shown below), by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

The Directors' benefits paid to or receivable by Directors of the Company in respect of the financial year ended 31 December 2025 were RM4,116,000 comprising fees and other short-term employee benefits.

Directors' Report
For The Financial Year Ended 31 December 2025

ISSUE OF SHARES

There were no changes in the issued and paid up capital of the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

During the financial year, PETRONAS and its subsidiaries (hereinafter referred to as "PETRONAS Group"), including the Company, maintained a Directors' and Officers' Liability Insurance in accordance with Section 289 of the Companies Act, 2016. The total insured limit for the Directors' and Officers' Liability Insurance effected for the Directors and Officers of PETRONAS Group was RM1,290 million per occurrence and in the aggregate. The insurance premium for the Group and the Company is RM113,300 and RM108,300 respectively.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

(i) necessary actions had been taken in relation to the writing off of bad debts and the provisioning of doubtful debts and satisfied themselves that all known bad debts have been written off and adequate provision made for doubtful debts, and

(ii) any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company, had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

(ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

(iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

(ii) any material contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No material contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2025 has not been substantially affected by any item, transaction or event of a material and unusual nature to the financial statements, nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Directors' Report

For The Financial Year Ended 31 December 2025

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept reappointment.

The auditors' remunerations paid or payable to KPMG PLT and local affiliates of KPMG PLT for the financial year ended 31 December 2025 are as follows:

In RM'000	Group	Company
Audit fees		
KPMG PLT	941	617
Non audit service fees		
KPMG PLT	188	180
Local affiliates of KPMG PLT	167	167
	355	347

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

DATUK ANUAR BIN AHMAD
Director

AZRUL BIN OSMAN RANI
Director

Kuala Lumpur,
Date: 24 February 2026

Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 199 to 265, are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

DATUK ANUAR BIN AHMAD
Director

AZRUL BIN OSMAN RANI
Director

Kuala Lumpur,
Date: 24 February 2026

Statutory Declaration

I, **MAZLIE BIN MINHAT**, the officer primarily responsible for the financial management of **PETRONAS Dagangan Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 199 to 265 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed

MAZLIE BIN MINHAT
MIA Membership Number: 55738
at Kuala Lumpur in Wilayah Persekutuan
on 24 February 2026

BEFORE ME:



76B, JALAN BURHANUDDIN HELMI
TAMAN TUN DR. ISMAIL
60000 KUALA LUMPUR

Consolidated Statement of Financial Position

As at 31 December 2025

In RM'000	Note	2025	2024
ASSETS			
Property, plant and equipment	3	**4,117,272**	3,995,256
Intangible asset	4	**-**	-
Investments in associates	6	**2,131**	2,339
Investments in joint ventures	7	**73,494**	55,630
TOTAL NON-CURRENT ASSETS		**4,192,897**	4,053,225
Trade and other inventories	8	**112,486**	168,533
Trade and other receivables	9	**2,022,622**	4,763,460
Cash and cash equivalents	10	**4,754,921**	2,114,078
		6,890,029	7,046,071
Assets classified as held for sale		**945**	16,384
TOTAL CURRENT ASSETS		**6,890,974**	7,062,455
TOTAL ASSETS		**11,083,871**	11,115,680
EQUITY			
Share capital	11	**993,454**	993,454
Reserves	12	**4,973,827**	4,977,399
Total equity attributable to shareholders of the Company		**5,967,281**	5,970,853
Non-controlling interests	13	**84,197**	98,327
TOTAL EQUITY		**6,051,478**	6,069,180
LIABILITIES			
Borrowings	14	**89,383**	95,204
Deferred tax liabilities	15	**54,222**	72,741
Other long-term liabilities and provisions	16	**49,311**	45,354
TOTAL NON-CURRENT LIABILITIES		**192,916**	213,299
Trade and other payables	17	**4,639,472**	4,732,328
Borrowings	14	**73,578**	12,758
Taxation		**126,427**	88,115
TOTAL CURRENT LIABILITIES		**4,839,477**	4,833,201
TOTAL LIABILITIES		**5,032,393**	5,046,500
TOTAL EQUITY AND LIABILITIES		**11,083,871**	11,115,680

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 31 December 2025

In RM'000	Note	2025	2024
Revenue	18	**38,269,332**	37,950,762
Cost of revenue		**(33,855,841)**	(33,469,835)
Gross profit		**4,413,491**	4,480,927
Selling and distribution expenses		**(1,627,839)**	(1,568,696)
Administration expenses		**(1,605,491)**	(1,680,198)
Other income		**354,006**	316,109
Operating profit	19	**1,534,167**	1,548,142
Financing costs	20	**(15,880)**	(13,062)
Share of profit/(loss) after tax of equity accounted associates and joint ventures		**12,690**	(4,418)
Profit before taxation		**1,530,977**	1,530,662
Tax expense	21	**(394,495)**	(414,030)
Profit for the year		**1,136,482**	1,116,632
Profit attributable to:			
Shareholders of the Company		**1,099,162**	1,086,628
Non-controlling interests		**37,320**	30,004
PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,136,482**	1,116,632
Basic earnings per ordinary share (sen)	22	**110.6**	109.4

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For The Year Ended 31 December 2025

		Attributable to shareholders of the Company					
		Non-distributable		*Distributable*			
In RM'000	Note	Share Capital	Capital Reserves	Retained Profits	Total	Non-controlling Interests	Total Equity
Balance at 1 January 2025		**993,454**	**(305)**	**4,977,704**	**5,970,853**	**98,327**	**6,069,180**
Profit for the year, representing total comprehensive income for the year		**-**	**-**	**1,099,162**	**1,099,162**	**37,320**	**1,136,482**
Total comprehensive income for the year		**-**	**-**	**1,099,162**	**1,099,162**	**37,320**	**1,136,482**
Dividends to shareholders of the Company	23	**-**	**-**	**(1,102,734)**	**(1,102,734)**	**(51,450)**	**(1,154,184)**
Total transactions with owners of the Group		**-**	**-**	**(1,102,734)**	**(1,102,734)**	**(51,450)**	**(1,154,184)**
Balance at 31 December 2025		**993,454**	**(305)**	**4,974,132**	**5,967,281**	**84,197**	**6,051,478**
		Note 11	Note 12			Note 13	

		Attributable to shareholders of the Company					
		Non-distributable		*Distributable*			
In RM'000	Note	Share Capital	Capital Reserves	Retained Profits	Total	Non-controlling Interests	Total Equity
Balance at 1 January 2024		993,454	(305)	4,775,250	5,768,399	68,323	5,836,722
Profit for the year, representing total comprehensive income for the year		-	-	1,086,628	1,086,628	30,004	1,116,632
Total comprehensive income for the year		-	-	1,086,628	1,086,628	30,004	1,116,632
Dividends to shareholders of the Company	23	-	-	(884,174)	(884,174)	-	(884,174)
Total transactions with owners of the Group		-	-	(884,174)	(884,174)	-	(884,174)
Balance at 31 December 2024		993,454	(305)	4,977,704	5,970,853	98,327	6,069,180
		Note 11	Note 12			Note 13	

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For The Year Ended 31 December 2025

In RM'000	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**1,530,977**	1,530,662
Adjustments for:			
Depreciation of property, plant and equipment		**486,924**	475,212
Amortisation of intangible asset		**-**	97
Net impairment losses/(reversals) on:			
- Trade and other receivables		**8,277**	(12,092)
- Property, plant and equipment		**4,384**	9,796
Share of (profit)/loss after tax of equity accounted associates and joint ventures		**(12,690)**	4,418
Net gain on disposal of property, plant and equipment		**(3,666)**	(2,377)
Write-off of:			
- Trade and other receivables		**4,056**	1,045
- Property, plant and equipment		**3,709**	22,923
- Trade and other inventories		**92**	-
Interest income		**(193,699)**	(160,852)
Financing costs		**15,880**	13,062
Net unrealised (gain)/loss on foreign exchange		**(142)**	1,972
Inventories written down to net realisable value		**2,894**	3,732
Operating profit before changes in working capital		**1,846,996**	1,887,598
Changes in working capital:			
Trade and other receivables		**2,743,943**	881,863
Trade and other inventories		**53,061**	(23,520)
Trade and other payables		**(90,434)**	(622,757)
Cash generated from operations		**4,553,566**	2,123,184
Taxation paid		**(374,702)**	(353,938)
Net cash generated from operating activities		**4,178,864**	1,769,246
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		**193,699**	160,852
Purchase of property, plant and equipment		**(491,695)**	(375,462)
Investment in a joint venture		**(6,766)**	-
Proceeds from disposal of property, plant and equipment		**7,494**	2,922
Net cash used in investing activities		**(297,268)**	(211,688)

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Consolidated Statement of Cash Flows (continued)

For The Year Ended 31 December 2025

In RM'000	Note	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	23	**(1,102,734)**	(884,174)
Dividends paid to non-controlling interests		**(51,450)**	-
Repayment of Sukuk facilities		**-**	(1,000)
Payment of lease liabilities		**(73,630)**	(56,566)
Profit margin paid for Sukuk facilities		**-**	(21)
Interest paid on lease liabilities		**(12,939)**	(8,772)
Net cash used in financing activities	14	**(1,240,753)**	(950,533)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**2,640,843**	607,025
INCREASE IN CASH AND CASH EQUIVALENTS RESTRICTED		**(38,861)**	(37,563)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**2,048,299**	1,478,837
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**4,650,281**	2,048,299
CASH AND CASH EQUIVALENTS			
Cash with PETRONAS Integrated Financial Shared Services Centre		**4,466,994**	1,848,612
Cash and bank balances		**287,927**	265,466
	10	**4,754,921**	2,114,078
Less: Cash and cash equivalents restricted		**(104,640)**	(65,779)
		4,650,281	2,048,299

Total cash outflows for leases comprise:

(i) Payment of principal and interest in relation to lease liabilities as financing activities amounting to RM86,569,000 (2024: RM65,338,000); and

(ii) Payment of short-term leases, low-value assets and variable lease payments as operating activities amounting to RM272,144,000 (2024: RM270,273,000).

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Statement of Financial Position

As At 31 December 2025

In RM'000	Note	2025	2024
ASSETS			
Property, plant and equipment	3	**3,754,914**	3,655,248
Investments in subsidiaries	5	**382,045**	359,259
Investments in associates	6	**530**	530
Investments in joint ventures	7	**52,474**	52,474
TOTAL NON-CURRENT ASSETS		**4,189,963**	4,067,511
Trade inventories	8	**108,006**	156,792
Trade and other receivables	9	**1,761,835**	4,563,618
Cash and cash equivalents	10	**4,281,851**	1,626,271
Assets classified as held for sale		**945**	945
TOTAL CURRENT ASSETS		**6,152,637**	6,347,626
TOTAL ASSETS		**10,342,600**	10,415,137
EQUITY			
Share capital	11	**993,454**	993,454
Reserves	12	**4,708,361**	4,700,012
TOTAL EQUITY		**5,701,815**	5,693,466
LIABILITIES			
Borrowings	14	**17,822**	21,239
Deferred tax liabilities	15	**38,187**	55,020
Other long-term liabilities and provisions	16	**49,311**	45,354
TOTAL NON-CURRENT LIABILITIES		**105,320**	121,613
Trade and other payables	17	**4,362,633**	4,520,768
Borrowings	14	**69,749**	9,229
Taxation		**103,083**	70,061
TOTAL CURRENT LIABILITIES		**4,535,465**	4,600,058
TOTAL LIABILITIES		**4,640,785**	4,721,671
TOTAL EQUITY AND LIABILITIES		**10,342,600**	10,415,137

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 31 December 2025

In RM'000	Note	2025	2024
Revenue	18	**37,298,565**	37,020,107
Cost of revenue		**(33,346,132)**	(32,982,165)
Gross profit		**3,952,433**	4,037,942
Selling and distribution expenses		**(1,603,785)**	(1,554,528)
Administration expenses		**(1,452,122)**	(1,497,072)
Other income		**541,530**	426,949
Operating profit	19	**1,438,056**	1,413,291
Financing costs	20	**(9,608)**	(6,715)
Profit before taxation		**1,428,448**	1,406,576
Tax expense	21	**(317,365)**	(344,191)
PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,111,083**	1,062,385

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Statement of Changes in Equity

For The Year Ended 31 December 2025

In RM'000	Note	Attributable to shareholders of the Company		
		Non-distributable	Distributable	
		Share Capital	Retained Profits	Total Equity
Balance at 1 January 2025		**993,454**	**4,700,012**	**5,693,466**
Profit for the year, representing total comprehensive income for the year		**-**	**1,111,083**	**1,111,083**
Total comprehensive income for the year		**-**	**1,111,083**	**1,111,083**
Dividends to shareholders of the Company	23	**-**	**(1,102,734)**	**(1,102,734)**
Total transactions with owners of the Company		**-**	**(1,102,734)**	**(1,102,734)**
Balance at 31 December 2025		**993,454**	**4,708,361**	**5,701,815**
Balance at 1 January 2024		993,454	4,521,801	5,515,255
Profit for the year, representing total comprehensive income for the year		-	1,062,385	1,062,385
Total comprehensive income for the year		-	1,062,385	1,062,385
Dividends to shareholders of the Company	23	-	(884,174)	(884,174)
Total transactions with owners of the Company		-	(884,174)	(884,174)
Balance at 31 December 2024		993,454	4,700,012	5,693,466

Note 11

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Statement of Cash Flows

For The Year Ended 31 December 2025

In RM'000	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**1,428,448**	1,406,576
Adjustments for:			
Depreciation of property, plant and equipment		**433,906**	418,861
Net impairment losses/(reversals) on:			
- Trade and other receivables		**5,922**	(12,281)
- Investment in a subsidiary		**2,030**	11,111
- Property, plant and equipment		**4,337**	9,796
Net gain on disposal of property, plant and equipment		**(4,800)**	(2,452)
Write-off of:			
- Trade and other receivables		**4,012**	1,032
- Property, plant and equipment		**257**	14,708
Interest income		**(176,727)**	(148,042)
Financing costs		**9,608**	6,715
Dividend income		**(207,350)**	(121,140)
Inventories written down to net realisable value		**2,651**	3,732
Net unrealised (gain)/loss on foreign exchange		**(127)**	1,978
Operating profit before changes in working capital		**1,502,167**	1,590,594
Changes in working capital:			
Trade and other receivables		**2,791,849**	886,319
Trade inventories		**46,135**	(19,681)
Trade and other payables		**(156,992)**	(634,903)
Cash generated from operations		**4,183,159**	1,822,329
Taxation paid		**(301,176)**	(284,919)
Net cash generated from operating activities		**3,881,983**	1,537,410

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Statement of Cash Flows (continued)

For The Year Ended 31 December 2025

In RM'000	Note	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		**207,350**	121,140
Interest income		**176,727**	148,042
Investment in subsidiaries		**(24,816)**	(32,500)
Purchase of property, plant and equipment		**(412,759)**	(314,721)
Proceeds from disposal of property, plant and equipment		**6,757**	2,908
Net cash used in investing activities		**(46,741)**	(75,131)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	23	**(1,102,734)**	(884,174)
Repayment of Sukuk facilities		**-**	(1,000)
Payment of lease liabilities		**(70,261)**	(53,758)
Profit margin paid for Sukuk facilities		**-**	(21)
Interest paid on lease liabilities		**(6,667)**	(2,425)
Net cash used in financing activities	14	**(1,179,662)**	(941,378)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**2,655,580**	520,901
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**1,626,271**	1,105,370
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	10	**4,281,851**	1,626,271
CASH AND CASH EQUIVALENTS			
Cash with PETRONAS Integrated Financial Shared Services Centre		**4,162,561**	1,484,085
Cash and bank balances		**119,290**	142,186
	10	**4,281,851**	1,626,271

Total cash outflows for leases comprise:

(i) Payment of principal and interest in relation to lease liabilities as financing activities amounting to RM76,928,000 (2024: RM56,183,000); and

(ii) Payment of short-term leases, low-value assets and variable lease payments as operating activities amounting to RM271,661,000 (2024: RM269,442,000).

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Notes to the Financial Statements

31 December 2025

1. BASIS OF PREPARATION

1.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS"), IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia.

These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

As of 1 January 2025, the Group and the Company had adopted Amendments to MFRS ("pronouncement") that has been issued by the Malaysian Accounting Standards Board ("MASB") as described fully in Note 33.

MASB has also issued new and revised pronouncements which are not yet effective for the Group and the Company and therefore, have not been adopted in these financial statements. These pronouncements including their impact on the financial statements in the period of initial application are set out in Note 34. New and revised pronouncements that are not relevant to the operations of the Group and of the Company are set out in Note 35.

These financial statements were approved and authorised for issue by the Board of Directors on 24 February 2026.

1.2 Basis of measurement

The financial statements of the Group and of the Company have been prepared on historical cost basis except for certain items which are measured at fair value, as disclosed in the accounting policies below.

1.3 Functional and presentation currency

The Group's and the Company's financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

All financial information has been rounded to the nearest thousand, unless otherwise stated.

1.4 Use of estimates and judgments

The preparation of financial statements in conformity with MFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

(i) Note 3 : Property, plant and equipment;
(ii) Note 14 : Borrowings;
(iii) Note 15 : Deferred tax liabilities;
(iv) Note 16 : Other long-term liabilities and provisions;
(v) Note 21 : Tax expense; and
(vi) Note 27 : Financial instruments.

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the Group and the Company, unless otherwise stated. The Group and the Company continuously assess the application of material accounting policies to be disclosed in the financial statements.

2.1 Basis of consolidation

Subsidiaries

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

Subsidiaries are entities, including structured entities, controlled by the Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the date that control commences until the date that control ceases.

All inter-company transactions are eliminated on consolidation and revenue and profits relate to external transactions only. Unrealised losses resulting from inter-company transactions are also eliminated unless cost cannot be recovered.

Non-controlling interests

Non-controlling interests at the end of the reporting period, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the shareholders of the Company.

Non-controlling interests in the results of the Group are presented in the consolidated statement of profit or loss and consolidated statement of other comprehensive income as an allocation of the profit or loss and total comprehensive income for the year between the non-controlling interests and shareholders of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a fair value through other comprehensive income financial asset depending on the level of influence retained.

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Associates

Associates are entities in which the Group has significant influence including representation on the Board of Directors, but not control or joint control, over the financial and operating policies of the investee company.

Associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The consolidated financial statements include the Group's share of post-acquisition profits or losses and other comprehensive income of the equity-accounted associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

The Group's share of post-acquisition reserves and retained profits less losses is added to the carrying value of the investment in the consolidated statement of financial position. These amounts are taken from the latest audited financial statements or management financial statements of the associates.

2.3 Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified as either joint operation or joint venture. A joint arrangement is classified as joint operation when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation. A joint arrangement is classified as joint venture when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method.

2.4 Property, plant and equipment and depreciation

Recognition and measurement

Freehold land and projects-in-progress are stated at cost less accumulated impairment losses and are not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation for property, plant and equipment other than freehold land and projects-in-progress, is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

Buildings are depreciated over 20 years or over the remaining land lease term, whichever is shorter.

The estimated useful lives of the other property, plant and equipment are as follows:

• Plant, machinery, tankage and pipeline	6 - 20 years
• Office equipment, furniture and fittings	3 - 7 years
• Computer hardware and software	5 - 8 years
• Motor vehicles	4 - 10 years

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment and depreciation (continued)

Right-of-use ("ROU") assets

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful lives of the right-of-use assets are as follows:

• Leasehold land	3 - 44 years
• Buildings	1 - 2 years
• Other plant and equipment	3 - 5 years
• Vessels	3 - 5 years
• Motor vehicles	3 - 5 years

Depreciation of certain right-of-use assets is subsequently capitalised into carrying amount of other assets whenever they meet the criteria for capitalisation and adjusted for certain remeasurements of the lease liability.

The depreciable amount is determined after deducting residual value. The residual value, useful life and depreciation method are reviewed at each financial year end and adjusted as appropriate.

Recognition exemption

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Impairment

At the end of the reporting period, the Group and the Company assess whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

2.5 Non-current assets held for sale

Non-current assets and disposal groups comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Immediately before classification as held for sale, the assets (or all the assets and liabilities in a disposal group) are remeasured in accordance with the Group's applicable accounting policies. Thereafter, on initial classification as held for sale, the assets or disposal groups are measured at the lower of carrying amount and fair value less cost to sell. Any differences are charged to the profit or loss.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no impairment loss is allocated to inventories, contract assets, contract costs, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's and the Company's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets, property, plant and equipment and investment properties once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale.

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Financial instruments

Recognition and derecognition

(i) Financial assets

Regular way purchases or sales were recognised on the settlement date i.e. the date that the asset is delivered to or by an entity. Financial assets are classified at initial recognition and subsequently measured at amortised cost.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss.

Subsequent measurement

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. Interest income and foreign exchange gains and losses are recognised in profit or loss.

(ii) Financial liabilities

Amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iii) Derivative financial instruments

The Group and the Company use derivative financial instruments such as forward rate contracts to manage certain exposures to fluctuations in foreign currency exchange rates.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

In general, contracts to sell or purchase non-financial items to meet expected own use requirements are not accounted for as financial instruments. However, contracts to sell or purchase commodities that can be net settled or which contain written options are required to be recognised at fair value, with gains and losses recognised in the profit or loss.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Financial instruments (continued)

Recognition and derecognition (continued)

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.7 Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECL") on financial assets measured at amortised cost.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is past due.

The Group and the Company consider a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security.

(ii) Other assets

The carrying amounts of other assets, other than inventories, deferred tax assets and non-current assets classified as held for sale, are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Reversals of impairment losses are credited to the profit or loss in the year in which the reversals are recognised.

2.8 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances, deposits with licensed financial institutions and highly liquid investments which have an insignificant risk of changes in fair value and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and deposits restricted as they are considered an integral part of the Group's cash management, if any.

Restricted cash in relation to a subsidiary, consist of deposit held by licensed banks and deposits held in trust by licensed banks, which have an insignificant risk of changes in fair value.

Deposit held in trust by licensed banks are funds collected from users which are deposited and managed separately in a trust account. The subsidiary is required to maintain at least the amount of the subsidiary's electronic money liabilities in the trust account at all times in compliance with the Guideline on Electronic Money ("e-money") issued by Bank Negara Malaysia ("BNM").

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Contract liability - PETRONAS Mesra Loyalty Programme

PETRONAS Mesra Loyalty Programme is an in-house loyalty programme where members are awarded with PETRONAS Mesra points at the point of sale made at PETRONAS stations and Kedai Mesra. The monetary value attributed to the awarded points is treated as contract liability and only recognised as revenue in the profit or loss upon redemption, cancellation and expiry of the points. Currently, members can redeem the awarded points for purchase of fuel at PETRONAS stations, items at Kedai Mesra or with selected partners.

Fair value of the contract liability is determined by reference to the monetary value attributable to the awarded points and the redemption expiry dates.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of petroleum products includes direct costs and transportation charges necessary to bring the inventories to their present locations and condition and is determined on a weighted average basis.

Cost of material stores and spares consists of the invoiced value from suppliers.

2.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss.

Global minimum top-up tax

The Group has adopted International Tax Reform – Pillar Two Model Rules upon its release on 2 June 2023. The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes upon adoption. The application by the respective entity is subject to when the law is being enacted or substantively enacted in the respective country jurisdiction.

Upon its application, the Group will apply a mandatory temporary exception from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. The mandatory temporary exception applies retrospectively. The retrospective application has no impact to the Group's consolidated financial statements.

2.12 Foreign currency transactions

In preparing the financial statements of individual entities in the Group, transactions in currencies other than the entity's functional currency ("foreign currencies") are translated to the functional currencies at rates of exchange ruling on the transaction dates.

Monetary assets and liabilities denominated in foreign currencies at the reporting date have been retranslated to the functional currency at rates ruling on the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies, which are measured at fair value, are retranslated to the functional currency at the foreign exchange rates ruling at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Foreign currency transactions (continued)

Gains and losses on exchange arising from retranslation are recognised in the profit or loss.

On consolidation, the assets and liabilities of subsidiaries with functional currencies other than Ringgit Malaysia, are translated into Ringgit Malaysia at the exchange rates ruling at reporting date.

The income and expenses are translated at the exchange rates at the dates of the transactions or an average rate that approximates those rates. Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity.

2.13 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group and the Company recognise revenue when or as it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

2.14 Financing costs

Financing costs comprise interest payable on borrowings and profits share margin on Islamic Financing Facilities, as well as accretion in provision of dismantling, removal and restoration costs due to the passage of time.

2.15 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.16 Operating segments

An operating segment is a component of the Group and of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's and the Company's other components, and for which discrete financial information is available.

An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors of the Company, to make decisions about resources to be allocated to the segment and to assess the Company's performance.

2.17 Fair value measurement

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Fair value measurement (continued)

(i) Financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the end of reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

(ii) Non-financial assets

For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable input).

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Notes to the Financial Statements
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3. PROPERTY, PLANT AND EQUIPMENT

Group 2025 In RM'000	At 1.1.2025	Additions	Disposals/ Write-offs	Transfers	At 31.12.2025
At cost:					
Own use					
Freehold land	**1,060,324**	**-**	**-**	**14,244**	**1,074,568**
Buildings	**2,428,823**	**12,448**	**(9,786)**	**78,751**	**2,510,236**
Plant, machinery, tankage and pipeline	**3,442,669**	**31,271**	**(39,912)**	**138,306**	**3,572,334**
Office equipment, furniture and fittings	**638,584**	**19,585**	**(6,897)**	**20,777**	**672,049**
Computer hardware and software	**892,741**	**4,269**	**(133,866)**	**11,087**	**774,231**
Motor vehicles	**140,721**	**2,838**	**(90)**	**20,639**	**164,108**
Projects-in-progress	**161,227**	**421,284**	**-**	**(310,665)**	**271,846**
	8,765,089	**491,695**	**(190,551)**	**(26,861)**	**9,039,372**
Right-of-use					
Leasehold land	**1,247,883**	**170**	**(1,318)**	**26,861**	**1,273,596**
Buildings	**14,911**	**2,015**	**(1,486)**	**-**	**15,440**
Other plant and equipment	**11,122**	**-**	**-**	**-**	**11,122**
Vessels	**287,422**	**126,981**	**(128,785)**	**-**	**285,618**
Motor vehicles	**19,742**	**-**	**-**	**-**	**19,742**
	1,581,080	**129,166**	**(131,589)**	**26,861**	**1,605,518**
	10,346,169	**620,861**	**(322,140)**	**-**	**10,644,890**

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2025 In RM'000	At 1.1.2025	Charge for the year	Disposals/ Write-offs	Impairment loss	At 31.12.2025
Accumulated depreciation and impairment losses:					
Own use					
Freehold land	**1,438**	**-**	**-**	**-**	**1,438**
Buildings	**1,903,128**	**74,555**	**(6,804)**	**-**	**1,970,879**
Plant, machinery, tankage and pipeline	**2,508,108**	**182,715**	**(38,470)**	**-**	**2,652,353**
Office equipment, furniture and fittings	**497,819**	**30,597**	**(5,129)**	**47**	**523,334**
Computer hardware and software	**729,258**	**78,482**	**(133,839)**	**-**	**673,901**
Motor vehicles	**115,160**	**9,872**	**(90)**	**-**	**124,942**
Projects-in-progress	**4,124**	**-**	**-**	**-**	**4,124**
	5,759,035	**376,221**	**(184,332)**	**47**	**5,950,971**
Right-of-use					
Leasehold land	**277,676**	**38,790**	**(497)**	**4,337**	**320,306**
Buildings	**8,528**	**3,503**	**(989)**	**-**	**11,042**
Other plant and equipment	**8,726**	**1,917**	**-**	**-**	**10,643**
Vessels	**285,536**	**64,320**	**(128,785)**	**-**	**221,071**
Motor vehicles	**11,412**	**2,173**	**-**	**-**	**13,585**
	591,878	**110,703**	**(130,271)**	**4,337**	**576,647**
	6,350,913	**486,924**	**(314,603)**	**4,384**	**6,527,618**

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2024 In RM'000	At 1.1.2024	Additions	Disposals/ Write-offs	Transfers	At 31.12.2024
At cost:					
Own use					
Freehold land	1,060,324	-	-	-	1,060,324
Buildings	2,341,052	10,095	(7,875)	85,551	2,428,823
Plant, machinery, tankage and pipeline	3,221,623	18,735	(27,262)	229,573	3,442,669
Office equipment, furniture and fittings	599,238	19,372	(1,743)	21,717	638,584
Computer hardware and software	867,927	7,105	(19,411)	37,120	892,741
Motor vehicles	139,815	160	(313)	1,059	140,721
Projects-in-progress	247,125	319,995	(2,836)	(403,057)	161,227
	8,477,104	375,462	(59,440)	(28,037)	8,765,089
Right-of-use					
Leasehold land	1,244,620	8,792	(33,566)	28,037	1,247,883
Buildings	12,333	3,101	(523)	-	14,911
Other plant and equipment	11,122	-	-	-	11,122
Vessels	287,422	-	-	-	287,422
Motor vehicles	19,742	-	-	-	19,742
	1,575,239	11,893	(34,089)	28,037	1,581,080
	10,052,343	387,355	(93,529)	-	10,346,169

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2024 In RM'000	At 1.1.2024	Charge for the year	Disposals/ Write-offs	Impairment loss	At 31.12.2024
Accumulated depreciation and impairment losses:					
Own use					
Freehold land	616	-	-	822	1,438
Buildings	1,833,309	77,057	(7,238)	-	1,903,128
Plant, machinery, tankage and pipeline	2,354,053	173,674	(19,619)	-	2,508,108
Office equipment, furniture and fittings	469,054	30,406	(1,641)	-	497,819
Computer hardware and software	643,539	94,570	(8,851)	-	729,258
Motor vehicles	107,200	8,273	(313)	-	115,160
Projects-in-progress	4,124	-	-	-	4,124
	5,411,895	383,980	(37,662)	822	5,759,035
Right-of-use					
Leasehold land	260,920	39,219	(31,437)	8,974	277,676
Buildings	5,566	3,422	(460)	-	8,528
Other plant and equipment	6,809	1,917	-	-	8,726
Vessels	241,036	44,500	-	-	285,536
Motor vehicles	9,238	2,174	-	-	11,412
	523,569	91,232	(31,897)	8,974	591,878
	5,935,464	475,212	(69,559)	9,796	6,350,913

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2025 In RM'000	At 1.1.2025	Additions	Disposals/ Write-offs	Transfers	At 31.12.2025
At cost:					
Own use					
Freehold land	1,060,324	-	-	14,244	1,074,568
Buildings	2,368,217	2,225	(5,777)	77,103	2,441,768
Plant, machinery, tankage and pipeline	2,974,214	31,206	(35,603)	131,367	3,101,184
Office equipment, furniture and fittings	589,917	7,706	(4,040)	20,614	614,197
Computer hardware and software	763,549	-	(133,750)	6,240	636,039
Motor vehicles	134,043	2,553	(90)	20,273	156,779
Projects-in-progress	141,061	369,069	-	(296,702)	213,428
	8,031,325	412,759	(179,260)	(26,861)	8,237,963
Right-of-use					
Leasehold land	1,207,094	169	(1,318)	26,861	1,232,806
Buildings	945	214	(214)	-	945
Other plant and equipment	11,122	-	-	-	11,122
Vessels	287,422	126,981	(128,785)	-	285,618
Motor vehicles	19,742	-	-	-	19,742
	1,526,325	127,364	(130,317)	26,861	1,550,233
	9,557,650	540,123	(309,577)	-	9,788,196

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2025 In RM'000	At 1.1.2025	Charge for the year	Disposals/ Write-offs	Impairment loss	At 31.12.2025
Accumulated depreciation and impairment losses:					
Own use					
Freehold land	1,438	-	-	-	1,438
Buildings	1,871,321	69,024	(5,668)	-	1,934,677
Plant, machinery, tankage and pipeline	2,216,070	163,642	(34,350)	-	2,345,362
Office equipment, furniture and fittings	481,236	21,950	(4,036)	-	499,150
Computer hardware and software	642,572	63,791	(133,723)	-	572,640
Motor vehicles	109,798	9,438	(90)	-	119,146
Projects-in-progress	4,124	-	-	-	4,124
	5,326,559	327,845	(177,867)	-	5,476,537
Right-of-use					
Leasehold land	269,333	37,447	(497)	4,337	310,620
Buildings	836	204	(214)	-	826
Other plant and equipment	8,726	1,917	-	-	10,643
Vessels	285,536	64,320	(128,785)	-	221,071
Motor vehicles	11,412	2,173	-	-	13,585
	575,843	106,061	(129,496)	4,337	556,745
	5,902,402	433,906	(307,363)	4,337	6,033,282

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2024 In RM'000	At 1.1.2024	Additions	Disposals/ Write-offs	Transfers	At 31.12.2024
At cost:					
Own use					
Freehold land	1,060,324	-	-	-	1,060,324
Buildings	2,294,358	2,472	(7,300)	78,687	2,368,217
Plant, machinery, tankage and pipeline	2,774,610	16,491	(1,213)	184,326	2,974,214
Office equipment, furniture and fittings	561,113	12,045	(1,627)	18,386	589,917
Computer hardware and software	745,302	-	(18,869)	37,116	763,549
Motor vehicles	131,871	1,426	(313)	1,059	134,043
Projects-in-progress	208,789	282,287	(2,404)	(347,611)	141,061
	7,776,367	314,721	(31,726)	(28,037)	8,031,325
Right-of-use					
Leasehold land	1,203,831	8,792	(33,566)	28,037	1,207,094
Buildings	1,152	214	(421)	-	945
Other plant and equipment	11,122	-	-	-	11,122
Vessels	287,422	-	-	-	287,422
Motor vehicles	19,742	-	-	-	19,742
	1,523,269	9,006	(33,987)	28,037	1,526,325
	9,299,636	323,727	(65,713)	-	9,557,650

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2024 In RM'000	At 1.1.2024	Charge for the year	Disposals/ Write-offs	Impairment loss	At 31.12.2024
Accumulated depreciation and impairment losses:					
Own use					
Freehold land	616	-	-	822	1,438
Buildings	1,805,802	72,624	(7,105)	-	1,871,321
Plant, machinery, tankage and pipeline	2,061,599	155,803	(1,332)	-	2,216,070
Office equipment, furniture and fittings	460,765	22,092	(1,621)	-	481,236
Computer hardware and software	577,310	73,570	(8,308)	-	642,572
Motor vehicles	102,018	8,093	(313)	-	109,798
Projects-in-progress	4,124	-	-	-	4,124
	5,012,234	332,182	(18,679)	822	5,326,559
Right-of-use					
Leasehold land	253,919	37,877	(31,437)	8,974	269,333
Buildings	1,046	211	(421)	-	836
Other plant and equipment	6,809	1,917	-	-	8,726
Vessels	241,036	44,500	-	-	285,536
Motor vehicles	9,238	2,174	-	-	11,412
	512,048	86,679	(31,858)	8,974	575,843
	5,524,282	418,861	(50,537)	9,796	5,902,402

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Carrying amount				
Own use				
Freehold land	**1,073,130**	1,058,886	**1,073,130**	1,058,886
Buildings	**539,357**	525,695	**507,091**	496,896
Plant, machinery, tankage and pipeline	**919,981**	934,561	**755,822**	758,144
Office equipment, furniture and fittings	**148,715**	140,765	**115,047**	108,681
Computer hardware and software	**100,330**	163,483	**63,399**	120,977
Motor vehicles	**39,166**	25,561	**37,633**	24,245
Projects-in-progress	**267,722**	157,103	**209,304**	136,937
	3,088,401	3,006,054	**2,761,426**	2,704,766
Right-of-use				
Leasehold land	**953,290**	970,207	**922,186**	937,761
Buildings	**4,398**	6,383	**119**	109
Other plant and equipment	**479**	2,396	**479**	2,396
Vessels	**64,547**	1,886	**64,547**	1,886
Motor vehicles	**6,157**	8,330	**6,157**	8,330
	1,028,871	989,202	**993,488**	950,482
	4,117,272	3,995,256	**3,754,914**	3,655,248

Restrictions of land title

The titles to certain freehold and leasehold land are in the process of being registered in the Company's name.

3.1 As a lessee

Significant judgments and assumptions in relation to leases

The Group and the Company assess at lease commencement by applying significant judgment whether it is reasonably certain to exercise the extension options. The Group and the Company consider all facts and circumstances including past practice and any cost that will be incurred to change the asset if an option to extend is not exercised.

The Group and the Company also applied judgment and assumptions in determining the incremental borrowing rate of the respective leases. The Group and the Company first determine the closest available borrowing rates before using significant judgment to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

Notes to the Financial Statements
31 December 2025

4. INTANGIBLE ASSET

Group 2025 In RM'000	At 1.1.2025 /31.12.2025
At cost:	
License	**806**

	At 1.1.2025 /31.12.2025
Accumulated amortisation:	
License	**806**

Group 2024 In RM'000	At 1.1.2024	Addition	At 31.12.2024
At cost:			
License	806	-	806

	At 1.1.2024	Charge for the year	At 31.12.2024
Accumulated amortisation:			
License	709	97	806

Group In RM'000	Carrying amount 2025	Carrying amount 2024
License	**-**	-

The intangible asset relates to recognition of logistic license upon finalisation of the purchase price allocation for the acquisition of Setel Express Sdn. Bhd. which was finalised in 2022. The license is amortised for period of 25 months until March 2024.

5. INVESTMENTS IN SUBSIDIARIES

In RM'000	Company 2025	Company 2024
Unquoted shares at cost	**395,186**	370,370
Less: Impairment losses on unquoted shares	**(13,141)**	(11,111)
	382,045	359,259

During the year, the Company had further subscribed to 18,000 redeemable preference shares at RM1,000 each, issued by Setel Ventures Sdn. Bhd. via equity injection of RM18,000,000. The Company had also subscribed to 1,181,851 ordinary shares at RM1 each and 5,634 redeemable preference shares at RM1,000 each, issued by PDB Growth Solutions Sdn. Bhd. ("PGSSB") via equity injection of RM1,181,851 and RM5,634,000 respectively.

Details of subsidiaries are stated in Note 30 to the financial statements.

Impairment review of cost of investment in subsidiaries

The Company performed impairment assessment on all its subsidiaries that have indication of impairment. The recoverable value of investment was arrived at using value-in-use method by discounting future cash flows projected to be generated by the business based on various assumptions. The estimated recoverable value is higher than the carrying value of the investment for the Company's subsidiaries, except for a subsidiary which was impaired during the year of RM2,030,000 (2024: RM11,111,000).

Notes to the Financial Statements
31 December 2025

6. INVESTMENTS IN ASSOCIATES

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Unquoted shares at cost	**530**	530	**530**	530
Share of post-acquisition profits and reserves	**1,601**	1,809	**-**	-
	2,131	2,339	**530**	530
Dividend received	**500**	-	**500**	-

Summary of financial information on associates:

In RM'000	2025	2024
As at 31 December		
Total assets	**12,803**	13,516
Total liabilities	**(2,150)**	(1,824)
Net assets	**10,653**	11,692
Year ended 31 December		
Revenue	**27,947**	26,280
Total comprehensive income	**1,243**	1,486

Details of the associates are stated in Note 31 to the financial statements.

7. INVESTMENTS IN JOINT VENTURES

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Unquoted shares at cost	**59,240**	52,474	**52,474**	52,474
Share of post-acquisition profits and reserves	**14,254**	3,156	**-**	-
	73,494	55,630	**52,474**	52,474
Dividend received	**1,300**	1,140	**1,300**	1,140

In May 2025, the Group via PGSSB, incorporated Blueshark Malaysia Sdn. Bhd. ("BMSB"), a wholly owned subsidiary. Subsequently in October 2025, BMSB became a Joint Venture ("JV") company with Blueshark Ecosystem Sdn. Bhd. ("BESB"). The principal activities of this JV company are the distribution of two-wheeler electric vehicles and the provision of battery swap stations in Malaysia.

Notes to the Financial Statements
31 December 2025

7. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summary of financial information on joint ventures:

2025 In RM'000	Material joint venture	Other individually immaterial joint ventures	Total
As at 31 December			
Total assets	**192,254**	**41,457**	**233,711**
Total liabilities	**(73,302)**	**(14,171)**	**(87,473)**
Net assets	**118,952**	**27,286**	**146,238**
Year ended 31 December			
Revenue	**404,010**	**70,248**	**474,258**
Total comprehensive income	**21,007**	**3,232**	**24,239**

2024 In RM'000	Material joint venture	Other individually immaterial joint ventures	Total
As at 31 December			
Total assets	190,766	27,650	218,416
Total liabilities	(93,741)	(14,086)	(107,827)
Net assets	97,025	13,564	110,589
Year ended 31 December			
Revenue	449,157	66,834	515,991
Total comprehensive (loss)/income	(10,400)	3,073	(7,327)

Details of the joint ventures are stated in Note 32 to the financial statements.

8. TRADE AND OTHER INVENTORIES

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Petroleum products	**107,730**	156,571	**108,006**	156,792
Stores, spares and others	**4,756**	11,962	**-**	-
Inventories at lower of cost and net realisable value	**112,486**	168,533	**108,006**	156,792
Recognised in profit or loss:				
Inventories recognised as cost of revenue	**33,111,364**	32,966,918	**32,665,175**	32,525,214
Write-down to net realisable value	**2,894**	3,732	**2,651**	3,732
Inventories written off	**92**	-	**-**	-

Notes to the Financial Statements
31 December 2025

9. TRADE AND OTHER RECEIVABLES

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Trade				
Trade receivables	**1,594,304**	1,435,645	**1,362,437**	1,245,560
Amounts due from:				
- Holding company	**2,241**	11,818	**-**	-
- Subsidiaries	**-**	-	**4,515**	7,795
- Associates and joint ventures	**8,676**	12,869	**8,676**	12,869
- Related companies	**84,861**	230,946	**56,994**	207,069
Less: Impairment losses	**(37,025)**	(55,698)	**(24,353)**	(45,375)
	1,653,057	1,635,580	**1,408,269**	1,427,918
Non-trade				
Other receivables	**59,193**	32,666	**47,684**	39,587
Prepayments and non-refundable deposits	**25,511**	23,533	**9,909**	10,224
Advances and loans to:				
- Associates and joint ventures	**1,900**	1,945	**1,900**	1,945
Amounts due from:				
- Holding company	**234**	1,095	**234**	1,094
- Subsidiaries	**-**	-	**10,593**	15,174
- Related companies	**15,685**	19,001	**15,437**	17,275
Subsidy receivables	**271,204**	3,054,017	**271,204**	3,054,017
Less: Impairment losses	**(4,162)**	(4,377)	**(3,395)**	(3,616)
	369,565	3,127,880	**353,566**	3,135,700
Trade and other receivables	**2,022,622**	4,763,460	**1,761,835**	4,563,618

Amounts due from holding company, subsidiaries, associates, joint ventures and related companies arose in the normal course of business.

The non-trade advances and loans to associates and joint ventures and non-trade amounts due from holding company, subsidiaries and related companies are unsecured, interest free and repayable on demand.

The credit risk associated with these non-trade receivables is low. The Group and the Company do not expect any material defaults or losses in the foreseeable future.

Notes to the Financial Statements
31 December 2025

10. CASH AND CASH EQUIVALENTS

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Cash with PETRONAS Integrated Financial Shared Services Centre	**4,466,994**	1,848,612	**4,162,561**	1,484,085
Cash and bank balances	**287,927**	265,466	**119,290**	142,186
	4,754,921	2,114,078	**4,281,851**	1,626,271

The Group's and the Company's cash and bank balances are held in the In-House Account ("IHA") managed by PETRONAS Integrated Financial Shared Services Centre ("IFSSC") to enable more efficient cash management for the Group and the Company.

Included in cash and cash equivalents of the Group and of the Company are interest-bearing balances amounting to RM4,652,007,000 (2024: RM1,991,881,000) and RM4,204,535,000 (2024: RM1,519,600,000) respectively.

Included in cash and cash equivalents of the Group are restricted amount of RM104,640,000 (2024: RM65,779,000) held by a trustee. The amount represents the unutilised value of e-wallet monies and amount due to service providers for value utilised.

11. SHARE CAPITAL

Company	2025 No of shares '000	2025 Amount RM'000	2024 No of shares '000	2024 Amount RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares	**993,454**	**993,454**	993,454	993,454

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. Ordinary share has no par value.

12. RESERVES

Capital reserves

Capital reserves arose as a result of business combination of entities under the common control of PETRONAS and comprise merger deficit.

Merger deficit represents the excess of cost of acquisition over the Group's interest in the net carrying value of identifiable net assets, liabilities and contingent liabilities of the acquiree. Merger deficit is classified as part of non-distributable reserves.

Notes to the Financial Statements
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13. NON-CONTROLLING INTERESTS

This consists of the non-controlling interests' proportion of share capital and reserves of partly-owned subsidiaries.

14. BORROWINGS

	Group		Company	
In RM'000	2025	2024	2025	2024
Non-current				
Secured				
Lease liabilities	**89,383**	95,204	**17,822**	21,239
Total non-current borrowing	**89,383**	95,204	**17,822**	21,239
Current				
Secured				
Lease liabilities	**73,578**	12,758	**69,749**	9,229
Unsecured				
Sukuk facilities	**-**	-	**-**	-
Total current borrowings	**73,578**	12,758	**69,749**	9,229
Total borrowings	**162,961**	107,962	**87,571**	30,468

Terms and debt repayment schedule

Group 2025 In RM'000	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
Secured					
Lease liabilities	**162,961**	**73,578**	**6,436**	**8,028**	**74,919**
Unsecured					
Sukuk facilities	**-**	**-**	**-**	**-**	**-**
	162,961	**73,578**	**6,436**	**8,028**	**74,919**

Group 2024 In RM'000	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
Secured					
Lease liabilities	107,962	12,758	7,277	11,356	76,571
Unsecured					
Sukuk facilities	-	-	-	-	-
	107,962	12,758	7,277	11,356	76,571

Notes to the Financial Statements
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14. BORROWINGS (CONTINUED)

Terms and debt repayment schedule (continued)

Company 2025 In RM'000	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
Secured					
Lease liabilities	**87,571**	**69,749**	**5,241**	**4,920**	**7,661**
Unsecured					
Sukuk facilities	**-**	**-**	**-**	**-**	**-**
	87,571	**69,749**	**5,241**	**4,920**	**7,661**

Company 2024 In RM'000	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
Secured					
Lease liabilities	30,468	9,229	4,527	8,546	8,166
Unsecured					
Sukuk facilities	-	-	-	-	-
	30,468	9,229	4,527	8,546	8,166

Sukuk liabilities

In 2023, the Company issued two types of Islamic debt securities (collectively, the "Sukuk Wakalah Programmes") which are Islamic Commercial Paper ("ICP") and Islamic Medium Term Notes ("IMTN") amounting to RM2.0 million in total. IMTN outstanding amount had been fully redeemed on 31 July 2024.

The Sukuk facilities of the Company bear interest at 3.66% in 2024.

Secured lease liabilities

The lease liabilities of the Group and the Company bear interests at rates ranging from 3.51% to 8.43% (2024: 3.41% to 8.43%) and 3.91% to 7.80% (2024: 3.41% to 7.80%) per annum respectively.

Notes to the Financial Statements
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14. BORROWINGS (CONTINUED)

Reconciliation of movement of liabilities to cash flows arising from financing activities

Group In RM'000	Borrowings	Dividends	Total
Balance at 1 January 2025	**107,962**	**-**	**107,962**
Changes from financing cash flows			
- Repayment of lease liabilities	**(73,630)**	**-**	**(73,630)**
- Interest expense of lease liabilities	**(12,939)**	**-**	**(12,939)**
Dividends paid	**-**	**(1,102,734)**	**(1,102,734)**
Total changes from financing cash flows	**(86,569)**	**(1,102,734)**	**(1,189,303)**
Other changes			
- Dividends declared	**-**	**1,102,734**	**1,102,734**
- Finance costs	**12,939**	**-**	**12,939**
- Addition of new leases	**129,219**	**-**	**129,219**
- Others	**(590)**	**-**	**(590)**
Balance at 31 December 2025	**162,961**	**-**	**162,961**

Group In RM'000	Borrowings	Dividends	Total
Balance at 1 January 2024	152,219	-	152,219
Changes from financing cash flows			
Repayment of:			
- Sukuk facilities	(1,000)	-	(1,000)
- Lease liabilities	(56,566)	-	(56,566)
Interest expenses:			
- Profit margin paid for Sukuk facilities	(21)	-	(21)
- Lease liabilities	(8,772)	-	(8,772)
Dividends paid	-	(884,174)	(884,174)
Total changes from financing cash flows	(66,359)	(884,174)	(950,533)
Other changes			
- Dividends declared	-	884,174	884,174
- Finance costs	8,793	-	8,793
- Addition of new leases	11,608	-	11,608
- Others	1,701	-	1,701
Balance at 31 December 2024	107,962	-	107,962

Notes to the Financial Statements
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14. BORROWINGS (CONTINUED)

Reconciliation of movement of liabilities to cash flows arising from financing activities (continued)

Company In RM'000	Borrowings	Dividends	Total
Balance at 1 January 2025	**30,468**	**-**	**30,468**
Changes from financing cash flows			
- Repayment of lease liabilities	**(70,261)**	**-**	**(70,261)**
- Interest expense of lease liabilities	**(6,667)**	**-**	**(6,667)**
Dividends paid	**-**	**(1,102,734)**	**(1,102,734)**
Total changes from financing cash flows	**(76,928)**	**(1,102,734)**	**(1,179,662)**
Other changes			
- Dividends declared	**-**	**1,102,734**	**1,102,734**
- Finance costs	**6,667**	**-**	**6,667**
- Addition of new leases	**127,364**	**-**	**127,364**
Balance at 31 December 2025	**87,571**	**-**	**87,571**

Company In RM'000	Borrowings	Dividends	Total
Balance at 1 January 2024	74,519	-	74,519
Changes from financing cash flows			
Repayment of:			
- Sukuk facilities	(1,000)	-	(1,000)
- Lease liabilities	(53,758)	-	(53,758)
Interest expenses:			
- Profit margin paid for Sukuk facilities	(21)	-	(21)
- Lease liabilities	(2,425)	-	(2,425)
Dividends paid	-	(884,174)	(884,174)
Total changes from financing cash flows	(57,204)	(884,174)	(941,378)
Other changes			
- Dividends declared	-	884,174	884,174
- Finance costs	2,446	-	2,446
- Addition of new leases	9,006	-	9,006
- Others	1,701	-	1,701
Balance at 31 December 2024	30,468	-	30,468

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15. DEFERRED TAX LIABILITIES

Recognised deferred tax (liabilities)/assets

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
In RM'000	2025	2024	2025	2024	2025	2024
Group						
Property, plant and equipment	**-**	-	**(130,653)**	(132,940)	**(130,653)**	(132,940)
Contract Liability						
- Loyalty Programme	**17,478**	15,781	**-**	-	**17,478**	15,781
Lease liabilities	**13,870**	13,122	**-**	-	**13,870**	13,122
Expected Credit Loss	**3,960**	662	**-**	-	**3,960**	662
Others	**41,123**	30,634	**-**	-	**41,123**	30,634
Tax assets/(liabilities)	**76,431**	60,199	**(130,653)**	(132,940)	**(54,222)**	(72,741)
Set off tax	**(76,431)**	(60,199)	**76,431**	60,199	**-**	-
Net tax liabilities	**-**	-	**(54,222)**	(72,741)	**(54,222)**	(72,741)

	Assets		Liabilities		Net	
In RM'000	2025	2024	2025	2024	2025	2024
Company						
Property, plant and equipment	**-**	-	**(102,428)**	(103,385)	**(102,428)**	(103,385)
Contract Liability						
- Loyalty Programme	**17,478**	15,781	**-**	-	**17,478**	15,781
Lease liabilities	**3,201**	2,649	**-**	-	**3,201**	2,649
Expected Credit Loss	**3,885**	601	**-**	-	**3,885**	601
Others	**39,677**	29,334	**-**	-	**39,677**	29,334
Tax assets/(liabilities)	**64,241**	48,365	**(102,428)**	(103,385)	**(38,187)**	(55,020)
Set off tax	**(64,241)**	(48,365)	**64,241**	48,365	**-**	-
Net tax liabilities	**-**	-	**(38,187)**	(55,020)	**(38,187)**	(55,020)

Notes to the Financial Statements
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15. DEFERRED TAX LIABILITIES (CONTINUED)

Recognised deferred tax (liabilities)/assets (continued)

The components and movements of deferred tax liabilities and assets during the year are as follows:

Group In RM'000	At 1.1.2025	Credited to profit or loss	At 31.12.2025
Deferred tax (liabilities)/assets			
Property, plant and equipment	**(132,940)**	**2,287**	**(130,653)**
Contract liability - Loyalty Programme	**15,781**	**1,697**	**17,478**
Lease liabilities	**13,122**	**748**	**13,870**
Expected credit loss	**662**	**3,298**	**3,960**
Others	**30,634**	**10,489**	**41,123**
	(72,741)	**18,519**	**(54,222)**

Group In RM'000	At 1.1.2024	Credited/(Charged) to profit or loss	At 31.12.2024
Deferred tax (liabilities)/assets			
Property, plant and equipment	(129,797)	(3,143)	(132,940)
Contract liability - Loyalty Programme	15,003	778	15,781
Lease liabilities	14,122	(1,000)	13,122
Expected credit loss	4,180	(3,518)	662
Others	26,622	4,012	30,634
	(69,870)	(2,871)	(72,741)

Company In RM'000	At 1.1.2025	Credited to profit or loss	At 31.12.2025
Deferred tax (liabilities)/assets			
Property, plant and equipment	**(103,385)**	**957**	**(102,428)**
Contract liability - Loyalty Programme	**15,781**	**1,697**	**17,478**
Lease liabilities	**2,649**	**552**	**3,201**
Expected credit loss	**601**	**3,284**	**3,885**
Others	**29,334**	**10,343**	**39,677**
	(55,020)	**16,833**	**(38,187)**

Company In RM'000	At 1.1.2024	Credited/(Charged) to profit or loss	At 31.12.2024
Deferred tax (liabilities)/assets			
Property, plant and equipment	(99,943)	(3,442)	(103,385)
Contract liability - Loyalty Programme	15,003	778	15,781
Lease liabilities	3,691	(1,042)	2,649
Expected credit loss	4,119	(3,518)	601
Others	25,612	3,722	29,334
	(51,518)	(3,502)	(55,020)

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16. OTHER LONG-TERM LIABILITIES AND PROVISIONS

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Dismantling, removal and restoration costs	**49,311**	45,354	**49,311**	45,354

Dismantling, removal and restoration costs

The movement of provision for dismantling, removal and restoration costs during the financial year is shown below:

In RM'000	Group and Company 2025	Group and Company 2024
Balance at 1 January	**45,354**	40,268
Net changes in provision	**1,016**	817
Unwinding of discount	**2,941**	4,269
Balance at 31 December	**49,311**	45,354

Under provisions of certain land lease agreements, the Company has an obligation to dismantle and remove structures on certain sites and restore those sites at the end of the lease term to an acceptable condition consistent with the lease agreement.

For these affected sites, the liabilities for dismantling, removal and restoration costs are recognised at present value of the compounded future expenditure estimated using existing technology, at current prices and discounted using a real discount rate.

The present value of the estimated costs is capitalised as part of the asset and the related provisions raised on the date when the obligation arises. The capitalised cost is depreciated over the expected life of the asset. The increase in the net present value of the provision for the expected cost is included as finance costs in the profit or loss.

Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision. The impact of the changes in the estimate is not material in relation to the Group's and the Company's net profits for the year.

While the provision is based on the best estimate of future costs and the economic lives of the affected assets, there is uncertainty regarding both the amount and timing of incurring these costs. All the estimates are reviewed on an annual basis or more frequently, where there is indication of a material change.

As at 31 December 2025, the provision for dismantling, removal and restoration costs is expected to be utilised as follows:

In RM'000	Group and Company 2025
1 to 10 years	**19,662**
11 to 20 years	**17,072**
More than 20 years	**12,577**
	49,311

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17. TRADE AND OTHER PAYABLES

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Trade				
Trade payables	**103,852**	77,496	**97,336**	73,975
Contract liability	**72,351**	65,281	**72,351**	65,281
Amounts due to:				
- Subsidiaries	**-**	-	**35,155**	46,938
- Related companies	**3,155,348**	3,500,263	**3,079,660**	3,441,498
	3,331,551	3,643,040	**3,284,502**	3,627,692
Non-trade				
Other payables	**961,681**	783,877	**838,405**	658,305
Amounts due to:				
- Holding company	**144,213**	160,856	**119,160**	150,682
- Subsidiaries	**-**	-	**13,782**	8,249
- Associates and joint ventures	**2,531**	3,101	**2,531**	3,101
- Related companies	**44,713**	53,051	**44,146**	52,859
E-money liabilities	**94,676**	68,523	**-**	-
Duties payables	**60,107**	19,880	**60,107**	19,880
	1,307,921	1,089,288	**1,078,131**	893,076
Trade and other payables	**4,639,472**	4,732,328	**4,362,633**	4,520,768

Contract liability is attributable to the monetary value of the awarded Mesra points under PETRONAS Mesra Loyalty Programme.

Trade amounts due to subsidiaries and related companies arose in the normal course of business.

Non-trade amounts due to holding company, subsidiaries, associates, joint ventures and related companies are unsecured, interest free and repayable on demand.

E-money liabilities are in relation to users' balances in their e-wallets which are refundable to users upon request.

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18. REVENUE

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Revenue from contracts with customers				
Sales of petroleum products	**37,963,456**	37,608,068	**37,298,565**	37,020,107
Other revenue:				
- non-fuel business	**275,278**	309,269	**-**	-
- rendering of services	**30,598**	33,425	**-**	-
Total revenue	**38,269,332**	37,950,762	**37,298,565**	37,020,107

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major products/services lines.

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Major products/services lines				
- Retail	**20,482,621**	20,229,154	**20,354,690**	20,131,144
- Commercial	**17,532,934**	17,434,798	**16,943,875**	16,888,963
- Convenience	**253,777**	286,810	**-**	-
	38,269,332	37,950,762	**37,298,565**	37,020,107

Revenue for the Group derived from petroleum products are predominantly sold to the retail and commercial sectors in Malaysia which have been disclosed in the Operating Segments (Note 26). Further details are disclosed in Note 26 to the financial statements.

Nature of goods and services

Nature of goods and services	Timing of recognition or method used to recognise revenue	Significant payment terms
Retail	Revenue is recognised when petroleum products are delivered and accepted by the customers at their premises/sites or ex-depot.	Payment for the products supplied shall be made before delivery, on delivery or within stipulated credit period.
Commercial	Revenue is recognised when petroleum products are delivered and accepted by the customers at their premises/sites or ex-depot and recognised over time when services are rendered to customers.	Payment for the products supplied shall be made on delivery or within stipulated credit period.
Convenience	Revenue is recognised when products are delivered and accepted by the customers at the station and its premises or when services are rendered to customers.	Payment for the services rendered shall be made on delivery or within stipulated credit period.

There are no significant variable elements in consideration, obligation for returns or refunds nor warranty in the provision of goods and services by the Group and the Company.

Effective 2025, specific business related to fuel in Setel Ventures Sdn. Bhd. is being classified under Retail Segment. Accordingly, certain comparative figures have been reclassified to conform with current year presentation.

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19. OPERATING PROFIT

In RM'000	Note	Group 2025	Group 2024	Company 2025	Company 2024
Included in operating profit are the following charges:					
Auditor's remuneration:					
Audit fees					
- KPMG PLT		**941**	913	**617**	599
Non audit service fees:					
- KPMG PLT		**188**	318	**180**	318
- Local affiliates of KPMG PLT		**167**	44	**167**	-
Amortisation of intangible asset		**-**	97	**-**	-
Depreciation of property, plant and equipment	3	**486,924**	475,212	**433,906**	418,861
Expenses relating to short-term leases		**15,652**	15,286	**15,529**	14,544
Expenses relating to leases of low-value assets		**110**	120	**51**	72
Expenses relating to variable lease payments not included in the measurement of lease liabilities		**256,382**	254,867	**256,081**	254,826
Net impairment losses on:					
- trade receivables		**8,327**	-	**5,978**	-
- property, plant and equipment		**4,384**	9,796	**4,337**	9,796
- investment in a subsidiary		**-**	-	**2,030**	11,111
Staff costs:					
- wages, salaries and others		**373,687**	439,332	**265,676**	324,953
- contributions to Employees Provident Fund ("EPF")		**50,788**	55,895	**39,720**	43,941
Write-off of:					
- trade and other receivables		**4,056**	1,045	**4,012**	1,032
- property, plant and equipment		**3,709**	22,923	**257**	14,708
- trade and other inventories	8	**92**	-	**-**	-
Write down of inventories to net realisable value	8	**2,894**	3,732	**2,651**	3,732
Net unrealised loss on foreign exchange		**-**	1,972	**-**	1,978
Net realised loss on foreign exchange		**-**	338	**-**	644

Notes to the Financial Statements
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19. OPERATING PROFIT (CONTINUED)

In RM'000	Note	Group 2025	Group 2024	Company 2025	Company 2024
and credits:					
Dividend income:					
- subsidiaries		**-**	-	**205,550**	120,000
- associates	6	**-**	-	**500**	-
- joint ventures	7	**-**	-	**1,300**	1,140
Net gain on disposal of property, plant and equipment		**3,666**	2,377	**4,800**	2,452
Interest income		**193,699**	160,852	**176,727**	148,042
Net unrealised gain on foreign exchange		**142**	-	**127**	-
Net realised gain on foreign exchange		**1,608**	-	**1,178**	-
Income from rental of premises		**3,584**	2,974	**26,496**	23,832
Net impairment reversals on:					
- trade receivables		**-**	11,749	**-**	11,988
- other receivables		**50**	343	**56**	293

20. FINANCING COSTS

In RM'000	Note	Group 2025	Group 2024	Company 2025	Company 2024
Recognised in profit or loss:					
Unwinding of discount					
- Provision for dismantling, removal and restoration costs	16	**2,941**	4,269	**2,941**	4,269
Profit margin on Sukuk facilities	14	**-**	21	**-**	21
Interest on lease liabilities	14	**12,939**	8,772	**6,667**	2,425
Total financing costs		**15,880**	13,062	**9,608**	6,715

21. TAX EXPENSE

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Current tax expenses				
Current year	**424,970**	425,791	**346,257**	355,507
Over provision in prior year	**(11,956)**	(14,632)	**(12,059)**	(14,818)
Total current tax expenses	**413,014**	411,159	**334,198**	340,689
Deferred tax (credit)/expenses				
(Reversal)/Origination of temporary differences	**(25,121)**	67	**(24,291)**	884
Under provision in prior year	**6,602**	2,804	**7,458**	2,618
Total deferred tax (credit)/expenses	**(18,519)**	2,871	**(16,833)**	3,502
Total tax expenses	**394,495**	414,030	**317,365**	344,191

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21. TAX EXPENSE (CONTINUED)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

Group In RM'000	%	2025	%	2024
Profit before taxation		**1,530,977**		1,530,662
Taxation at Malaysian statutory tax rate	**24**	**367,434**	24	367,359
Non deductible expenses, net of non assessable income	**2**	**28,536**	3	53,484
Effect of net deferred tax losses unrecognised	**-**	**1,650**	1	5,015
Effects of income subject to different tax rate	**-**	**2,229**	-	-
	26	**399,849**	28	425,858
(Over)/Under provision in prior years				
- current tax expense	**(1)**	**(11,956)**	(1)	(14,632)
- deferred tax expense	**1**	**6,602**	-	2,804
Tax expense	**26**	**394,495**	27	414,030

Company In RM'000	%	2025	%	2024
Profit before taxation		**1,428,448**		1,406,576
Taxation at Malaysian statutory tax rate	**24**	**342,828**	24	337,578
Non deductible expenses, net of non assessable income	**2**	**28,902**	3	47,887
Tax exempt income	**(3)**	**(49,764)**	(2)	(29,074)
	23	**321,966**	25	356,391
(Over)/Under provision in prior years				
- current tax expense	**(1)**	**(12,059)**	(1)	(14,818)
- deferred tax expense	**-**	**7,458**	-	2,618
Tax expense	**22**	**317,365**	24	344,191

In measuring the provision for taxation and deferred taxation at reporting date, the management applied judgments and estimates in relation to certain interpretation of tax legislation in arriving at the Group's and the Company's tax positions. Judgments and estimates are based on the current tax legislation and best available information as at the reporting date. The management continuously reassesses its judgments and estimates whenever there is a change in circumstances.

Global minimum top-up tax

The Group is subject to Pillar Two legislation which come into effect on 1 January 2025.

Following the Amendments to MFRS 112 *Income Taxes International Tax Reform - Pillar Two Model Rules*, mandatory temporary exception has been applied to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes upon adoption.

The assessment of the Pillar Two income taxes is performed based on best financial statements information available for the constituent entities in PETRONAS Group as at reporting period by applying the requirements issued by Organisation for Economic Co-operation and Development ("OECD"). Based on the assessment carried out for the period, the Pillar Two effective tax rate ("ETR") in which PETRONAS Group operates are above 15%. Therefore, the Group does not expect a potential exposure to Pillar Two top-up taxes.

Notes to the Financial Statements
31 December 2025

21. TAX EXPENSE (CONTINUED)

Unrecognised net deferred tax assets

The net deferred tax assets not recognised in the statement of financial position in respect of the temporary differences of subsidiaries are as shown below:

	Group	
In RM'000	**2025**	**2024**
Deductible temporary differences	**(32,906)**	(21,583)
Unutilised tax losses	**60,216**	65,443
Unabsorbed capital allowances	**112,939**	89,512
	140,249	133,372

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the subsidiaries can utilise the benefits. In accordance with the provision of Malaysian Finance Act 2021 requirement, the utilisation of unused tax losses will be limited to ten years with effect from year of assessment 2019. Unutilised tax losses of the Group amounting to RM5,872,000 will expire in 2030, RM11,004,000 in 2031, RM5,460,000 in 2032, RM8,051,000 in 2033, RM17,131,000 in 2034 and RM12,698,000 in 2035.

Unabsorbed capital allowances do not expire under current tax legislation.

22. EARNINGS PER SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
In RM'000	**2025**	**2024**
Profit for the year attributable to shareholders	**1,099,162**	1,086,628
Number of ordinary shares ('000)	**993,454**	993,454
Basic earnings per ordinary share (in sen)	**110.6**	109.4

No diluted earnings per share is disclosed in these financial statements as there is no potential dilutive ordinary share.

Notes to the Financial Statements
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23. DIVIDENDS

2025 In RM'000	COMPANY Total
In respect of financial year ended 31 December 2024:	
Quarter 4: Interim dividend of 25.0 sen per ordinary share	**248,363**
Quarter 4: Special dividend of 20.0 sen per ordinary share	**198,691**
Total	**447,054**
In respect of financial year ended 31 December 2025:	
Quarter 1: Interim dividend of 20.0 sen per ordinary share	**198,691**
Quarter 2: Interim dividend of 22.0 sen per ordinary share	**218,560**
Quarter 3: Interim dividend of 24.0 sen per ordinary share	**238,429**
Total	**655,680**
Grand total	**1,102,734**

2024	
In respect of financial year ended 31 December 2023:	
Quarter 4: Interim dividend of 27.0 sen per ordinary share	268,233
In respect of financial year ended 31 December 2024:	
Quarter 1: Interim dividend of 18.0 sen per ordinary share	178,822
Quarter 2: Interim dividend of 20.0 sen per ordinary share	198,690
Quarter 3: Interim dividend of 24.0 sen per ordinary share	238,429
Total	615,941
Grand total	884,174

The Directors had on 24 February 2026 declared an interim dividend of 26.0 sen per ordinary share amounting to RM258,298,040 and a special dividend of 20.0 sen per ordinary share amounting to RM198,690,800 in respect of the financial year ended 31 December 2025. The interim and special dividends have not been accounted for in the financial statements for the year ended 31 December 2025.

Notes to the Financial Statements
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24. RELATED PARTIES DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of senior management of the Group.

The Group's and the Company's related parties include subsidiaries, associates, joint ventures as well as the holding company, PETRONAS and its related entities. The Group's related parties also include the Government of Malaysia and its related entities as the holding company is wholly-owned by the Government of Malaysia.

Key management personnel compensation

	Group		Company	
In RM'000	2025	2024	2025	2024
Directors				
- Fees	**1,723**	1,399	**1,622**	1,378
- Other short-term employee benefits	**39**	42	**36**	42
	1,762	1,441	**1,658**	1,420

The Company reimbursed the holding company for compensation of certain key management personnel attributable to services rendered to the Company as well as fees for Directors who are appointees of the holding company as disclosed in the related parties disclosures.

Notes to the Financial Statements
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24. RELATED PARTIES DISCLOSURES (CONTINUED)

Significant transactions with related parties

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group	
In RM'000	2025	2024
Federal and State Government of Malaysia:		
Sales of petroleum products	**312,453**	382,546
Government of Malaysia's related entities:		
Sales of petroleum products	**7,702,056**	7,776,993
Holding company:		
Sales of other products	**7,612**	25,325
Sales of petroleum products	**310**	726
Interest income from PETRONAS IFSSC	**188,343**	156,804
Information, communication and technology charges	**(52,381)**	(71,003)
Corporate services charges	**(44,173)**	(38,184)
Facility charges	**(26,015)**	(27,586)
Treasury Management Services	**(2,181)**	(1,887)
Reimbursement of key management personnel costs and benefits	**(1,937)**	(1,847)
Fees for representation in the Board of Directors*	**(521)**	(372)
Technical manpower services and training	**(277)**	(271)
Related companies:		
Sales of petroleum products	**647,840**	1,028,739
Sales of other products	**28,582**	28,525
Purchases of petroleum products	**(35,858,765)**	(42,379,331)
Information, communication and technology charges	**(76,703)**	(66,907)
Technical manpower services and training	**(49,228)**	(29,862)
Facility charges	**(5,659)**	(5,322)
Lease expenses	**(2,415)**	(2,369)
Associate companies:		
Sales of petroleum products	**443**	538
Facility charges	**(9,398)**	(10,071)
Joint ventures:		
Sales of petroleum products	**253,048**	198,959
Facility charges	**(38,593)**	(40,742)

* Fees paid directly to holding company in respect of directors who are appointees of the holding company.

Notes to the Financial Statements
31 December 2025

24. RELATED PARTIES DISCLOSURES (CONTINUED)

Significant transactions with related parties (continued)

In RM'000	Company 2025	Company 2024
Federal and State Government of Malaysia:		
Sales of petroleum products	**312,453**	382,546
Government of Malaysia's related entities:		
Sales of petroleum products	**7,691,927**	7,762,596
Holding company:		
Sales of petroleum products	**265**	726
Interest income from PETRONAS IFSSC	**173,858**	145,445
Information, communication and technology charges	**(41,018)**	(71,003)
Corporate services charges	**(37,089)**	(33,063)
Facility charges	**(28,158)**	(25,541)
Treasury Management Services	**(2,063)**	(1,792)
Reimbursement of key management personnel costs and benefits	**(1,937)**	(1,847)
Fees for representation in the Board of Directors*	**(521)**	(372)
Subsidiaries:		
Facility charges	**(138,348)**	(114,918)
Technical manpower services and training	**(7,547)**	(6,247)
Related companies:		
Sales of petroleum products	**598,786**	1,026,256
Sales of other products	**19,408**	14,200
Purchases of petroleum products	**(35,307,781)**	(41,896,576)
Information, communication and technology charges	**(69,627)**	(59,478)
Technical manpower services and training	**(49,228)**	(29,862)
Facility charges	**(5,345)**	(5,322)
Lease expenses	**(2,415)**	(2,369)
Associate companies:		
Sales of petroleum products	**443**	538
Facility charges	**(9,398)**	(10,071)
Joint ventures:		
Sales of petroleum products	**253,048**	198,959
Facility charges	**(38,593)**	(40,742)

* Fees paid directly to holding company in respect of directors who are appointees of the holding company.

Information regarding outstanding balances arising from related party transactions as at 31 December 2025 are disclosed in Note 9 and Note 17 as well as lease liabilities balances as follows:

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Related companies	**612**	2,930	**612**	2,930

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established on a commercial basis. The above has been stated at contracted amount.

Notes to the Financial Statements
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25. COMMITMENTS

Outstanding commitments in respect of capital expenditure at the end of the reporting year not provided for in the financial statements are:

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Property, plant and equipment				
Approved and contracted for	**83,096**	68,579	**51,641**	61,455
Approved but not contracted for	**481,094**	365,754	**372,208**	314,943
	564,190	434,333	**423,849**	376,398

26. OPERATING SEGMENTS

As at 31 December 2025, the Group's reportable segments comprise Retail, Commercial and Convenience Businesses. Each reportable segment offers different products and services and require different marketing strategies. The following summary describes the operations in each of the Group's reportable segment:

Retail – consists of sales and purchases of petroleum products to the retail sector.
Commercial – consists of sales and purchases of petroleum products and provision of services to the commercial sector.
Convenience – comprises mainly non-fuel business activities.

For each of the reportable segment, the Group chief operating decision maker, which is the Board of Directors of the Company, reviews internal management reports at least on a quarterly basis.

Performance is measured based on segment profit or loss before tax as included in the internal management reports that are reviewed by the Company's Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Revenues derived from petroleum products are predominantly sold to the retail and commercial sectors in Malaysia which have been disclosed in the operating segment. In this respect, no further disaggregation of revenue is presented.

Effective 2025, specific business related to fuel in Setel Ventures Sdn. Bhd. is being classified under Retail Segment. Accordingly, certain comparative figures have been reclassified to conform with current year presentation.

Group 2025 Business Segments In RM'000	Retail	Commercial	Convenience	Total
Revenue	**20,482,621**	**17,532,934**	**253,777**	**38,269,332**
Depreciation and amortisation	**388,129**	**77,549**	**21,246**	**486,924**
Other income	**219,871**	**128,549**	**5,586**	**354,006**
Operating profit	**653,214**	**759,210**	**121,743**	**1,534,167**
Financing costs	**(7,712)**	**(8,010)**	**(158)**	**(15,880)**
Share of profit after tax of associates and joint ventures				**12,690**
Profit before taxation				**1,530,977**

Notes to the Financial Statements
31 December 2025

26. OPERATING SEGMENTS (CONTINUED)

Group 2024 Business Segments In RM'000	Retail	Commercial	Convenience	Total
Revenue	20,229,154	17,434,798	286,810	37,950,762
Depreciation and amortisation	380,506	70,231	24,572	475,309
Other income	200,198	110,889	5,022	316,109
Operating profit	823,186	611,826	113,130	1,548,142
Financing costs	(5,612)	(7,263)	(187)	(13,062)
Share of loss after tax of associates and joint ventures				(4,418)
Profit before taxation				1,530,662

Geographical information

There is no disclosure on geographical segment information as the Group's operations are predominantly within Malaysia.

Major customers

As at 31 December 2025, there are no major customers with revenue that contribute to more than 10 percent of the Group's revenue.

27. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

Group 2025 In RM'000	Note	AC / Total carrying amount
Financial assets		
Trade and other receivables	*	**1,997,111**
Cash and cash equivalents	10	**4,754,921**
		6,752,032
Financial liability		
Trade and other payables	*	**(4,567,121)**

Group 2024 In RM'000	Note	AC / Total carrying amount
Financial assets		
Trade and other receivables	*	4,739,927
Cash and cash equivalents	10	2,114,078
		6,854,005
Financial liability		
Trade and other payables	*	(4,667,047)

* These balances exclude non-financial instruments balances.

Notes to the Financial Statements
31 December 2025

27. FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments (continued)

Company 2025 In RM'000	Note	AC / Total carrying amount
Financial assets		
Trade and other receivables	*	**1,751,926**
Cash and cash equivalents	10	**4,281,851**
		6,033,777
Financial liability		
Trade and other payables	*	**(4,290,282)**

Company 2024 In RM'000	Note	AC / Total carrying amount
Financial assets		
Trade and other receivables	*	4,553,394
Cash and cash equivalents	10	1,626,271
		6,179,665
Financial liability		
Trade and other payables	*	(4,455,487)

* These balances exclude non-financial instruments balances.

Financial risk management

The Group and the Company are exposed to various risks that are particular to their core business which consists of domestic marketing of petroleum products. These risks, which arise in the normal course of the Group's and the Company's business, comprise counterparty credit risk, liquidity risk and market risk relating to interest and foreign exchange risk.

The Group has policies, standards and guidelines in place that sets the foundation for a consistent approach towards establishing an effective integrated financial risk management across PETRONAS Group.

Risk taking activities are undertaken within acceptable level of risk or risk appetite, whereby the risk appetite level reflects business considerations and capacity to assume such risks. The risk appetite is established at Board level, where relevant, based on defined methodology and translated into operational thresholds.

The Group's and the Company's goal in risk management are to ensure that the management understands, measures, monitors and reports the financial risks that arise in connection with their operations. The policies, standards and guidelines have been developed to identify, analyse, appraise, monitor and report the dynamic risks facing the Group and the Company. Based on this assessment, each business unit adopts appropriate measures to mitigate these risks in accordance with the business unit's view of the balance between risk and reward.

Notes to the Financial Statements
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27. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk

Counterparty credit risk refers to risk of loss resulting from a counterparty failing to perform its contractual financial obligation or making payment for goods and services, due to circumstances such as bankruptcy, financial constraints, political restrictions and government directives.

The Group's and the Company's exposures to credit risk arise principally from their receivables from third party customers, fund and other investments and financial guarantees given to financial institutions for credit facilities granted to subsidiaries, joint ventures and associates. Credit risks are controlled in accordance with PETRONAS' policies, standards and guidelines implemented across PETRONAS Group.

i. Trade receivables

Risk management objectives, policies and processes for managing the risk

The Group and the Company minimise credit risk by ensuring that all potential third party counterparties are assessed prior to registration and entering into new contracts. Existing third party counterparties are also subject to regular reviews, including reappraisal and approval of granted limits where applicable. The creditworthiness of counterparties is assessed based on an analysis of all available quantitative and qualitative data regarding business risks and financial standing, together with the review of any relevant third party and market information. Reports are prepared and presented to the management that cover the Group's overall credit exposure against portfolio level risk appetite.

Depending on the types of transactions and counterparty creditworthiness, the Group and the Company further mitigate credit risk by requiring collateral or other credit enhancements such as cash deposits, Amanah Saham Bumiputera ("ASB"), Amanah Saham Bumiputera 2 ("ASB 2"), Amanah Saham Wawasan 2020 ("ASW 2020") and bank guarantees.

The Group uses ageing analysis to monitor the credit quality of the receivables. As at the year end, 95% (2024: 93%) of gross trade receivables of the Group are within the credit terms.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values.

At each reporting date, the Group and the Company assess whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

Exposure to credit risk

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
(i) significant financial difficulty of the customer;
(ii) a breach of contract such as a default; or
(iii) it is probable that the customer will enter bankruptcy or other financial reorganisation.

Concentration of credit risk

On reporting date, there is a significant concentration of credit risk of the Group arising from an amount owing from a customer constituting 14% (2024: 12%) of the total trade receivables of the Group.

Notes to the Financial Statements
31 December 2025

27. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

i. Trade receivables (continued)

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group and the Company monitor their debtors and take appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The Group and the Company perform credit rating assessment on all its counterparties in order to measure Expected Credit Loss ("ECL") of trade receivables for all segments using the PETRONAS Credit Risk Rating system. This credit rating assessment considers quantitative assessment using the counterparties' financial statements or a qualitative assessment of the counterparties which includes but is not limited to their reputation, competitive position, industry and geopolitical outlook.

In determining the ECL, the probability of default assigned to each counterparty is based on their individual credit rating. This probability of default is derived by benchmarking against available third party and market information, which also incorporates forward looking information.

Loss given default is the assumption of the proportion of financial asset that cannot be recovered by conversion of collateral to cash or by legal process, and is assessed based on the Group's and the Company's historical experience.

The following table provides information about the exposure to credit risk and ECL for trade receivables as at 31 December 2025.

Group 2025 In RM'000	Note	Gross carrying amount	Loss allowance	Net balance
Credit Risk Rating				
Sovereign		**33,234**	**-**	**33,234**
Excellent		**420,515**	**(133)**	**420,382**
Good		**498,025**	**(435)**	**497,590**
Fair		**718,303**	**(16,452)**	**701,851**
		1,670,077	**(17,020)**	**1,653,057**
Credit impaired:				
Individually impaired		**20,005**	**(20,005)**	**-**
		1,690,082	**(37,025)**	**1,653,057**
Representing:				
Trade receivables	9	**1,690,082**	**(37,025)**	**1,653,057**

Notes to the Financial Statements
31 December 2025

27. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

i. Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

Group 2024 In RM'000	Note	Gross carrying amount	Loss allowance	Net balance
Credit Risk Rating				
Sovereign		30,909	-	30,909
Excellent		380,631	(94)	380,537
Good		872,411	(1,034)	871,377
Fair		354,945	(2,188)	352,757
		1,638,896	(3,316)	1,635,580
Credit impaired:				
Individually impaired		52,382	(52,382)	-
		1,691,278	(55,698)	1,635,580
Representing:				
Trade receivables	9	1,691,278	(55,698)	1,635,580

Company 2025 In RM'000	Note	Gross carrying amount	Loss allowance	Net balance
Credit Risk Rating				
Sovereign		**33,234**	**-**	**33,234**
Excellent		**333,540**	**(123)**	**333,417**
Good		**387,526**	**(327)**	**387,199**
Fair		**670,652**	**(16,233)**	**654,419**
		1,424,952	**(16,683)**	**1,408,269**
Credit impaired:				
Individually impaired		**7,670**	**(7,670)**	**-**
		1,432,622	**(24,353)**	**1,408,269**
Representing:				
Trade receivables	9	**1,432,622**	**(24,353)**	**1,408,269**

Notes to the Financial Statements
31 December 2025

27. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

i. Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

Company 2024 In RM'000	Note	Gross carrying amount	Loss allowance	Net balance
Credit Risk Rating				
Sovereign		30,909	-	30,909
Excellent		303,133	(86)	303,047
Good		782,138	(920)	781,218
Fair		314,742	(1,998)	312,744
		1,430,922	(3,004)	1,427,918
Credit impaired:				
Individually impaired		42,371	(42,371)	-
		1,473,293	(45,375)	1,427,918
Representing:				
Trade receivables	9	1,473,293	(45,375)	1,427,918

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is equal to the carrying amount. The ageing of trade receivables net of impairment amount as at the end of the reporting period is analysed below:

	Group		Company	
In RM'000	2025	2024	2025	2024
At net				
Current	**1,598,376**	1,571,975	**1,385,299**	1,382,277
Past due 1 to 30 days	**24,304**	11,386	**9,683**	5,218
Past due 31 to 60 days	**7,919**	3,195	**234**	849
Past due 61 to 90 days	**4,399**	2,242	**194**	631
Past due more than 90 days	**18,059**	46,782	**12,859**	38,943
	1,653,057	1,635,580	**1,408,269**	1,427,918
Representing:				
Trade receivables (Note 9)	**1,690,082**	1,691,278	**1,432,622**	1,473,293
Less: Impairment losses (Note 9)	**(37,025)**	(55,698)	**(24,353)**	(45,375)
	1,653,057	1,635,580	**1,408,269**	1,427,918

There are trade receivables where the Group has not recognised any loss allowance as the trade receivables are secured by collateral and/or other credit enhancements such as cash deposits, ASB, ASB 2, ASW 2020 and bank guarantees.

Notes to the Financial Statements
31 December 2025

27. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

i. Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

Trade receivables which are credit impaired amounting to RM37,025,000 (2024: RM55,698,000) are partially collateralised in the form of financial guarantee by banks. Impairment loss has been provided in excess of the collateral value of the financial guarantee of RM46,021,000 (2024: RM162,210,000).

The movements in the allowance for impairment losses of trade receivables during the financial year are as follows:

	Group		Company	
In RM'000	2025	2024	2025	2024
Opening balance	**55,698**	67,447	**45,375**	57,363
Impairment loss/(reversal) recognised	**8,327**	(11,749)	**5,978**	(11,988)
Impairment written off	**(27,000)**	-	**(27,000)**	-
Closing balance	**37,025**	55,698	**24,353**	45,375

ii. Fund investments

The Group and the Company are also exposed to counterparty credit risk from financial institutions through fund investment activities which is managed by IFSSC on behalf of the Group comprising primarily money market placement. These exposures are managed in accordance with existing policies and guidelines that define the parameters within which the investment activities shall be undertaken in order to achieve the Group's investment objective of preserving capital and generating optimal returns above appropriate benchmarks within allowable risk parameters.

Investments are only made with approved counterparties who met the appropriate rating and other relevant criteria, and within approved credit limits, as stipulated in the policies and guidelines.

The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

As at the reporting date, the Group and the Company have only invested in short term domestic money market instrument. In view of the sound credit rating of counterparties, the Group and the Company do not expect any counterparties to fail to meet its obligation and hence, loss allowance is not provided for.

Liquidity risk

Liquidity risk is the risk that the Group and the Company will have insufficient funds to meet financial commitments in a timely manner. The Group's and the Company's exposure to liquidity risk arises principally from their trade and other payables, and borrowings. In managing its liquidity risk, the Group and the Company maintain sufficient cash and liquid marketable assets and a balance between continuity of funding and flexibility through use of stand-by credit facilities. The Company's current credit rating enables it to access banking facilities in excess of current and immediate future requirements of the Group and the Company.

Notes to the Financial Statements
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27. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the reporting date based on undiscounted contractual payments:

Group 2025 In RM'000	Carrying amount	Effective interest rates per annum/ discount rate %	Contractual cash flows	Within 1 year
Financial liabilities				
Lease liabilities	**162,961**	**3.51 - 8.43**	**265,853**	**82,090**
Trade and other payables	**4,567,121**	**-**	**4,567,121**	**4,567,121**
Sukuk facilities	**-**	**-**	**-**	**-**
	4,730,082		**4,832,974**	**4,649,211**

continue below

Group 2025 In RM'000	1-2 years	2-5 years	More than 5 years
Financial liabilities			
Lease liabilities	**13,740**	**35,479**	**134,544**
Trade and other payables	**-**	**-**	**-**
Sukuk facilities	**-**	**-**	**-**
	13,740	**35,479**	**134,544**

continued from above

Group 2024 In RM'000	Carrying amount	Effective interest rates per annum/ discount rate %	Contractual cash flows	Within 1 year
Financial liabilities				
Lease liabilities	107,962	3.41 - 8.43	216,763	19,921
Trade and other payables	4,667,047	-	4,667,047	4,667,047
Sukuk facilities	-	-	-	-
	4,775,009		4,883,810	4,686,968

continue below

Group 2024 In RM'000	1-2 years	2-5 years	More than 5 years
Financial liabilities			
Lease liabilities	14,608	39,639	142,595
Trade and other payables	-	-	-
Sukuk facilities	-	-	-
	14,608	39,639	142,595

continued from above

Notes to the Financial Statements
31 December 2025

27. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (continued)

Maturity analysis (continued)

Company 2025 In RM'000	Carrying amount	Discount rate %	Contractual cash flows	Within 1 year
Financial liabilities				
Lease liabilities	**87,571**	**3.91 - 7.80**	**97,889**	**72,903**
Trade and other payables	**4,290,282**	**-**	**4,290,282**	**4,290,282**
Sukuk facilities	**-**	**-**	**-**	**-**
	4,377,853		**4,388,171**	**4,363,185**

continue below

Company 2025 In RM'000	1-2 years	2-5 years	More than 5 years
Financial liabilities			
Lease liabilities	**6,192**	**7,970**	**10,824**
Trade and other payables	**-**	**-**	**-**
Sukuk facilities	**-**	**-**	**-**
	6,192	**7,970**	**10,824**

continued from above

Company 2024 In RM'000	Carrying amount	Discount rate %	Contractual cash flows	Within 1 year
Financial liabilities				
Lease liabilities	30,468	3.41 - 7.80	40,253	10,699
Trade and other payables	4,455,487	-	4,455,487	4,455,487
Sukuk facilities	-	-	-	-
	4,485,955		4,495,740	4,466,186

continue below

Company 2024 In RM'000	1-2 years	2-5 years	More than 5 years
Financial liabilities			
Lease liabilities	5,683	11,960	11,911
Trade and other payables	-	-	-
Sukuk facilities	-	-	-
	5,683	11,960	11,911

continued from above

Notes to the Financial Statements
31 December 2025

27. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk

Market risk is the risk or uncertainty arising from change in market prices and their impact on the performance of the business. The market price changes that the Group and the Company are exposed to include interest rates and foreign currency exchange rates that could affect the value of the Group's and the Company's financial assets, liabilities or expected future cash flows.

Profit margin or Interest rate risk

Profit margin or interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates.

Sukuk facilities, short-term receivables and payables are not significantly exposed to interest rate risk.

The Group's interest-bearing financial assets and financial liabilities, which consist mainly of fixed rate short term fund placements and Sukuk facilities do not have significant exposure to interest rate risk.

All profit or interest rate exposures are monitored and managed proactively in line with PETRONAS' policies and guidelines.

Foreign exchange risk

The Group and the Company are exposed to varying levels of foreign exchange risk when they enter into transactions that are not denominated in the respective companies' functional currencies and when foreign currency monetary assets and liabilities are translated at the reporting date. The main underlying economic currencies of the Group's cash flows are Ringgit Malaysia and US Dollars.

The Group's and the Company's funds are managed by IFSSC whereby foreign currency exposure is typically managed by matching receipts and payment for the same currency and internally hedged with IFSSC. When deemed necessary and appropriate, the Company, via IFSSC will enter into external hedging to minimise its exposure to the foreign currency movements.

The Group's and the Company's significant exposure to foreign currency risk based on carrying amounts as at the reporting date is as follows:

Group In RM'000	2025 Denominated in USD	2024 Denominated in USD
Financial asset		
Trade and other receivables	**180,378**	146,763
Financial liabilities		
Trade and other payables	**(19,289)**	(19,150)
Lease liabilities	**(66,224)**	(1,986)
	94,865	125,627

Notes to the Financial Statements
31 December 2025

27. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Foreign exchange risk (continued)

Company In RM'000	2025 Denominated in USD	2024 Denominated in USD
Financial asset		
Trade and other receivables	**180,378**	146,763
Financial liabilities		
Trade and other payables	**(18,849)**	(18,398)
Lease liabilities	**(66,224)**	(1,986)
	95,305	126,379

Sensitivity analysis for a given market variable provided in this note, discloses the effect on profit or loss and equity as at 31 December 2025 assuming that a reasonably possible change in the relevant market variable had occurred at 31 December 2025 and been applied to the risk exposures in existence at that date to show the effects of reasonably possible changes in price on profit or loss and equity to the next annual reporting date. Reasonably possible changes in market variables used in the sensitivity analysis are based on implied volatilities, where available, or historical data for equity and commodity prices and foreign exchange rates. Reasonably possible changes in interest rates are based on management judgment and historical experience.

The sensitivity analysis is hypothetical and should not be considered to be predictive of future performance because the Group's actual exposure to market prices is constantly changing with changes in the Group's portfolio of among others, commodity, debt and foreign currency contracts. Changes in fair values or cash flows based on a variation in a market variable cannot be extrapolated because the relationship between the change in market variable and the change in fair value or cash flows may not be linear. In addition, the effect of a change in a given market variable is calculated independently of any change in another assumption and mitigating actions that would be taken by the Group. In reality, changes in one factor may contribute to changes in another, which may magnify or counteract the sensitivities.

The following table demonstrates the indicative pre-tax effects on the profit or loss and equity of applying reasonably foreseeable market movements in the following currency exchange rates:

		Group	Company
	Appreciation in foreign currency rate %	Effect on profit or loss RM'000	Effect on profit or loss RM'000
2025			
USD	**5**	**4,743**	**4,765**
2024			
USD	10	12,563	12,638

A depreciation in USD would have had equal but opposite effect, on the basis that all other variables remain constant.

Notes to the Financial Statements
31 December 2025

27. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value information

The Group's and the Company's financial instruments consist of borrowings, cash and cash equivalents, trade and other receivables and trade and other payables.

The carrying amounts of cash and cash equivalents, short-term fund investments, receivables and payables and short-term borrowings, reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market of interest at the end of the reporting period.

Income/(expense), net gains and losses arising from financial instruments

Group 2025 In RM'000	Interest income	Net impairment loss	Others*	Total
Financial assets at amortised cost	**193,699**	**(12,333)**	**(3,075)**	**178,291**
Financial liabilities at amortised cost	**-**	**-**	**4,825**	**4,825**
Total	**193,699**	**(12,333)**	**1,750**	**183,116**

Group 2024 In RM'000	Interest income	Net impairment reversal	Others*	Total
Financial assets at amortised cost	160,852	11,047	(285)	171,614
Financial liabilities at amortised cost	-	-	(2,046)	(2,046)
Total	160,852	11,047	(2,331)	169,568

Company 2025 In RM'000	Interest income	Net impairment loss	Others*	Total
Financial assets at amortised cost	**176,727**	**(9,934)**	**(3,080)**	**163,713**
Financial liabilities at amortised cost	**-**	**-**	**4,385**	**4,385**
Total	**176,727**	**(9,934)**	**1,305**	**168,098**

Company 2024 In RM'000	Interest income	Net impairment reversal	Others*	Total
Financial assets at amortised cost	148,042	11,249	(300)	158,991
Financial liabilities at amortised cost	-	-	(2,343)	(2,343)
Total	148,042	11,249	(2,643)	156,648

* Others relate to gains and losses arising from financial instruments other than interest income, interest expense and impairment loss such as realised and unrealised foreign exchange gains or losses.

Notes to the Financial Statements
31 December 2025

28. CAPITAL MANAGEMENT

The Group, as an essential part of its capital management strategy, is committed towards achieving financial resilience and ensuring long-term business sustainability as outlined in the PETRONAS Financial Policy. The Group's capital structure consists of consolidated equity plus debt, defined as the current and long-term portions of the Group's debt.

The objective of the Group's capital management is to maintain an optimal capital structure and ensure availability of funds in order to meet financial obligations, support business growth and maximise shareholders' value. The Group monitors and maintains a prudent level of total debt to total assets.

There were no changes in the Group's approach to capital management during the financial year.

The debt to equity ratio of the Group as at 31 December 2025 is 2.7:100 (2024: 1.8:100).

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain consolidated shareholders' equity equal to or not less than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Group has complied with this requirement.

29. HOLDING AND ULTIMATE HOLDING COMPANY

The holding and ultimate holding company is Petroliam Nasional Berhad ("PETRONAS"), a company incorporated in Malaysia.

30. SUBSIDIARIES AND ACTIVITIES

	Effective ownership interest and voting interest		Principal place of business	Principal Activities
	2025 %	2024 %		
Companies incorporated in Malaysia				
Mesra Retail & Cafe Sdn. Bhd.	**100**	100	Malaysia	Managing the operations of Mesra convenience stores, food & beverage and managing petrol station.
PETRONAS Aviation Sdn. Bhd.	**100**	100	Malaysia	The Company has ceased operations and is transitioning towards dormancy.
PETRONAS Lubricants Marketing (Malaysia) Sdn. Bhd.	**100**	100	Malaysia	Marketing and distribution of petroleum products.
Setel Express Sdn. Bhd.	**100**	100	Malaysia	The Company has ceased operations and is transitioning towards dormancy.
Setel Pay Sdn. Bhd.	**100**	100	Malaysia	Issuing and operating electronic money ("e-money") and the Company is currently dormant.
Setel Ventures Sdn. Bhd.	**100**	100	Malaysia	Principally engaged in providing seamless payment solutions.
Kuala Lumpur Aviation Fuelling System Sdn. Bhd.	**65**	65	Malaysia	Operating, maintaining and managing Aircraft Fuelling System ("AFS") at Kuala Lumpur International Airport, and providing aviation fuelling services related to the AFS to fuel suppliers.
PDB Growth Solutions Sdn. Bhd.	**100**	—	Malaysia	Investment holding company for PETRONAS Dagangan Berhad's growth initiatives.

Notes to the Financial Statements
31 December 2025

31. ASSOCIATES AND ACTIVITIES

	Effective ownership interest and voting interest		Principal place of business	Principal Activities
	2025 %	2024 %		
Companies incorporated in Malaysia				
*IOT Management Sdn. Bhd.	**20**	20	Malaysia	Managing independent oil terminals at Senari, Kuching.
*Tanjung Manis Oil Terminal Management Sdn. Bhd.	**20**	20	Malaysia	Managing oil terminals at Tanjung Manis.

* Audited by firm of auditors other than KPMG PLT.

32. JOINT VENTURES AND ACTIVITIES

	Effective ownership interest and voting interest		Principal place of business	Principal Activities
	2025 %	2024 %		
Companies incorporated in Malaysia				
P S Pipeline Sendirian Berhad	**50**	50	Malaysia	Maintaining and operating the Multi Product Pipeline and Klang Valley Distribution Terminal ("MPP-KVDT") and the associated facilities for the transportation of petroleum products on behalf of the MPP-KVDT owners/ shareholders namely Shell Malaysia Trading Sdn. Bhd. and PETRONAS Dagangan Berhad.
P S Terminal Sendirian Berhad	**50**	50	Malaysia	Operation, management and maintenance of joint facilities – terminal, depot, warehouse, equipment, machinery, pipelines, tanks and associated facilities in Tawau and Bintulu on behalf of the joint shareholders namely Shell Timur Sdn. Bhd. and PETRONAS Dagangan Berhad.
PETROSNiaga Sdn. Bhd.*	**49**	49	Malaysia	To supply industrial bulk, commercial and residential LPG.
Blueshark Malaysia Sdn. Bhd.*	**49**	—	Malaysia	Distributor and authorised wholesaler of 2-wheeler electric vehicles, its spare parts and accessories and supplier of battery swap stations and batteries for Malaysia.

*Audited by firm of auditors other than KPMG PLT.

Notes to the Financial Statements
31 December 2025

33. ADOPTION OF REVISED PRONOUNCEMENT

During the financial year, the Group and the Company adopted the following pronouncement that had been issued by the MASB and is applicable as listed below:

Effective for annual periods beginning on or after 1 January 2025
Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)*

The initial application of the above-mentioned pronouncement did not have any material impact to the financial statements of the Group and the Company.

34. PRONOUNCEMENTS YET IN EFFECT

The following pronouncements that have been issued by the MASB will become effective in future financial reporting periods and have not been adopted by the Group and the Company in these financial statements:

Effective for annual periods beginning on or after 1 January 2026
Amendments to MFRS 9 *Financial Instruments* and MFRS *7 Financial Instruments: Disclosures (Classification and Measurement of Financial Instruments)*
Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards,* MFRS 7 *Financial Instruments: Disclosures,* MFRS 9 *Financial Instruments,* MFRS 10 *Consolidated Financial Statements* and MFRS 107 *Statement of Cash Flows (Annual Improvements to MFRS Accounting Standards - Volume 11)*

Effective for annual periods beginning on or after 1 January 2027
MFRS 18 *Presentation and Disclosure in Financial Statements*

Effective for a date yet to be confirmed
Amendments to MFRS 10 *Consolidated Financial Statements (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)*
Amendments to MFRS 128 *Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)*

The Group and the Company are expected to apply the above-mentioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the above-mentioned pronouncements is not expected to have any material impact to the financial statements of the Group and the Company, except for MFRS 18 pronouncement, which impact on initial application is currently being assessed. Further details on MFRS 18 pronouncements are discussed below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 and introduces enhanced requirements for the presentation and disclosure of financial statements. The standard mandates structured subtotals in the statement of profit or loss, classification of income and expenses into defined categories, and disclosure of management-defined performance measures with reconciliations to MFRS amounts.

The Group and the Company have assessed the estimated impact on financial statements upon the initial application of MFRS 18. The implementation of MFRS 18 will not result in changes to the recognition and measurement of financial statements. The impact will be limited to the financial statements' disclosures and presentation.

Notes to the Financial Statements
31 December 2025

34. PRONOUNCEMENTS YET IN EFFECT (CONTINUED)

MFRS 18 Presentation and Disclosure in Financial Statements (continued)

Upon adoption, the Group and the Company expect the impact mainly from the classification of income derived from the Group's equity accounted investments and income from fund and other investments into the investing category within the statement of profit or loss.

The Group and the Company do not expect significant changes to the information that is currently disclosed in the notes as the requirement to disclose material information remains unchanged. However, there will be new disclosures required for:
i. Management-defined performance measures; and
ii. The nature of expenses for certain line items presented by function in the operating category of the statement of profit or loss.

35. NEW AND REVISED PRONOUNCEMENTS NOT APPLICABLE TO THE GROUP AND THE COMPANY

The MASB has issued new pronouncements which are not relevant to the Group and the Company and hence, no further disclosure are warranted.

Effective for annual periods beginning on or after 1 January 2026
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures (Contracts Referencing Nature-dependent Electricity)

Effective for annual periods beginning on or after 1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*
Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates Translation to a Hyperinflationary Presentation Currency*

Independent Auditors' Report

to the members of PETRONAS DAGANGAN BERHAD
(Company No. 198201008499 (88222-D))
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of PETRONAS Dagangan Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 199 to 265.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Refer to Note 2.13 - Material accounting policies: Revenue and Note 18 - Revenue.

The key audit matter

The main revenue streams of the Group include retail, commercial and convenience. Revenue recognition is a key audit matter due to the risk that revenue may be overstated arising from pressure faced by the Group in achieving performance targets as revenue recognition has direct impact on the results of the Group.

How the matter was addressed in our audit

We performed the following audit procedures, among others, around revenue recognition:

- We tested the design and implementation as well as operating effectiveness of the Group's controls relevant to recognition of revenue;
- We assessed whether sales transactions on either side of the statement of financial position date as well as credit notes issued after year end are recognised in the correct period;
- We tested sales transactions recorded to the acknowledged customer delivery orders as an indication of transfer of control on goods to ascertain validity of sales;
- We involved our Information Technology Specialist to test the overall general IT control environment and application controls relevant to recognition of sales.

Independent Auditors' Report
to the members of PETRONAS DAGANGAN BERHAD
(Company No. 198201008499 (88222-D))
(Incorporated in Malaysia)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report

to the members of PETRONAS DAGANGAN BERHAD
(Company No. 198201008499 (88222-D))
(Incorporated in Malaysia)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 24 February 2026

Eric Kuo Sze-Wei
Approval Number: 03473/11/2027 J
Chartered Accountant

Analysis of Shareholdings

As At 27 February 2026

SHARE CAPITAL

Share Capital : RM993,454,000 comprising 993,454,000 ordinary shares
Class of Shares : Ordinary Shares
Voting Rights : One Vote Per Ordinary Share (On A Poll)

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
Less than 100	2,619	25.724	10,033	0.001
100 – 1,000	2,980	29.270	1,518,425	0.153
1,001 – 10,000	3,874	38.051	10,523,381	1.059
10,001 – 100,000	482	4.735	16,024,482	1.613
100,001 to less than 5% of issued shares	224	2.200	246,779,944	24.841
5% and above of issued shares	2	0.020	718,597,735	72.333
TOTAL	**10,181**	**100**	**993,454,000**	**100**

CLASSIFICATION OF SHAREHOLDERS

Category	No. of Shareholders		No. of Shares		% of Total Shareholdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Individuals	8,065	79	14,022,479	229,950	1.411	0.023
Body Corporate						
• Banks/Finance Companies	17	2	106,643,300	326,500	10.735	0.033
• Investment Trusts/Foundation/Charities	16	0	36,000	0	0.004	0.000
• Industrial and Commercial Companies	149	5	2,055,800	230,000	0.207	0.024
Government Agencies/ Institutions	6	0	7,413,300	0	0.746	0.000
Nominees	1,130	710	786,450,929	76,023,740	79.163	7.652
Others	2	0	22,002	0	0.002	0.000
TOTAL	**9,385**	**796**	**916,643,810**	**76,810,190**	**92.268**	**7.732**

Analysis of Shareholdings

As At 27 February 2026

LIST OF SUBSTANTIAL SHAREHOLDERS

	No. of Shares	% of Total Shareholding	Total No. of Shares
Petroliam Nasional Berhad **Petroliam Nasional Berhad (PETRONAS Research Fund)** Registered with : *CIMB Group Nominees (Tempatan) Sdn. Bhd.*	635,000,400 200,900	63.94	635,201,300
Employees Provident Fund Board Registered with : *Citigroup Nominees (Tempatan) Sdn Bhd (#9 CDS Accs)*		13.32	132,310,974
TOTAL		**77.26**	**767,512,274**

LIST OF DIRECTORS' SHAREHOLDINGS

		Direct		Indirect	
No.	Name	No. of Shares	% of Total Shareholding	No. of Shares	% of Total Shareholding
1.	DATUK ANUAR AHMAD	Nil	Nil	Nil	Nil
2.	AZRUL OSMAN RANI	Nil	Nil	Nil	Nil
3.	ALVIN MICHAEL HEW THAI KHEAM	Nil	Nil	Nil	Nil
4.	NIRMALA DORAISAMY	Nil	Nil	Nil	Nil
5.	TANG SAW HUA	Nil	Nil	Nil	Nil
6.	DATIN ARNI LAILY ANWARRUDIN	Nil	Nil	Nil	Nil
7.	DATUK SAZALI HAMZAH	Nil	Nil	Nil	Nil
8.	MOHD YUZAIDI MOHD YUSOFF	Nil	Nil	Nil	Nil

Analysis of Shareholdings
As At 27 February 2026

LIST OF LEADERSHIP TEAM'S SHAREHOLDINGS

		Direct		Indirect	
No.	Name	No. of Shares	% of Total Shareholding	No. of Shares	% of Total Shareholding
1.	AZRUL OSMAN RANI	Nil	Nil	Nil	Nil
2.	AZUREEN AZITA ABDULLAH	Nil	Nil	Nil	Nil
3.	MAZLIE MINHAT	Nil	Nil	Nil	Nil
4.	SAZLINA AHAMAD	Nil	Nil	Nil	Nil
5.	MOHD FEIRUZ MOHD GHAZALI	Nil	Nil	Nil	Nil
6.	HARDEEP SINGH KIRPAL SINGH	Nil	Nil	Nil	Nil
7.	ANTON SALLEH HASHIM	Nil	Nil	Nil	Nil
8.	NORMAH BASRI	Nil	Nil	Nil	Nil
9.	HARLINA PIKRI	Nil	Nil	Nil	Nil
10.	SORAYA YAHYA	Nil	Nil	Nil	Nil
11.	MOHD FAZNI ISMAIL	Nil	Nil	Nil	Nil
12.	CHEOK YEN KWAN	Nil	Nil	Nil	Nil
13.	AMIR ZAFILY ZAKARIA	Nil	Nil	Nil	Nil
14.	DR RAVI MENON	Nil	Nil	Nil	Nil
15.	NORAZLAN SUBAHA	Nil	Nil	Nil	Nil
16.	ABDULLAH AYMAN AWALUDDIN	Nil	Nil	Nil	Nil
17.	MOHD ZAMEER ZAHUR HUSSAIN	Nil	Nil	Nil	Nil
18.	NIK FARIZA NIK HAMDAN	Nil	Nil	Nil	Nil

Analysis of Shareholdings

As At 27 February 2026

LIST OF 30 LARGEST SHAREHOLDERS

No.	Name	No. of Shares	% of Total Shares
1.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD	635,000,400	63.918
2.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	83,597,335	8.415
3.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	45,079,435	4.538
4.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	34,217,100	3.444
5.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA	22,535,900	2.268
6.	LEMBAGA TABUNG HAJI	18,781,800	1.891
7.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 2 - WAWASAN	8,845,700	0.890
8.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3	8,451,100	0.851
9.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	6,847,700	0.689
10.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	4,886,940	0.492
11.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	4,555,907	0.459
12.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	4,091,800	0.412
13.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 3 - DIDIK	3,882,800	0.391
14.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR ISHARES CORE MSCI EMERGING MARKETS ETF	2,698,600	0.272
15.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	2,482,100	0.250
16.	HSBC NOMINEES (ASING) SDN BHD HSBC-FS G FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM)	2,378,143	0.239
17.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	2,074,400	0.209
18.	MAYBANK NOMINEES (TEMPATAN) SDN BHD SETIAUSAHA KERAJAAN PULAU PINANG	2,000,000	0.201
19.	STATE FINANCIAL SECRETARY SARAWAK	2,000,000	0.201
20.	STATE SECRETARY, KEDAH (INCORPORATION)	1,800,000	0.181
21.	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	1,745,294	0.176
22.	HONG LEONG INVESTMENT BANK BERHAD EXEMPT AN CLR FOR AMANAHRAYA TRUSTEES BERHAD	1,650,000	0.166
23.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	1,305,300	0.131
24.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	1,301,800	0.131
25.	CITIGROUP NOMINEES (ASING) SDN BHD LEGAL & GENERAL ASSURANCE (PENSIONS MANAGEMENT) LIMITED (A/C 1125250001)	1,197,103	0.120
26.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND ZV86 FOR STATE STREET GLOBAL ADVISORS TRUST COMPANY INVESTMENT FUNDS FOR TAX EXEMPT RETIREMENT PLANS	1,112,800	0.112
27.	CARTABAN NOMINEES (ASING) SDN BHD BNYM SA/NV FOR ISHARES PUBLIC LIMITED COMPANY	1,082,400	0.109
28.	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR WISDOMTREE EMERGING MARKETS HIGH DIVIDEND FUND	1,067,000	0.107
29.	CHIEF MINISTER, STATE OF SABAH	1,000,000	0.101
30.	MENTERI BESAR INCORPORATION	1,000,000	0.101
		908,668,857	**91.466**

Analysis of Shareholdings
As At 27 February 2026

Net Book Value of Land and Buildings of the Company

	Freehold			Leasehold			Total Land			Building
	Net Book Value of Land (RM'000)	No. of Lots	Area (sq.ft.)	Net Book Value of Land (RM'000)	No. of Lots	Area (sq.ft.)	Net Book Value of Land (RM'000)	No. of Lots	Area (sq.ft.)	Net Book Value of Buildings (RM'000)
CENTRAL REGION	438,409	117	4,387,220	269,582	93	19,678,893	707,991	210	24,066,113	192,998
NORTHERN REGION	191,246	84	3,680,319	45,343	41	5,689,004	236,589	125	9,369,323	86,378
SOUTHERN REGION	364,010	140	5,536,755	80,570	46	1,704,511	444,580	186	7,241,266	101,645
EAST COAST REGION	67,529	37	1,593,158	29,742	54	1,939,805	97,271	91	3,532,963	59,128
SARAWAK	11,721	4	183,095	22,499	36	1,441,916	34,220	40	1,625,011	43,937
SABAH	215	1	49,223	26,371	37	2,534,198	26,586	38	2,583,421	23,005
Grand Total	**1,073,130**	**383**	**15,429,770**	**474,107**	**307**	**32,988,327**	**1,547,237**	**690**	**48,418,097**	**507,091**

Usage of Land*

	Bulk Depot	Klang Valley Distribution Terminal	LPG Storage & Bottling Plant	Multi Product Pipeline	Service Station	Training Centre & Service Station	Vacant Land	Grand Total
CENTRAL REGION	-	2	-	1	200	1	6	210
NORTHERN REGION	3	-	-	-	118	-	4	125
SOUTHERN REGION	-	-	-	-	184	-	2	186
EAST COAST REGION	-	-	1	-	86	-	4	91
SARAWAK	3	-	-	-	37	-	-	40
SABAH	3	-	-	-	33	-	2	38
Grand Total	**9**	**2**	**1**	**1**	**658**	**1**	**18**	**690**

** This represents usage of freehold and leasehold land belonging to the Company, and exclude stations or facilities built on leased land*

List of Top 10 Landed Properties

As at 31 December 2025

Name of Facilities and Location	Net Book Value (RM'000)
PRAI FUEL TERMINAL Lot 93, Kawasan Perindustrian Prai, 13600 Perai, Pulau Pinang	15,631
PSS SEBERANG PRAI KM 131, PLUS Arah Selatan, Lot 1973 Seberang Perai Tengah, Pulau Pinang	11,568
PS BANDAR COALFIELDS HSD 282787 PT 31030 MUKIM IJOK, KUALA SL	10,514
PS SALAK JAYA (NB) KM 13.9 LEBUH RAYA SUNGAI BESI W.P	5,838
PSS SUBANG AIRPORT LOT 1210 JLN LAPANGAN TERBANG SUBANG	4,222
PSS LEBUHRAYA SILK DENGKIL Lot 44116, KM 26.8 Lebuhraya Silk (Arah Kajang), 43300 Seri Kembangan, Selangor	4,165
MEX SERI KEMBANGN (NB) HSD 323903, PT 83459, MUKIM PETALING	4,160
PASIR GUDANG LPG BOTTLING PLANT Lot 108, Lorong Sawit 2, Kawasan Pelabuhan Johor, 81700 Pasir Gudang, Johor	4,046
LUMUT FUEL TERMINAL Lumut Port Industrial Park, Kg Acheh, 32000 Sitiawan, Perak	3,779
PSS BANDAR SUNGAI MERAB Lot PT 2, Bandar Sungai Merab, 43000 Sepang, Selangor	3,637

Corporate Information

BOARD OF DIRECTORS

DATUK ANUAR AHMAD
Chairman

Non-Independent Non-Executive Director

AZRUL OSMAN RANI
Managing Director/Chief Executive Officer

ALVIN MICHAEL HEW THAI KHEAM
Senior Independent Non-Executive Director

NIRMALA DORAISAMY
Independent Non-Executive Director

TANG SAW HUA
Independent Non-Executive Director

DATIN ARNI LAILY ANWARRUDIN
Non-Independent Non-Executive Director

DATUK SAZALI HAMZAH
Non-Independent Non-Executive Director

MOHD YUZAIDI MOHD YUSOFF
Independent Non-Executive Director

BOARD AUDIT COMMITTEE

- Tang Saw Hua *(Chairman)*
- Nirmala Doraisamy
- Datin Arni Laily Anwarrudin
- Mohd Yuzaidi Mohd Yusoff

NOMINATION AND REMUNERATION COMMITTEE

- Mohd Yuzaidi Mohd Yusoff *(Chairman)*
- Alvin Michael Hew Thai Kheam
- Tang Saw Hua

BOARD SUSTAINABILITY AND RISK COMMITTEE

- Alvin Michael Hew Thai Kheam *(Chairman)*
- Tang Saw Hua
- Nirmala Doraisamy
- Datuk Sazali Hamzah

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

- Alvin Michael Hew Thai Kheam
  Email : sidpdb@petronas.com

COMPANY SECRETARIES

- Hazleena Hamzah
  (LS0010278)
  (SSM Practising Certificate No. 201908001643)
- Norhashema Saleh
  (MAICSA 7021781)
  (SSM Practising Certificate No. 202408000073)

REGISTERED ADDRESS

Tower 1, PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur
Malaysia
Tel : +603 2051 5000

Corporate Information

BUSINESS ADDRESS

Level 28, Tower 1
PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur, Malaysia
Tel : +603 2051 5000

INVESTOR RELATIONS ADDRESS

Level 31, Tower 1
PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur, Malaysia
Tel : +603 2392 0609
Email : petdagIR@petronas.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor, Malaysia
Tel : +603 7890 4700 (Helpdesk)
Fax : +603 7890 4670
Email : bsr.helpdesk@boardroomlimited.com

AUDITOR

KPMG PLT (LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor, Malaysia
Tel : +603 7721 3388
Fax : +603 7721 3399

BANKING SERVICES PROVIDER

PETRONAS Integrated Financial Shared Services Centre (IFSSC)*

* *Banking requirements are substantially managed centrally by PETRONAS IFSSC to enable more efficient banking management for the Group and the Company.*

PLACE OF INCORPORATION AND DOMICILE

Malaysia

FORM OF LEGAL ENTITY

Incorporated on 5 August 1982 as a private company limited by shares under the Companies Act 1965 and converted into a public company limited by shares on 21 August 1993

STOCK EXCHANGE LISTING

Listed on the Main Market of Bursa Malaysia Securities Berhad
Listing date : 8 March 1994
Stock Name : PETDAG
Stock Code : 5681
Stock Sector: Consumer Products and Services

OTHER TICKER CODES

Reuters : PETR.KL
Bloomberg : PETD MK

WEBSITE

www.mymesra.com.my

CUSTOMER SERVICE CENTRE (Mesralink)

Tel : 1-300-88-8181
E-mail : mesralink@petronas.com.my

Additional Compliance Information

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Remarks	Group 2025 (RM)	Group 2024 (RM)
Revenue		**38,269,332,492**	37,950,762,029
Other income		**160,306,814**	155,256,422
Interest/Finance income		**193,699,087**	160,852,224
Share of profit of associates		**291,755**	263,833
Share of profit of ventures		**12,398,345**	(4,681,531)
Total		**38,636,028,493**	38,262,452,977
Total Assets		**11,083,871,363**	11,115,679,890

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group 2025 (RM)	Group 2024 (RM)
Interest income	Conventional	**17,407,711**	15,371,854
Tobacco, cigarette, electronic cigarettes and their related products and activities		**21,303,662**	25,058,370
Total		**38,711,373**	40,430,224

Additional Compliance Information

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group 2025 (RM)	Group 2024 (RM)
Cash at bank		**4,330,025,839**	1,603,596,058
Total Cash		**4,330,025,839**	1,603,596,058

Conventional Account/Instruments	Remarks	Group 2025 (RM)	Group 2024 (RM)
Cash at bank		**424,844,432**	510,094,101
Other cash equivalents (please specify in the remarks column)	Petty Cash	**51,006**	388,119
Total Cash		**424,895,438**	510,482,220

(ii) Debt Component

Islamic Financing	Remarks	Group 2025 (RM)	Group 2024 (RM)
Current		**N/A**	N/A
Non-Current		**N/A**	N/A
Total Financing		**N/A**	N/A

Conventional Borrowing	Remarks	Group 2025 (RM)	Group 2024 (RM)
Current		**N/A**	N/A
Non-Current		**N/A**	N/A
Total Debt		**N/A**	N/A

Notice of 44th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 44th Annual General Meeting (AGM) of PETRONAS Dagangan Berhad (the Company) will be held at the Exhibition Hall 1, Ground Floor, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia (Meeting Venue) and will be broadcasted live from the Meeting Venue on Monday, 27 April 2026 at 10.00 a.m. to transact the following Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.

   Please refer to Explanatory Note A

2. To re-elect the following Directors who retire by rotation in accordance with Article 107 of the Company's Constitution and being eligible, offer themselves for re-election:

   (a) Alvin Michael Hew Thai Kheam **(Resolution 1)**
   (b) Datuk Sazali Hamzah **(Resolution 2)**

   Datuk Anuar Ahmad, who is also due to retire by rotation in accordance with Article 107 of the Company's Constitution, has expressed his intention to retire from office and not to seek re-election. Therefore, he will retire from office upon the conclusion of the Company's 44th AGM.

   Please refer to Explanatory Note B

3. To approve the Directors' fees and allowances payable to the Non-Executive Directors of up to RM3,000,000 for the period from 28 April 2026 until the next AGM of the Company. **(Resolution 3)**

   Please refer to Explanatory Note C

4. To approve the re-appointment of KPMG PLT, as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. **(Resolution 4)**

   Please refer to Explanatory Note D

5. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend, participate and vote at the forthcoming 44th AGM, the Company shall be requesting the Record of Depositors as at **20 April 2026** from Bursa Malaysia Depository Sdn Bhd. Only a depositor whose name appears on the Record of Depositors as at **20 April 2026** shall be entitled to attend, participate and vote at the AGM and appoint proxy(ies) to attend, participate and vote on his/her stead.

BY ORDER OF THE BOARD

NORHASHEMA SALEH (MAICSA 7021781) (SSM Practising Certificate No. 202308000073)
HAZLEENA HAMZAH (LS0010278) (SSM Practising Certificate No. 201908001643)
Company Secretaries

Kuala Lumpur
27 March 2026

Notice of 44th Annual General Meeting

NOTES:

A. MODE OF AGM

The 44th AGM of the Company will be held in a hybrid mode and member(s), proxy(ies), corporate representative(s) or attorney(s) are given an option, either:-

(i) to attend physically at the Meeting Venue ("Physical Attendance"); or
(ii) to attend virtually using the Remote Participation and Electronic Voting ("RPEV") facilities to be provided by the appointed share registrar for this AGM, Boardroom Share Registrars Sdn Bhd ("Boardroom") ("Virtual Attendance").

Please refer to the Administrative Guide for the full guide to Physical Attendance and Virtual Attendance at the 44th AGM of the Company.

B. PROXY AND/OR AUTHORISED REPRESENTATIVE

1. A member who is entitled to attend, participate, speak and vote in this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

2. A member of the Company who is entitled to attend, participate, speak and vote at the meeting may appoint not more than two proxies to participate on his/her behalf provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.

3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities accounts.

4. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for the multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

5. Where a member or the authorised nominee appoints two proxies, or where an Exempt Authorised Nominee appoints two or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

6. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be deposited with Boardroom not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

   (i) In hard copy form

   In the case of an appointment made in hard copy form, the proxy form must be deposited with:

   (a) Boardroom Share Registrars Sdn. Bhd.,
   11th Floor, Menara Symphony,
   No. 5, Jalan Prof. Khoo Kay Kim,
   Seksyen 13, 46200 Petaling Jaya,
   Selangor, Malaysia; or

   (b) By fax at 603-7890 4670 or e-mail to bsr.proxy@boardroomlimited.com

   (ii) By electronic means

   The proxy form can be electronically lodged with Boardroom via Boardroom Smart Investor Portal (BSIP) website at https://investor.boardroomlimited.com. Kindly refer to the Administrative Guide for the AGM on the procedures for electronic lodgment of proxy form via BSIP website.

7. Please ensure the proxy form is completed with **ALL** required particulars, signed and dated accordingly.

8. The last date and time for lodging the proxy form is **Saturday, 25 April 2026 at 10.00 a.m.**

9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with Boardroom at the address stated under item (6)(i)(a) above not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

10. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with Boardroom at the address stated under item (6)(i)(a) above. The certificate of appointment of authorised representative should be executed in the following manner:

    (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

    (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two authorised officers, of whom one shall be a director or any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Notice of 44th Annual General Meeting

11. By submitting the duly executed Proxy Form, the member and his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 44th AGM and any adjournment thereof.

C. VOTING ON A POLL

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia), all resolutions set out in the Notice of 44th AGM will be put to vote as a poll.

D. EXPLANATORY NOTES

Note A - Audited Financial Statements for the Financial Year Ended 31 December 2025
The audited financial statements are laid before the shareholders pursuant to the provision of Section 340(1)(a) of the CA 2016 for discussion only. The Audited Financial Statements do not require shareholders' approval and hence, will not be put forward for voting.

Note B - Re-election of Directors who retire in accordance with Article 107 of the Company's Constitution
Article 107 of the Company's Constitution provides that one-third of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company provided always that all Directors shall retire from office once every three years but shall be eligible for re-election at the AGM. A Director retiring at a meeting shall retain office until the close of the meeting whether adjourned or not.

Datuk Anuar Ahmad (Datuk Anuar), Alvin Michael Hew Thai Kheam (Alvin) and Datuk Sazali Hamzah (Datuk Sazali) are due to retire by rotation in accordance with Article 107 of the Company's Constitution. Alvin and Datuk Sazali have given their consent for re-election at the 44th AGM of the Company. Meanwhile, Datuk Anuar has expressed his intention to retire from office and not to offer himself for re-election at the Company's 44th AGM. Hence, Datuk Anuar will retire from office upon the conclusion of the 44th AGM.

When assessing Alvin and Datuk Sazali for re-election, the Nomination and Remuneration Committee (NRC) evaluates their eligibility based on a comprehensive review of their competencies, commitment, contributions and overall performance. This assessment incorporates findings from the Board Effectiveness Evaluation, the fit and proper declaration, and an evaluation of their ability to act in the best interest of the Company as well as the quarter assessment of conflict of interest by the Board Audit Committee (BAC).

The Board endorsed NRC's recommendation that Alvin and Datuk Sazali, who retire in accordance with Article 107 of the Company's Constitution, are eligible for re-election at the forthcoming 44th AGM of the Company under Resolution 1 and 2.

The profiles of the retiring Directors are set out in the Profile of the Board of Directors on pages 114, 116 and 120 of the Integrated Report 2025.

Note C - Non-Executive Directors' Fees and Allowances
Pursuant to Section 230(1) of the CA 2016, the fees of the directors, and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The fees and allowances structure of the Non-Executive Director (NED) of the Company are as follows:

- Monthly fixed fees for duties as Director/Chairman;
- Meeting allowance for each Board/Board Committee meeting attended; and
- Fuel/EV charging allowance.

The Directors' fees and meeting allowances for Non-Independent Non-Executive Directors who are also employees of Petroliam Nasional Berhad (PETRONAS) are paid directly to PETRONAS.

The shareholders at the last AGM held on 24 April 2025 approved the Directors' fees and allowance of up to an amount of RM3,000,000 for the period from 25 April 2025 until 44th AGM of the Company to be held on 27 April 2026. The actual Directors' fees and other benefits paid to NEDs for the said period was RM2,502,900.00.

The Directors' fees and allowances for the NEDs for the period from 27 April 2026 until the next AGM of the Company (Mandate Period) are estimated not to exceed RM3,000,000. The calculation is based on the estimated number of scheduled Board and Board Committees' meetings and on the assumption that all the NEDs will remain in office until the next AGM. This resolution is to facilitate payment of the Directors' fees and allowances for the Mandate Period.

The Board will seek shareholders' approval at the next AGM in the event the Directors' fees and allowances proposed are insufficient.

The Company will retain its position to table a single resolution on the approval of the fees of the NEDs. The breakdown of the detailed Directors' remuneration paid for FY2025 is disclosed in the Corporate Governance Report 2025, which is accessible to the public at PDB's corporate website, www.mymesra.com.my.

Note D - Re-appointment of Auditors
The BAC had carried out an assessment on the performance, suitability and independence of external auditors based on the following four key areas:

(a) Quality of engagement team and services;
(b) Adequacy of resources;
(c) Quality of communication and interaction; and
(d) Independence, objectivity and professional skepticism.

The annual assessment on the Company's External Auditors, KPMG PLT, was conducted in January 2026 whereby the BAC was satisfied with the performance and independence of the external auditors.

Based on the assessment conducted, KPMG PLT has also met the criteria prescribed by Paragraph 15.21 of the MMLR of Bursa Malaysia.

The Board at its meeting held on 24 February 2026 recommended the re-appointment of KPMG PLT as External Auditors of the Company for the financial year ending 31 December 2026 for approval of the Shareholders under Resolution 4.

Other Information

In accordance with Paragraph 8.29A(2) of the MMLR of Bursa Malaysia, the Company has engaged independent scrutineers to count, audit and validate the votes for each Resolution presented to the Shareholders.

Administrative Guide

FOR THE 44TH ANNUAL GENERAL MEETING OF PETRONAS DAGANGAN BERHAD

1. MODE OF MEETING

(i) The 44th Annual General Meeting (AGM) of the Company will be conducted on a hybrid mode in accordance with paragraph 8.27A of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia) and in line with the Malaysian Code on Corporate Governance whereby listed issuers are encouraged to leverage technology in conducting general meetings to facilitate greater shareholders' participation and enhance the proceedings of general meetings.

The date, time and venue of the 44th AGM of the Company are as follows:

Date:	Monday, 27 April 2026
Time:	10.00 a.m.
Meeting Venue:	Exhibition Hall 1, Ground Floor, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre 50088 Kuala Lumpur, Malaysia
Online Platform Facilities:	https://investor.boardroomlimited.com with Remote Participation and Electronic Voting provided by Boardroom Share Registrars Sdn. Bhd. (Boardroom)

(ii) Shareholders shall have the option to attend the 44th AGM to exercise his/her right to attend, participate and vote at the meeting either:
(a) Physically in person at the Meeting Venue (Physical Attendance); or
(b) Virtually through live streaming and online remote voting via the Remote Participation and Electronic Voting (RPEV) facilities at https://investor.boardroomlimited.com (Virtual Attendance).

The Meeting Venue is in Malaysia where the Chairman of the meeting will be physically present in accordance with Section 327(2) of the Companies Act 2016.

2. MEMBERS ENTITLED TO ATTEND THE 44TH AGM

Only a member whose name appears on the Record of Depositors as at 20 April 2026 (as stated in the 44th AGM Notice) shall be entitled to attend the 44th AGM or appoint proxies to attend, speak and vote on his/ her behalf.

3. REGISTRATION

A. PHYSICAL ATTENDANCE

(i) Registration will start at 8:00 a.m. on Monday, 27 April 2026 at the Meeting Venue and will close before the voting session begins or such time as may be determined by the Chairman of the meeting.

(ii) Please produce your original MyKad/Identification Card or Passport (for foreigners) during registration. Only original MyKad/ Identification Card or Passport will be accepted for the purpose of identity verification. Please ensure that you collect your MyKad/ Identification Card or passport thereafter.

(iii) No person will be allowed to register on behalf of another person with the original MyKad/Identification Card or Passport of that other person.

(iv) Upon verification and registration:

(a) attendance will be recorded and identification wristband will be provided at the registration counter;

(b) a special QR code will be generated for shareholders to scan and access to the e-polling system using own smartphone/tablet;

(c) if you are attending the 44th AGM as a shareholder as well as a proxy, you will be registered once and will only be given one identification wristband; and

(d) no person will be allowed to enter the meeting hall without wearing the identification wristband. There will be no replacement in the event that you lose/misplace the identification wristband.

(v) The registration counter will only handle verification of identity and registration of attendance. Kindly vacate the area once registration is completed.

(vi) Help desk support is available for any other enquiries/assistance/revocation of proxy's appointment.

Administrative Guide

FOR THE 44TH ANNUAL GENERAL MEETING (AGM) OF PETRONAS DAGANGAN BERHAD

B. VIRTUAL ATTENDANCE

(i) All Member(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend and participate at the 44th AGM virtually are required to login to the Boardroom Smart Investor Portal (BSIP) at https://investor.boardroomlimited.com to register for virtual participation at the 44th AGM.

(ii) Kindly refer to the following steps to register for virtual attendance:

PROCEDURES		ACTIONS
Before the day of the AGM		
Step (1)	Register online with BSIP for **Individual and Corporate Shareholder**	*(Note : For first time registration only* *If you have already signed up with BSIP, you are not required to register again. You may proceed to Step (2) - Submit Request for Remote Participation)* a) Access the website https://investor.boardroomlimited.com b) Click '**Register**' to sign up as a user c) Select 'Account Type' to '**Sign Up As Shareholder' or 'Sign Up As Corporate Holder**' d) Complete registration and upload compulsory documents such as softcopy of MyKad (front and back) or passport and authorisation letter (template available on the BSIP) for Corporate Shareholder e) Enter a valid mobile number and email address f) You will receive an email from BSIP for email address verification. Click 'Verify Email Address' in the email received to continue with the registration g) Once your email address is verified, you will be re-directed to BSIP for verification of mobile number. Click 'Request OTP Code' and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click 'Enter' to complete the process h) Once your mobile number is verified, registration of your new BSIP account will be pending for final verification. Your registration will be verified and approved within one (1) business day and an email notification will be provided

Administrative Guide

FOR THE 44TH ANNUAL GENERAL MEETING (AGM) OF PETRONAS DAGANGAN BERHAD

PROCEDURES		ACTIONS
Before the day of the AGM		
Step (2)	Submit request for remote participation and submission of proxy form	*(Note : You must be a registered BSIP user. Otherwise, please refer to Step (1))* The registration for RPEV facilities will open on 25 April 2026 until such time before the voting session ends at the 44th AGM on Monday, 27 April 2026 (**Registration Deadline**). The instrument appointing a proxy must be received latest by Saturday, 25 April 2026 at 10.00 a.m. (**Proxy Lodgement Deadline**) **For Individual and Corporate Shareholders** a) Login to https://investor.boardroomlimited.com b) Click 'Meeting Event(s)' and select the list of companies – '**PETRONAS DAGANGAN BERHAD 44TH ANNUAL GENERAL MEETING**' and click 'Enter' c) To attend the virtual AGM remotely • Click '**Register for RPEV**' • Read and accept the General Terms and Conditions and enter your CDS account no. to submit your request d) To appoint proxy • Click '**Submit eProxy** Form' • For Corporate Shareholder, select the company you would like to represent (if more than one) • Read and accept the General Terms and Conditions and enter your CDS account no. Thereafter, insert your proxy details and voting instructions. If you wish your proxy(ies) to act upon his/her discretion, please indicate 'Discretionary' **For Authorised Nominees and Exempt Authorised Nominees** a) Login to https://investor.boardroomlimited.com b) Click 'Meeting Event(s)' and select the list of companies – '**PETRONAS DAGANGAN BERHAD 44TH ANNUAL GENERAL MEETING**' and click 'Enter' c) Click '**Submit eProxy Form**' d) Select the company you would like to represent (if more than one) e) Proceed to download the file format for 'Submission of Proxy Form' f) Prepare the file for appointment of proxy(ies) by inserting the required data g) Proceed to upload the duly completed Proxy Appointment file h) Review and confirm your proxy(ies) appointment(s) and click '**Submit**' i) Download or print the eProxy form as acknowledgement For Corporate Shareholders, Authorised Nominees/ Exempt Authorised Nominees and Attorneys, you may also write to bsr.helpdesk@boardroomlimited.com and provide name of the shareholder, CDS account no. and the Certificate of Appointment of Corporate Representative or Proxy Form (as the case may be). A copy of MyKad or passport and a valid email address are required.

Administrative Guide

FOR THE 44TH ANNUAL GENERAL MEETING (AGM) OF PETRONAS DAGANGAN BERHAD

PROCEDURES		ACTIONS
Before the day of the AGM		
Step (3)	Verification and email notification	For Individual Shareholders, Corporate Shareholders, Authorised Nominees/ Exempt Authorised Nominees and Attorneys a) An email notification will be sent by Boardroom to notify that your request for remote participation has been received for system verification. b) Upon verification against the General Meeting Record of Depositors as at 20 April 2026, you will receive an email from Boardroom notifying you either your request for remote participation at the 44th AGM has been approved or rejected.
On the day of the AGM		
Step (4)	Login	a) Login to https://investor.boardroomlimited.com with your registered email address and password. b) Meeting platform will be made available at any time from 9.00 a.m. i.e. one hour before the commencement of the 44th AGM at 10.00 a.m. on Monday, 27 April 2026. c) Click into 'Meeting Event(s)' and go to '**PETRONAS DAGANGAN BERHAD 44TH ANNUAL GENERAL MEETING**' and then click '**Join Live Meeting**' to join the proceedings of the 44th AGM remotely.
	Participate	a) Please follow the user guides in BSIP to view the live webcast, submit questions and vote. b) To view the live webcast, select the broadcast icon c) To ask a question during the 44th AGM, select the messaging icon d) Type your question in the chat box and click the send button to submit.
	Vote	a) Once voting has commenced, the polling icon will appear with the resolutions and voting choices until such time that the Chairman declares an end to the voting session. b) To vote, select your voting preference from the options provided. A confirmation message will appear to indicate that your vote has been received. c) To change your vote, re-select your voting preference. d) If you wish to cancel your vote, please press 'Cancel'.
	End	Upon declaration by the Chairman of the closure of the 44th AGM, the live webcast will end.

(iii) Please note that the quality of the connectivity to the RPEV facilities for live webcast as well as for electronic voting is highly dependent on the bandwidth and stability of the internet connection at your location and the device of the remote participants.

The recommended requirement for live webcast is as follows:

(a) Browser : Latest versions of Chrome, Firefox, Edge, Safari or Opera
(b) Bandwidth : Minimum 9 Mbps stable speed for High Definition (HD) High Quality video quality or 12 Mbps for Extra HD (EHD) video quality
(c) Device with working and good quality speakers.

Administrative Guide

FOR THE 44TH ANNUAL GENERAL MEETING (AGM) OF PETRONAS DAGANGAN BERHAD

4. APPOINTMENT AND/OR REVOCATION OF PROXY

(i) Appointment of Proxy

If you are unable to attend the 44th AGM in-person and wish to appoint the Chairman of the 44th AGM as your **proxy** to vote on your behalf, the instrument appointing proxy(ies) may be made in the following manner:-

(a) In hardcopy form
Deposit your proxy form at the office of the Poll Administrator, Boardroom Share Registrars Sdn Bhd (Boardroom) at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than forty-eight (48) hours before the time of holding the 44th AGM, i.e. latest by Saturday, 25 April 2026 at 10.00 a.m. Any alteration to the Form of Proxy must be initialled.

(b) By electronic means (following the steps below)

For Individual Shareholders, Corporate Shareholders
(a) Open an internet browser. Latest versions of Chrome, Firefox, Safari, Edge or Opera are recommended.
(b) Log in to BSIP website at https://investor.boardroomlimited.com
(c) Login your BSIP account with your registered email address and password.
(d) Click **"Meeting Event"** and select **"PETRONAS DAGANGAN BERHAD 44TH ANNUAL GENERAL MEETING"** from the list of companies and click **"Enter"**.

By Shareholder and Corporate Holder	By Nominees Company
• Click "**Submit eProxy Form**" • For Corporate Shareholder, select the company you would like to represent (if more than one) • Read and accept the General Terms and Conditions and enter your CDS account no. Thereafter, insert your proxy details and voting instructions. If you wish your proxy(ies) to act upon his/her discretion, please indicate 'Discretionary'	• Select the Nominees Company that you are representing. • Go to **"PROXY"** and click on **"Submit eProxy Form"**. • Click on "Download Excel Template" to download. • Insert the appointment of proxy/proxies for each CDS account with the necessary data and voting instructions in the downloaded excel file template. Ensure inserted data is correct and orderly. • Proceed to upload the duly completed excel file. • Review and confirm your proxy/proxies appointment and click **"Submit"**. • Download or print the eProxy form as acknowledgement.

eProxy Form to be lodged not less than forty-eight (48) hours before the time of holding the AGM, i.e. latest by **Saturday, 25 April 2026 at 10.00 a.m.**

Administrative Guide
FOR THE 44TH ANNUAL GENERAL MEETING (AGM) OF PETRONAS DAGANGAN BERHAD

(ii) Revocation of Proxy

If a shareholder has submitted his/her proxy form prior to the AGM and subsequently decides to appoint another person or wishes to participate in the AGM virtually by himself/herself, please revoke the appointment of proxy/proxies at least forty-eight (48) hours before the AGM. Please find the below step for revocation on eProxy form or physical proxy form:-

eProxy Form	Physical Proxy Form
• Go to **"Meeting Event"** and select **"PETRONAS DAGANGAN BERHAD 44TH ANNUAL GENERAL MEETING"** from the list of companies and click **"Enter"**. • Go to **"PROXY"** and click on **"Submit Another eProxy Form"**. • Go to **"Submitted eProxy Form List"** and click **"View"** for the eProxy form. • Click **"Cancel/Revoke"** at the bottom of the eProxy form. • Click **"Proceed"** to confirm.	• Please write in to bsr.proxy@boardroomlimited.com to revoke the appointment of proxy/proxies.

Upon revocation, proxy/proxies appointed earlier will not be allowed to participate at the AGM. In such event, shareholders should advise their proxy/proxies accordingly.

5. VOTING AT MEETING

(i) The voting at the 44th AGM will be conducted on a poll pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Malaysia. The Company has appointed Boardroom as the Poll Administrator to conduct the poll by way of electronic voting (e-Voting) and Scrutineer Solutions Sdn. Bhd. as Independent Scrutineers to verify the poll results.

(ii) The e-Voting session will commence from the start of the 44th AGM at 10.00 a.m. on Monday, 27 April 2026 (for both Physical and Virtual Attendance) until the end of the voting session which will be announced by the Chairman. Upon completion of the voting session, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

(iii) All physical attendees are advised to bring their own personal devices in order to vote.

(iv) The resolutions proposed at the 44th AGM and the results of the voting will be announced at the 44th AGM and subsequently via an announcement made by the Company through Bursa Malaysia at www.bursamalaysia.com.

6. SUBMISSION OF QUESTIONS FOR THE 44TH AGM

(i) Prior to 44th AGM

Shareholders may submit questions in relation to the agenda items for the 44th AGM via BSIP at https://investor.boardroomlimited.com not later than Saturday, 25 April 2026 at 10.00 a.m. Click 'Submit Questions' after selecting 'PETRONAS DAGANGAN BERHAD 44th ANNUAL GENERAL MEETING' from 'Meeting Event(s)'. The responses to these questions will be shared at the 44th AGM.

(ii) During the meeting

(a) Physical Attendance

Members and proxies will be able to ask questions in person at the Meeting Venue.

Administrative Guide
FOR THE 44TH ANNUAL GENERAL MEETING (AGM) OF PETRONAS DAGANGAN BERHAD

(b) Virtual Attendance

During the 44th AGM live streaming, Members may also pose questions via real time submission of typed texts at BSIP. The Messaging window facility will be opened concurrently with the Meeting Platform (i.e. one hour before the 44th AGM from 9.00 a.m. on Monday, 27 April 2026). The Board of Directors and Key Leadership Team will endeavour to address all questions received in relation to the AGM.

7. INTEGRATED REPORT 2025

(i) The Integrated Report is available on the Company's corporate website at www.mymesra.com.my and Bursa Malaysia's website at www.bursamalaysia.com under Company's announcements.

(ii) You may request for a printed copy of the Integrated Report by logging in to at https://investor.boardroomlimited.com by selecting "Request for Integrated Report" under the "Investor Services".

(iii) Kindly consider the environment before you decide to request for the printed copy of the Integrated Report. The environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

(iv) Please note that no printed copy of the Integrated Report will be provided at the Meeting Venue.

8. OTHER INFORMATION FOR PHYSICAL ATTENDANCE AT THE MEETING VENUE

(i) Parking

Parking is available at Kuala Lumpur Convention Centre (basement parking) ONLY based on first-come, first-served basis.

(ii) Mobile Devices

Please ensure that all mobile devices, i.e. phones/ pagers/ other sound emitting devices are put on silent mode during the AGM to ensure smooth and uninterrupted proceedings.

(iii) No Smoking Policy

A no smoking policy is maintained inside the convention centre.

9. NO RECORDING OR PHOTOGRAPHY

Recording or photography of the 44th AGM is strictly prohibited without the prior written consent of the Company.

10. ENQUIRY

For enquiries and administrative details relating to the meeting, please contact Boardroom during office hours from Monday to Friday (8.30 a.m. to 5.30. p.m.), details as follows:-

Boardroom Share Registrars Sdn. Bhd.
Address : 11th Floor, Menara Symphony
No. 5 Jalan Professor Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor, Malaysia
General Line : +603-7890 4700 (Helpdesk)
Fax Number : +603-7890 4670
Email : bsr.proxy@boardroomlimited.com

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PETRONAS Dagangan Berhad
Registration No.: 198201008499 (88222-D)

PROXY FORM

FOR THE 44TH ANNUAL GENERAL MEETING

No. of Ordinary Shares Held	
CDS Account Number	

I/We _____ NRIC/Passport No./Company No.: _____
(Full Name In Block Letters)

of _____ Telephone No.: _____
(Full Address)

Email address.:_____ being a member of PETRONAS Dagangan Berhad (the Company) hereby appoint:

Full Name (in Block Letters)		**Proportion of Shareholdings**	
NRIC/Passport No.		**No. of Shares**	**%**
Address			

and/or (delete as appropriate)

Full Name (in Block Letters)		**Proportion of Shareholdings**	
NRIC/Passport No.		**No. of Shares**	**%**
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 44th Annual General Meeting (AGM) of the Company which will be held at the Exhibition Hall 1, Ground Floor, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia (Meeting Venue) and will be broadcasted live from the Meeting Venue on **Monday, 27 April 2026** at **10.00 a.m.** and at any adjournment thereof. My/our proxy is to vote as indicated below.

Resolution*	Ordinary Business	For	Against
1	Re-election of Alvin Michael Hew Thai Kheam as a Director		
2	Re-election of Datuk Sazali Hamzah as a Director		
3	Directors' fees and allowances payable to the Non-Executive Directors of up to an amount of RM3,000,000 for the period from 28 April 2026 until the next AGM of the Company		
4	Re-appointment of KPMG PLT as Auditors of the Company		

Note:
* Please refer to the Notice of 44th AGM for full details of the proposed Resolutions.

(Please indicate with an "X" in the spaces provided whether you wish your vote to be casted for or against the proposed Resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit)

Date: _____ 2026.

_____
Signature(s)/Common Seal of Shareholder(s)

NOTES:

1. The 44th AGM of the Company will be held in a hybrid format, whereby member(s), proxy(ies), corporate representative(s), or attorney(s) will have the option to attend either in person (physically) or virtually.

   Please refer to the Administrative Guide for the full details on physical and virtual attendance at the 44th AGM of the Company.

2. A member who is entitled to attend, participate, speak and vote in this 44th AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorized representative to participate in his/her place. A proxy may but need not be a member of the Company.

3. A member of the Company who is entitled to attend, participate, speak and vote at the meeting may appoint not more than two proxies to participate on his/her behalf provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.

4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said securities accounts.

5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

6. Where a member or the authorised nominee appoints two proxies, or where an Exempt Authorised Nominee appoints two or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be deposited with Boardroom Share Registrars Sdn Bhd (Boardroom) not less than 48 hours before the time appointed for holding the 44th AGM or adjourned general meetings at which the person named in the appointment proposes to vote:

   (i) In hard copy form

   In the case of an appointment made in hard copy form, the proxy form must be deposited with:

   (a) Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia; or
   (b) By fax at +603-7890 4670 or email to is bsr.proxy@boardroomlimited.com

   (ii) By electronic means

   The proxy form can be electronically lodged with Boardroom via Boardroom Smart Investor Portal (BSIP) website at https://investor.boardroomlimited.my. Kindly refer to the Administrative Guide for the 44th AGM on the procedures for electronic lodgment of proxy form via BSIP website.

8. Please ensure the proxy form is completed with ALL required particulars, signed and dated accordingly.

9. Last date and time for lodging the proxy form is on Saturday, 25 April 2026 at 10.00 a.m.

10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with Boardroom at the address stated under item 7(i)(a) above, not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

11. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with Boardroom at the address stated under item 7(i)(a) above. The certificate of appointment of authorised representative should be executed in the following manner:

    (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
    (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two authorised officers, of whom one shall be a director or any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

12. By submitting the duly executed Proxy Form, the member and his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 44th AGM and any adjournment thereof.

FOLD HERE

AFFIX
STAMP
HERE

BOARDROOM SHARE REGISTRARS SDN. BHD.
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor, Malaysia

FOLD HERE



PETRONAS DAGANGAN BERHAD
198201008499 (88222D)

Level 27-32, Tower 1,
PETRONAS Twin Towers, Kuala Lumpur City Centre,
50088 Kuala Lumpur

Tel: (03) 2051 5000

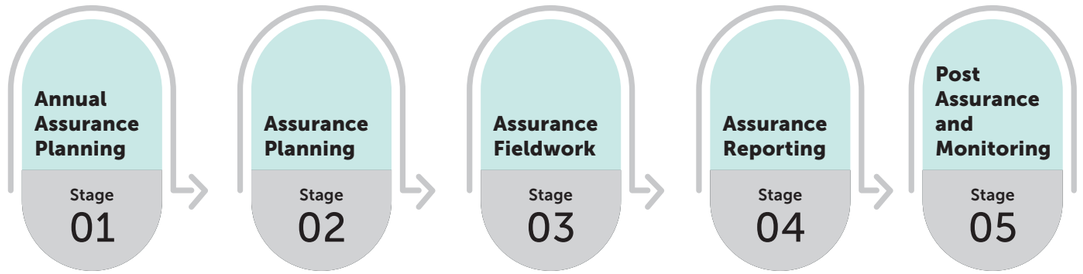
www.mymesra.com.my



Printed on FSC certified paper

Statement on Risk Management and Internal Control

The assurance programmes were conducted through a five-stage assurance process to govern assurance activities at all lines of assurance. This process supports consistency, accountability, and quality across the Group's integrated assurance ecosystem.



Toward the end of financial year, Integrated Assurance principles have been enhanced to shift the Three-Line of Assurance to Three-Line of Defense model to provide balance on governance, compliance and assurance, in addressing the pain points through:

- Well-defined defense mechanisms and clear demarcation of roles across all lines
- Streamlined governance expectations and fit-for-purpose document adoption`
- Fit-for-purpose and risk-focused assurance approach

The enhanced model will be implemented in the following year.

Human Resource Policies and Procedures

People management across the Group is governed by human resource policies and procedures guided by PETRONAS standards. These policies provide a consistent foundation for workforce management while allowing sufficient flexibility to address the operational and regulatory contexts of the subsidiaries. In parallel, diversity and inclusion elements have been embedded to support equitable and inclusive workplace practices.

At the subsidiary level, human resource policies are aligned with prevailing market norms and industry practices. Collectively, these arrangements are designed to uphold sound people management across the Group, covering key areas such as organisational design, job management, workforce planning, talent acquisition, capability development, succession planning, leadership development, remuneration, employee relations, and industrial relations.

Code of Conduct and Business Ethics

The Group adopts the PETRONAS Code of Conduct and Business Ethics (CoBE), which sets out the principles and standards that govern conduct across the organisation. These principles emphasise discipline, professionalism, integrity, loyalty, cohesive behaviour and ethical responsibility, forming a core part of the Group's governance culture.

The CoBE defines clear expectations relating to ethical behaviour for employees and Directors. Its application extends beyond the Group to include contractors, subcontractors, consultants, agents, and other third parties who perform work or services for or on behalf of the Group. Compliance with the relevant provisions of the CoBE is expected whenever such parties act in connection with the Group.

Conduct that involves improper solicitation, bribery, or other corrupt practices is expressly prohibited. This prohibition applies not only to employees and Directors but also to third parties acting on the Group's behalf.

The Anti Bribery and Corruption Manual (ABC Manual) supplements the CoBE by translating its principles into practical guidance. It provides direction on managing bribery risks, facilitation payments, conflicts of interest, and other integrity related issues that may arise in the course of business activities.

PETRONAS Integrity Management System

The PETRONAS Integrity Management System (PIMS) provides structured guidance for the prevention, detection, and response to corruption related risks. The system is designed to comply with applicable anti corruption laws and voluntary commitments relevant to the Group's operations.

PIMS is structured in accordance with ISO 37001:2016 Anti Bribery Management System requirements and is supported by related management systems, guidelines, and procedures established at PETRONAS and adopted within the Group. Together, these instruments reinforce the application of the CoBE and the ABC Manual.

The implementation of PIMS strengthens the Group's overall integrity framework and enhances protection against corporate liability under Section 17A of the MACC Amendment Act 2018. It also supports continuous improvement of compliance practices across the organisation.

Employee Performance Management

PDB applies the PETRONAS Employee Performance Management (EPM) framework, which places emphasis on sustained engagement between employees and leaders in managing performance. The framework centres on coaching, regular review, and constructive feedback as mechanisms to drive performance improvement.

Through this approach, employees are supported in taking ownership of their performance while maintaining alignment with the Group's objectives and organisational priorities. The framework also supports the development of a performance oriented culture across the Group.

PDB Financial Policy

Financial management within the Group is governed by the PDB Financial Policy, which sets out principles and requirements for managing financial activities and related risks. The policy establishes the framework used to identify, assess, and manage financial exposures across the Group. Through this framework, financial risk management practices are aligned with efficient capital and liquidity management objectives. The policy supports consistency and discipline in financial decision making across the Group.

Statement on Risk Management and Internal Control

Business Plan and Budget

The Group's annual business plan and budget are developed with consideration of short-term and long-term strategic objectives. These plans translate strategic priorities into allocated resources over a five-year horizon and are supported by defined key performance indicators (KPIs).

The Group's plan and budgets, with scorecard are submitted to the Board for approval before the start of each financial year. Following approval, the Group scorecard is established early in the operating year to guide performance monitoring.

Business performance is reported monthly to the PDB Leadership Team and circulated to the Board. On a quarterly basis, management presents updates on Group performance and scorecard outcomes. These reports track actual and projected results against approved targets and prior period comparisons, covering all business segments.

Any additional funding requirements during the year are addressed through budget transfers or supplementary budgets in accordance with the Group Limits of Authority. The Group also continues to review its strategic focus areas in response to changes in the business environment, including ongoing assessment of risks and opportunities and consideration of potential mitigation actions or new avenues for value creation.

Whistleblowing Policy

Consistent with PETRONAS' aspiration to maintain the highest standards of integrity in business conduct, PDB has adopted a Whistleblowing (WB) Policy as part of its governance framework. The policy establishes a formal channel through which concerns relating to improper conduct within PETRONAS may be raised.

The WB mechanism is open not only to PETRONAS employees but also to external parties, including members of the public. This inclusive approach supports transparency and accountability by enabling suspected wrongdoing to be reported irrespective of the individual's relationship with the Group.

Safeguards are built into the WB Policy to protect those who come forward in good faith. Employees and members of the public who lodge reports are accorded protection against retaliation or adverse consequences arising from the disclosure, provided the report is made in accordance with the policy.

For the purposes of the WB Policy, improper conduct refers to acts of misconduct or criminal offences. These may include, among others, the following:

Fraud	Conflict of Interest
Bribery	Theft or Embezzlement
Abuse of Power	Misuse of Company's Property
Non-compliance with Procedure	

Reports submitted under the Group's Whistleblowing framework are administered through Whispli, PETRONAS' designated whistleblowing platform. Whispli functions as a secure and confidential communication system, designed to preserve the anonymity of whistleblowers and support two way engagement throughout the reporting process where required.

The platform enables concerns to be raised in a controlled environment, supporting confidentiality while allowing information to be assessed and addressed in accordance with established governance procedures.

Details of the Group's Whistleblowing Policy, including guidance on usage of the reporting channel, are made publicly accessible via the PDB corporate website at ***www.mymesra.com.my.***

Data Privacy and Protection Compliance

The Group's approach to privacy and personal data protection is guided by the PETRONAS Corporate Privacy Policy (CPP), which establishes the principles governing the handling of personal data relating to employees and external parties. The CPP, together with its supporting implementation framework and the Master Guidelines to the Corporate Privacy Policy (MGCPP), provides the foundation for compliance with privacy and data protection requirements across the jurisdictions in which PDB operates, including Malaysia.

To operationalise these requirements, PDB has introduced the PDB Data Privacy Manual (DPM). The manual provides practical guidance on how personal data is to be handled throughout its lifecycle in line with applicable privacy and personal data protection laws. It supports adherence to the Personal Data Protection Act 2010 (PDPA 2010) by reinforcing the principles and rights afforded to data subjects under the legislation.

In managing customer related data, PDB has also implemented the Data Secrecy Manual (DSM). This document outlines the measures and controls applied to SmartPay customer information from collection through to retention and disposal. The DSM is aligned with Bank Negara Malaysia's Policy Document on Management of Customer Information and Permitted Disclosures (MCIPD).

Oversight of privacy governance within the organisation is anchored by the Data Privacy Officer (DPO) function. This role supports compliance with internal policies, standards, and external legislative and statutory requirements. As part of capability development in this area, the Head of Data Privacy at PDB has achieved the Certified Information Privacy Manager (CIPM) qualification awarded by the International Association of Privacy Professionals.

Statement on Risk Management and Internal Control

Transparency to data subjects is supported through the publication of PDB's Privacy Statement on the MyMesra website, which provides clear notice on how personal data is collected, used, and managed. In addition, a cookie preference tool has been implemented on the same platform to inform users about data processing conducted through online identifiers. The tool facilitates consent management and provides users with the ability to withdraw consent and discontinue data processing.

As part of privacy risk management practices, PDB has rolled out the Data Protection Impact Assessment (DPIA). This assessment process examines how personal data is processed, evaluates potential negative effects on individuals, and considers risks to the rights of data subjects. The DPIA also supports the incorporation of appropriate privacy controls into relevant processing activities.

PDB maintains a Personal Data Mapping Record (Inventory) to document personal data processing activities across the organisation. The Inventory supports compliance with PDPA 2010 and the MCIPD requirements by recording the types of data collected, processing methods, storage arrangements, retention periods, and disposal practices. This approach provides visibility over data flows and supports identification and reduction of privacy related risks.

Oversight of third party data handling practices forms part of the Group's privacy governance arrangements. Reviews are conducted to assess third party privacy policies, information security measures, and regulatory compliance. Where appropriate, further due diligence may be carried out to evaluate alignment with PDB's privacy expectations. Contractual arrangements with third parties incorporate data protection obligations, including provisions on data processing, breach notification, and audit rights.

Ongoing monitoring activities are undertaken to track third party compliance, including periodic audits and updates to agreements and practices in response to regulatory developments. While multiple controls are in place, potential data incidents involving third parties may still arise. In such circumstances, PDB has incident response plans designed to address data breaches through prompt notification, investigation, and remediation actions to limit impact and reduce the likelihood of recurrence.

Privacy compliance reviews conducted as part of third party risk management support stronger data protection practices, regulatory compliance, and accountability. From a risk management perspective, these reviews facilitate early identification of privacy exposures and allow mitigating actions to be taken before issues escalate into significant incidents.

Competition Law Guidelines

Competition law compliance within the Group is governed through the adoption of the PETRONAS Competition Law Guidelines. These guidelines provide a consistent reference for managing competition related risks across all business activities and transactions undertaken by PDB, taking into account the legal requirements of the jurisdictions in which the Group operates.

The guidelines are designed to support lawful and ethical conduct in dealings with business partners, competitors, and regulators. They establish expectations that interactions with customers, suppliers, competitors, and enforcement authorities are conducted in a manner that supports fair competition and complies with applicable competition laws and regulatory standards.

To strengthen the practical application of these principles, PDB has also implemented Competition Law Compliance Protocols issued to complement the Competition Law Guidelines. These protocols provide more detailed direction on specific risk areas commonly encountered in business operations.

The Protocol on Meetings and Information Sharing sets out guidance for interactions involving competitors, including participation in meetings and the exchange of information during such engagements. Its application extends to all meetings conducted in connection with PETRONAS business and operations, regardless of whether they take place within PETRONAS premises or external venues. The protocol also covers informal interactions that may occur before, during, or after meetings, addressing competition law risks associated with such exchanges.

Separately, the Protocol on Merger and Acquisition (M&A) Transactions addresses competition law considerations arising from corporate transactions. This protocol outlines requirements for obtaining prior clearance or formal approval from relevant competition authorities in the markets where PDB operates. Where applicable, regulatory approval forms a condition precedent to the completion of an M&A transaction and must be secured before the transaction can proceed.

PETRONAS Sanctions and Export Control Guidelines

PDB has adopted and applied the PETRONAS Economic Sanctions and Export Control Policy and Guidelines and is committed to complying with the relevant economic sanctions and export control regulations in the jurisdictions where it operates. The document sets forth the following:

- PDB position in adhering to the applicable sanctions and export control regulations, which is consistent with international norms and standards;
- Principles and measures that PDB adopts vis a vis sanctions and export control that include how PDB identify, mitigate and manage sanctions risk in the jurisdiction it operates;
- The guidance on the application of sanctions and export control as reflected in regulatory authorities; and
- The consequences of failing to comply with sanctions and export control as a whole.

Statement on Risk Management and Internal Control

Of particular importance, in addressing various sanctions risks that may implicate the Group, the Guidance underscores the importance to conduct risk-based due diligence on all counterparties (direct and indirect) across the transaction value chain all the way up to its ultimate beneficial owner.

The Guidance also highlights red flag conducts in the maritime industry that needs to be recognised as their presence may indicate an attempt to evade sanctions and put the Group at risk of violating sanctions.

Anti-Money Laundering and Counter Financing of Terrorism

Controls relating to Anti–Money Laundering and Counter Financing of Terrorism (AML/CFT) are embedded within the Group's internal control environment. The Group recently enhanced its AML/CFT governing documents that aligns with applicable laws and regulatory expectations, providing a structured basis for identifying and managing financial crime risks.

As an approved issuer of a designated payment instrument, PDB applies this framework to SmartPay Fleetcard operations, supported by defined processes and controls. These measures are intended to mitigate risks associated with money laundering and terrorist financing arising from business activities and financial transactions.

Third Party Risk Management

Third party exposures are managed through the PETRONAS Third Party Risk Management (TPRM) process, which forms part of the PETRONAS Legal Compliance Framework. The process incorporates Know Your Counterparty (KYC) requirements and mandates the inclusion of compliance clauses covering five Critical Legal Areas (CLAs): Ethics and Integrity, Data Privacy and Protection, Competition, Sanctions, and Export Control.

This framework enables PDB to evaluate and address legal and reputational risks associated with external parties. Enhancements continue to be made to the TPRM process, including updates to the KYC Guidebook. The guidebook adopts a risk based assessment methodology to determine the depth of due diligence and follow up actions required for each counterparty, balancing risk management objectives with process efficiency.

Communication and Training for Critical Legal Areas

Awareness and capability building relating to Critical Legal Areas are supported through structured communication and training initiatives. Educational videos and posters are disseminated via the PDB Compliance Universe channel, focusing on key principles, expectations, and common risk scenarios relevant to employees and stakeholders.

Online learning modules addressing CLA topics are made available to Directors, Management, and employees to reinforce understanding and application. Complementing these initiatives, Integrity Strengthening activities were conducted to encourage ethical awareness among employees and counterparties, guided by PETRONAS CoBE and the Anti Bribery and Corruption Manual.

Targeted awareness sessions were also delivered to departments and divisions that handle significant volumes of personal data. These sessions reinforced regulatory requirements, internal controls, and potential consequences of non-compliance with data privacy laws. Similar engagements were extended to business partners.

For details of activities please refer to Corporate Governance Overview statement (CGOS): Ethics and Integrity section.

Related Party Transactions and Conflict of Interest

The Group maintains a structured framework to manage Related Party Transactions (RPTs), Recurrent Related Party Transactions (RRPTs), and Conflict of Interest (CoI) situations. This framework comprises a Policy and a set of Guidelines and Procedures ("Guidelines") that promote consistent awareness and application across the Group.

The Guideline outline the principles, approval processes, and disclosure obligations applicable to RPTs, RRPTs, and CoI situations, ensuring compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and other applicable legal and regulatory requirements. Simplified process flows have been introduced to support consistent application, requiring that transactions are conducted on normal commercial terms and on an arm's length basis. Processes are in place to identify, assess, approve, monitor, and report RPTs and RRPTs, together with mechanisms for managing CoI. These include transaction screening, approval and escalation protocols, monitoring arrangements, and requirements governing changes or renewals of existing arrangements/transactions.

Key governance measures include the maintenance of a central database capturing related parties, RPTs and RRPTs, Director abstention from deliberations where interests are present, quarterly oversight by the BAC, and overall accountability at Board level. In ensuring the transparency and integrity of decision-making as well as to effectively manage any CoI situations, a declaration of interest by Directors is a standing agenda item at the start of every Board meeting. Disclosure of the nature and extent of Directors' interest if any are recorded in the minutes of the relevant Board meetings. Furthermore, annual and quarterly declarations of interests are required from Directors in line with the requirements on the disclosure of Director's interest in the Company's Audited Financial Statements, with additional disclosures made when new interests arise.

Statement on Risk Management and Internal Control

A refresher session relating to "Updates on BURSA Main Market Listing Requirements: Board Overview" was held in July 2025 to PDB Board members as part of the Company's commitment to ensure its Board members remain informed with up-to-date knowledge on MMLR, including CoI, supporting informed decision-making and compliance within the Board activities.

The Company has taken steps to make sure that all employees have easy access to Policy and the Guidelines on PDB's internal website as part of the effort to enhance understanding and compliance among employees.

Corporate Disclosure Guideline

Corporate information disclosures are governed by the PDB Corporate Disclosure Guide. The Guide supports compliance with the MMLR by clarifying employee obligations and processes related to timely, accurate, and transparent disclosures to Bursa Malaysia.

Credit Risk Framework and Guidelines

Customer credit exposures are managed in accordance with the PETRONAS Credit Risk Framework and Guidelines. Creditworthiness assessments are conducted using the PETRONAS Credit Risk Rating System, enabling consistent evaluation across external customers. Periodic reviews, financial trend analysis, and early warning indicators are applied to detect potential deterioration in credit profiles. Trade receivables ageing and credit exposures are reviewed monthly by the PDB Business Credit Control Committee.

Procurement Guideline

Procurement activities follow PETRONAS Procurement Standards and applicable PDB business requirements, supported by established Limits of Authority. These standards guide pre award and post award processes, with an emphasis on timely execution, cost effectiveness, and compliance across the procurement lifecycle.

Information Technology

In 2025, the PDB Digital Division continued to strengthen its information technology risk management and internal control framework, providing the Board with enhanced assurance over the management of key digital risks. A structured Digital Risk Profile was implemented to enable holistic oversight across cyber security, digital project delivery, and system criticality, ensuring alignment with the Group's risk appetite and governance expectations.

Digital risk management was embedded within existing governance and assurance structures through First Line Assurance (FLA) activities, supporting early identification and timely mitigation of risks across critical systems and sanctioned digital initiatives. This approach contributed to improved risk visibility, strengthened compliance monitoring, and effective issue management. During the year, all assurance action items were addressed within agreed timelines, with no overdue items carried forward.

Cyber security remained a principal risk area. Key initiatives undertaken during the year included the achievement of PCIDSS v4.0.1 certification and the enhancement of access controls for third-party systems through the implementation of Identity and Access Management (IAM). These measures, together with strengthened security monitoring and detection capabilities, enhanced the organisation's ability to prevent, detect, and respond to cyber threats. Ongoing cyber security awareness and simulation programmes further reinforced employee vigilance, contributing to consistently low phishing failure rates and high completion of mandatory awareness training. Human Firewall efforts were strengthened through rigorous cyber security awareness and phishing simulation programmes, resulting in a low phishing failure rate of 1.3% in 2025. RTOT was also implemented at PDB Terminals to enhance supply chain security and enable proactive anomaly detection.

In relation to Data Governance, the focus in 2025 shifted from framework design to operational execution. A Data Governance Operating Model was implemented to provide clear accountability, strengthened oversight, and consistent assurance across business units. This included the formalisation of data ownership roles, standardisation of key data definitions, and the enhancement of monitoring and audit readiness capabilities. These measures improved data quality, regulatory compliance, and confidence in the integrity and availability of enterprise data.

Overall, PDB's information technology risk management and internal control framework has continued to mature in 2025, providing effective oversight of key digital risks. Enhancements to digital risk governance, cyber security controls, and data governance have strengthened operational resilience and support the Group's long-term strategic and digital transformation priorities.

Statement on Risk Management and Internal Control

Standard Operating Procedures

Day-to-day operations are supported through documented Standard Operating Procedures (SOP) covering both core business and support functions. These SOPs define processes and controls and are reviewed periodically to remain aligned with operational and regulatory requirements.

Raid Protocol

Interactions with regulatory authorities are guided by the PETRONAS Raid Protocol. The protocol provides direction on employee conduct, information handling, and coordination during enforcement actions at PDB premises. Designated regional executives have been identified to manage engagement with authorities, supported by head office coordination, to ensure compliance obligations are met and interactions are handled consistently.

Assurance from Management

The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively in all material respects.

Review of This Statement by External Auditors

The External Auditors have reviewed this Statement on Risk Management and Internal Control in accordance with the International Standard on Assurance Engagements 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information as adopted by the Malaysian Institute of Accountants, and Audit and Assurance Practice Guide 3 (AAPG 3) released in February 2018, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants, for inclusion in the Annual Report of the Group for the financial year ended 31 December 2025. Based on the review by the External Auditors to the Board, nothing has come to their attention that causes them to believe that the statement intended to be included in this Annual Report of the Group, in all material respects:

a. has not been prepared in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies, or

b. is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and LT thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in this Annual Report will, in fact, remedy the problems.

CONCLUSION

Based on the above, the Board is of the view that the system of risk management and internal control instituted throughout the Group is sound and provides a level of confidence on which the Board relies for assurance. During the financial year under review, there was no significant control failure or weakness that would result in material losses, contingencies or uncertainties requiring separate disclosure in this Integrated Report.

The Board and the LT continue to review and strengthen the Group's risk management and internal control system to ensure ongoing adequacy and effectiveness of the system of internal control and risk management practices to meet the changing and challenging operating environment.

The internal control systems discussed in this Statement do not apply to associate companies which fall under the control of their majority shareholders, and joint ventures which are jointly controlled by its respective shareholders. Nonetheless, the interest of the Group is safeguarded through PDB representatives on the Board of the joint ventures and associate companies.

This Statement is made in accordance with a resolution of the Board of Directors dated 24 February 2026.

How We Approach Our Financial Statements

For The Financial Year Ended 31 December 2025

The purpose of financial statements is to communicate the Group's financial information to its stakeholders, especially shareholders, investors and lenders. In this section we try to help readers who are not familiar with accounting rules and financial expressions to understand our financial information, by explaining the functions and relationships between the essential financial statements: the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of financial position and the statement of cash flows. For comprehensive and authoritative definitions and explanations, readers should turn to the relevant accounting standards, but we hope this section offers useful guidance.

STATEMENT OF PROFIT OR LOSS AND STATEMENT OF OTHER COMPREHENSIVE INCOME

"Financial performance measured by recording the flow of resources over a period of time"

The objective of this statement is to present all income and expenses (transactions with non-owners) in a performance statement.

STATEMENT OF FINANCIAL POSITION

"A snapshot, taken at a point in time, of all the assets the company owns and all the claims against those assets"

This statement sums up the Group's economic resources (non-current assets and working capital) and owners' equity at a particular point of time, in this case, our year end at 31 December 2025. It also shows how the economic resources contributed by lenders and shareholders are used in the business.

STATEMENT OF CASH FLOWS

"A report on sources and uses of cash"

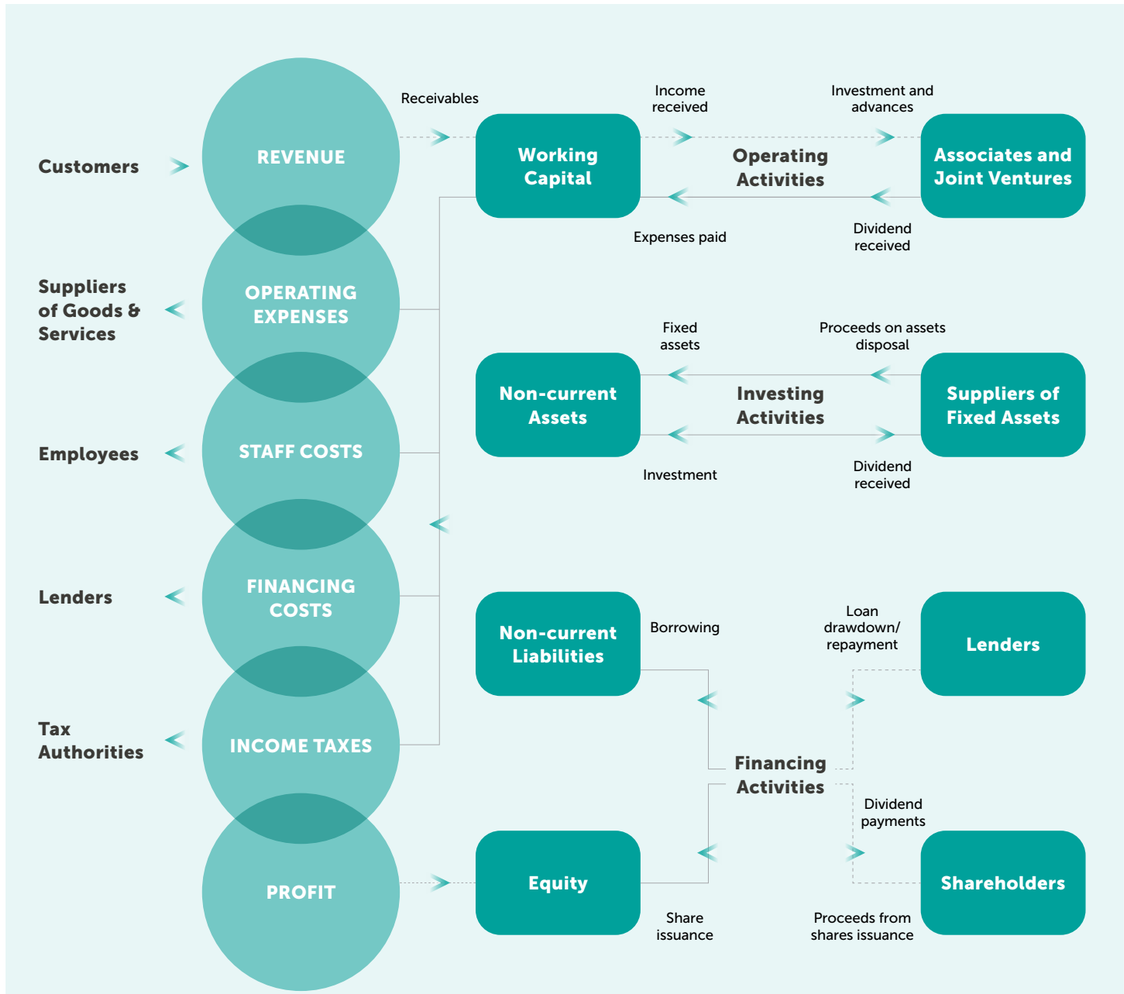
This statement divides the cash flows into operating, investing and financing. While the operating profit reflects the operating cash flows, certain non-cash charges or credits, such as depreciation, amortisation and impairment losses, resulting the operating cash flows and the operating profit to be different. Investing cash flows are the cash flows arising from the purchase or disposal of non-current assets. Financing cash flows represent the cash flows between the Group, its shareholders and lenders.

How We Approach Our Financial Statements

For The Financial Year Ended 31 December 2025

The diagram below illustrates the relationships between the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of financial position and the statement of cash flows, as well as their links with the Group's stakeholders.

The Group earns revenue from customers through the deployment of non-current assets and working capital. It also pays operating expenses to suppliers of goods as well as services, incurs staff costs and also invests in additional non-current assets. The net balance of revenue, operating expenses and staff costs as well as interest costs is the operating profit. After deducting income taxes charged by tax authorities, this profit is available for payment for distribution to shareholders as dividends in return for their contribution of funds to the Group. The Group also invests in subsidiaries and other entities, thereby receiving dividend income from them in return.



Statement of Directors' Responsibility

The financial statements of the Group and of the Company as set out on pages 199 to 265, are properly drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2025 and of the results of their operations and cash flows for the financial year ended on that date.

The Directors consider the following in preparing the financial statements of the Group and of the Company:

- appropriate accounting policies have been used and are consistently applied;
- reasonable and prudent judgments and estimates were made;
- all Malaysian Financial Reporting Standards (MFRS) Accounting Standards as issued by Malaysian Accounting Standards Board, International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board and the Companies Act, 2016 in Malaysia have been adhered to; and
- prepared on a going concern basis.

The Directors are also responsible for ensuring that the accounting and other records and registers required by the Companies Act, 2016 to be retained by the Group and the Company have been properly kept in accordance with the provisions of the said Act.

The Directors also have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud as well as other irregularities.

Directors' Report

For The Financial Year Ended 31 December 2025

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

There have been no significant changes in the nature of principal activities of the Company during the financial year, which are domestic marketing of petroleum products and non-fuel business.

The principal activities of subsidiaries, associates and joint ventures are stated in Note 30, Note 31 and Note 32 to the financial statements respectively and the Board of Directors ("Board") deems such information included in the Company's Directors' Report by such reference and shall form part of the Company's Directors' Report.

HOLDING AND ULTIMATE HOLDING COMPANY

The holding and ultimate holding company is Petroliam Nasional Berhad ("PETRONAS"), a company incorporated in Malaysia.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 30 to the financial statements.

RESULTS

In RM'000	Group	Company
Profit for the year	1,136,482	1,111,083
Attributable to:		
Shareholders of the Company	1,099,162	1,111,083
Non-controlling interests	37,320	–

DIVIDENDS

During the financial year, the amount of dividends paid by the Company were as follows:

a) In respect of the financial year ended 31 December 2024 as reported in the Directors' Report of that year:

   i. an interim dividend of 25.0 sen per ordinary share amounting to RM248,363,500 declared on 20 February 2025 and paid on 21 March 2025; and
   ii. a special dividend of 20.0 sen per ordinary share amounting to RM198,690,800 declared on 20 February 2025 and paid on 21 March 2025.

b) In respect of the financial year ended 31 December 2025:

   i. an interim dividend of 20.0 sen per ordinary share amounting to RM198,690,800 declared on 23 May 2025 and paid on 20 June 2025;
   ii. an interim dividend of 22.0 sen per ordinary share amounting to RM218,559,880 declared on 25 August 2025 and paid on 23 September 2025; and
   iii. an interim dividend of 24.0 sen per ordinary share amounting to RM238,428,960 declared on 26 November 2025 and paid on 24 December 2025.

The Directors had on 24 February 2026 declared an interim dividend of 26.0 sen per ordinary share amounting to RM258,298,040 in respect of the financial year ended 31 December 2025.

In addition, the Directors declared a special dividend of 20.0 sen per ordinary share amounting to RM198,690,800 in respect of the financial year ended 31 December 2025.

The financial statements for the current financial year do not reflect these declared interim and special dividends. Such dividends will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

Further details on dividends are disclosed in Note 23.

Directors' Report
For The Financial Year Ended 31 December 2025

RESERVES AND PROVISIONS

There were no material movements to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

DIRECTORS
Directors who served during the financial year until the date of this report are:

Datuk Anuar bin Ahmad (Chairman)
Azrul bin Osman Rani
Alvin Michael Hew Thai Kheam
Nirmala a/p Doraisamy
Tang Saw Hua
Datin Arni Laily binti Anwarrudin
Datuk Sazali bin Hamzah
Mohd Yuzaidi bin Mohd Yusoff
Tunku Alizakri bin Raja Muhammad Alias (resigned on 1 June 2025)

In accordance with Article 107 of the Company's Constitution, Datuk Anuar bin Ahmad, Alvin Michael Hew Thai Kheam and Datuk Sazali bin Hamzah are due for retirement by rotation at the forthcoming Annual General Meeting ("AGM") of the Company. Alvin Michael Hew Thai Kheam and Datuk Sazali bin Hamzah, being eligible for re-election have given their consent for re-election at the forthcoming AGM and Datuk Anuar bin Ahmad does not wish to seek for re-election and has expressed his decision to retire at the close of the forthcoming AGM.

The Company has been granted a relief order pursuant to Section 255(1) of the Companies Act, 2016 relieving the Company's Directors from full compliance to the requirements under Section 253(2) of the Companies Act, 2016.

The names of Directors of subsidiaries are available on the Company's corporate website and the Board deems such information is included in the Company's Directors' Report by such reference and shall form part of the Company's Directors' Report.

DIRECTORS' INTERESTS

The Directors in office at the end of the financial year who have interests and deemed interests in the shares of the Company and of its related corporations other than wholly-owned subsidiaries (including the interests of the spouses and/or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares in PETRONAS Chemicals Group Berhad			
Name	Balance at 1.1.2025	Bought	Sold	Balance at 31.12.2025
Datin Arni Laily binti Anwarrudin	**6,000**	-	-	**6,000**
Datuk Sazali bin Hamzah - child	**8,000**	-	-	**8,000**

None of the other Directors holding office at 31 December 2025 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than the benefit shown below), by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

The Directors' benefits paid to or receivable by Directors of the Company in respect of the financial year ended 31 December 2025 were RM4,116,000 comprising fees and other short-term employee benefits.

Directors' Report
For The Financial Year Ended 31 December 2025

ISSUE OF SHARES

There were no changes in the issued and paid up capital of the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

During the financial year, PETRONAS and its subsidiaries (hereinafter referred to as "PETRONAS Group"), including the Company, maintained a Directors' and Officers' Liability Insurance in accordance with Section 289 of the Companies Act, 2016. The total insured limit for the Directors' and Officers' Liability Insurance effected for the Directors and Officers of PETRONAS Group was RM1,290 million per occurrence and in the aggregate. The insurance premium for the Group and the Company is RM113,300 and RM108,300 respectively.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

(i) necessary actions had been taken in relation to the writing off of bad debts and the provisioning of doubtful debts and satisfied themselves that all known bad debts have been written off and adequate provision made for doubtful debts, and

(ii) any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company, had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

(ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

(iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

(ii) any material contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No material contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2025 has not been substantially affected by any item, transaction or event of a material and unusual nature to the financial statements, nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Directors' Report

For The Financial Year Ended 31 December 2025

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept reappointment.

The auditors' remunerations paid or payable to KPMG PLT and local affiliates of KPMG PLT for the financial year ended 31 December 2025 are as follows:

In RM'000	Group	Company
Audit fees		
KPMG PLT	941	617
Non audit service fees		
KPMG PLT	188	180
Local affiliates of KPMG PLT	167	167
	355	347

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

DATUK ANUAR BIN AHMAD
Director

AZRUL BIN OSMAN RANI
Director

Kuala Lumpur,
Date: 24 February 2026

Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 199 to 265, are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

DATUK ANUAR BIN AHMAD
Director

AZRUL BIN OSMAN RANI
Director

Kuala Lumpur,
Date: 24 February 2026

Statutory Declaration

I, **MAZLIE BIN MINHAT**, the officer primarily responsible for the financial management of **PETRONAS Dagangan Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 199 to 265 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed

MAZLIE BIN MINHAT
MIA Membership Number: 55738
at Kuala Lumpur in Wilayah Persekutuan
on 24 February 2026

BEFORE ME:

PESURUHJAYA SUMPAH
W811
ALIZAHWATI BINTI ATAN
01 JAN 2026 - 31 DEC 2028
MALAYSIA

76B, JALAN BURHANUDDIN HELMI
TAMAN TUN DR. ISMAIL
60000 KUALA LUMPUR

Consolidated Statement of Financial Position

As at 31 December 2025

In RM'000	Note	2025	2024
ASSETS			
Property, plant and equipment	3	**4,117,272**	3,995,256
Intangible asset	4	**-**	-
Investments in associates	6	**2,131**	2,339
Investments in joint ventures	7	**73,494**	55,630
TOTAL NON-CURRENT ASSETS		**4,192,897**	4,053,225
Trade and other inventories	8	**112,486**	168,533
Trade and other receivables	9	**2,022,622**	4,763,460
Cash and cash equivalents	10	**4,754,921**	2,114,078
		6,890,029	7,046,071
Assets classified as held for sale		**945**	16,384
TOTAL CURRENT ASSETS		**6,890,974**	7,062,455
TOTAL ASSETS		**11,083,871**	11,115,680
EQUITY			
Share capital	11	**993,454**	993,454
Reserves	12	**4,973,827**	4,977,399
Total equity attributable to shareholders of the Company		**5,967,281**	5,970,853
Non-controlling interests	13	**84,197**	98,327
TOTAL EQUITY		**6,051,478**	6,069,180
LIABILITIES			
Borrowings	14	**89,383**	95,204
Deferred tax liabilities	15	**54,222**	72,741
Other long-term liabilities and provisions	16	**49,311**	45,354
TOTAL NON-CURRENT LIABILITIES		**192,916**	213,299
Trade and other payables	17	**4,639,472**	4,732,328
Borrowings	14	**73,578**	12,758
Taxation		**126,427**	88,115
TOTAL CURRENT LIABILITIES		**4,839,477**	4,833,201
TOTAL LIABILITIES		**5,032,393**	5,046,500
TOTAL EQUITY AND LIABILITIES		**11,083,871**	11,115,680

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 31 December 2025

In RM'000	Note	2025	2024
Revenue	18	**38,269,332**	37,950,762
Cost of revenue		**(33,855,841)**	(33,469,835)
Gross profit		**4,413,491**	4,480,927
Selling and distribution expenses		**(1,627,839)**	(1,568,696)
Administration expenses		**(1,605,491)**	(1,680,198)
Other income		**354,006**	316,109
Operating profit	19	**1,534,167**	1,548,142
Financing costs	20	**(15,880)**	(13,062)
Share of profit/(loss) after tax of equity accounted associates and joint ventures		**12,690**	(4,418)
Profit before taxation		**1,530,977**	1,530,662
Tax expense	21	**(394,495)**	(414,030)
Profit for the year		**1,136,482**	1,116,632
Profit attributable to:			
Shareholders of the Company		**1,099,162**	1,086,628
Non-controlling interests		**37,320**	30,004
PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,136,482**	1,116,632
Basic earnings per ordinary share (sen)	22	**110.6**	109.4

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For The Year Ended 31 December 2025

		Attributable to shareholders of the Company					
		Non-distributable		*Distributable*			
In RM'000	Note	Share Capital	Capital Reserves	Retained Profits	Total	Non-controlling Interests	Total Equity
Balance at 1 January 2025		**993,454**	**(305)**	**4,977,704**	**5,970,853**	**98,327**	**6,069,180**
Profit for the year, representing total comprehensive income for the year		**-**	**-**	**1,099,162**	**1,099,162**	**37,320**	**1,136,482**
Total comprehensive income for the year		**-**	**-**	**1,099,162**	**1,099,162**	**37,320**	**1,136,482**
Dividends to shareholders of the Company	23	**-**	**-**	**(1,102,734)**	**(1,102,734)**	**(51,450)**	**(1,154,184)**
Total transactions with owners of the Group		**-**	**-**	**(1,102,734)**	**(1,102,734)**	**(51,450)**	**(1,154,184)**
Balance at 31 December 2025		**993,454**	**(305)**	**4,974,132**	**5,967,281**	**84,197**	**6,051,478**
		Note 11	Note 12			Note 13	

		Attributable to shareholders of the Company					
		Non-distributable		*Distributable*			
In RM'000	Note	Share Capital	Capital Reserves	Retained Profits	Total	Non-controlling Interests	Total Equity
Balance at 1 January 2024		993,454	(305)	4,775,250	5,768,399	68,323	5,836,722
Profit for the year, representing total comprehensive income for the year		-	-	1,086,628	1,086,628	30,004	1,116,632
Total comprehensive income for the year		-	-	1,086,628	1,086,628	30,004	1,116,632
Dividends to shareholders of the Company	23	-	-	(884,174)	(884,174)	-	(884,174)
Total transactions with owners of the Group		-	-	(884,174)	(884,174)	-	(884,174)
Balance at 31 December 2024		993,454	(305)	4,977,704	5,970,853	98,327	6,069,180
		Note 11	Note 12			Note 13	

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For The Year Ended 31 December 2025

In RM'000	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**1,530,977**	1,530,662
Adjustments for:			
Depreciation of property, plant and equipment		**486,924**	475,212
Amortisation of intangible asset		**-**	97
Net impairment losses/(reversals) on:			
- Trade and other receivables		**8,277**	(12,092)
- Property, plant and equipment		**4,384**	9,796
Share of (profit)/loss after tax of equity accounted associates and joint ventures		**(12,690)**	4,418
Net gain on disposal of property, plant and equipment		**(3,666)**	(2,377)
Write-off of:			
- Trade and other receivables		**4,056**	1,045
- Property, plant and equipment		**3,709**	22,923
- Trade and other inventories		**92**	-
Interest income		**(193,699)**	(160,852)
Financing costs		**15,880**	13,062
Net unrealised (gain)/loss on foreign exchange		**(142)**	1,972
Inventories written down to net realisable value		**2,894**	3,732
Operating profit before changes in working capital		**1,846,996**	1,887,598
Changes in working capital:			
Trade and other receivables		**2,743,943**	881,863
Trade and other inventories		**53,061**	(23,520)
Trade and other payables		**(90,434)**	(622,757)
Cash generated from operations		**4,553,566**	2,123,184
Taxation paid		**(374,702)**	(353,938)
Net cash generated from operating activities		**4,178,864**	1,769,246
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		**193,699**	160,852
Purchase of property, plant and equipment		**(491,695)**	(375,462)
Investment in a joint venture		**(6,766)**	-
Proceeds from disposal of property, plant and equipment		**7,494**	2,922
Net cash used in investing activities		**(297,268)**	(211,688)

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Consolidated Statement of Cash Flows (continued)

For The Year Ended 31 December 2025

In RM'000	Note	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	23	**(1,102,734)**	(884,174)
Dividends paid to non-controlling interests		**(51,450)**	-
Repayment of Sukuk facilities		**-**	(1,000)
Payment of lease liabilities		**(73,630)**	(56,566)
Profit margin paid for Sukuk facilities		**-**	(21)
Interest paid on lease liabilities		**(12,939)**	(8,772)
Net cash used in financing activities	14	**(1,240,753)**	(950,533)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**2,640,843**	607,025
INCREASE IN CASH AND CASH EQUIVALENTS RESTRICTED		**(38,861)**	(37,563)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**2,048,299**	1,478,837
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**4,650,281**	2,048,299
CASH AND CASH EQUIVALENTS			
Cash with PETRONAS Integrated Financial Shared Services Centre		**4,466,994**	1,848,612
Cash and bank balances		**287,927**	265,466
	10	**4,754,921**	2,114,078
Less: Cash and cash equivalents restricted		**(104,640)**	(65,779)
		4,650,281	2,048,299

Total cash outflows for leases comprise:

(i) Payment of principal and interest in relation to lease liabilities as financing activities amounting to RM86,569,000 (2024: RM65,338,000); and

(ii) Payment of short-term leases, low-value assets and variable lease payments as operating activities amounting to RM272,144,000 (2024: RM270,273,000).

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Statement of Financial Position

As At 31 December 2025

In RM'000	Note	2025	2024
ASSETS			
Property, plant and equipment	3	**3,754,914**	3,655,248
Investments in subsidiaries	5	**382,045**	359,259
Investments in associates	6	**530**	530
Investments in joint ventures	7	**52,474**	52,474
TOTAL NON-CURRENT ASSETS		**4,189,963**	4,067,511
Trade inventories	8	**108,006**	156,792
Trade and other receivables	9	**1,761,835**	4,563,618
Cash and cash equivalents	10	**4,281,851**	1,626,271
Assets classified as held for sale		**945**	945
TOTAL CURRENT ASSETS		**6,152,637**	6,347,626
TOTAL ASSETS		**10,342,600**	10,415,137
EQUITY			
Share capital	11	**993,454**	993,454
Reserves	12	**4,708,361**	4,700,012
TOTAL EQUITY		**5,701,815**	5,693,466
LIABILITIES			
Borrowings	14	**17,822**	21,239
Deferred tax liabilities	15	**38,187**	55,020
Other long-term liabilities and provisions	16	**49,311**	45,354
TOTAL NON-CURRENT LIABILITIES		**105,320**	121,613
Trade and other payables	17	**4,362,633**	4,520,768
Borrowings	14	**69,749**	9,229
Taxation		**103,083**	70,061
TOTAL CURRENT LIABILITIES		**4,535,465**	4,600,058
TOTAL LIABILITIES		**4,640,785**	4,721,671
TOTAL EQUITY AND LIABILITIES		**10,342,600**	10,415,137

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 31 December 2025

In RM'000	Note	2025	2024
Revenue	18	**37,298,565**	37,020,107
Cost of revenue		**(33,346,132)**	(32,982,165)
Gross profit		**3,952,433**	4,037,942
Selling and distribution expenses		**(1,603,785)**	(1,554,528)
Administration expenses		**(1,452,122)**	(1,497,072)
Other income		**541,530**	426,949
Operating profit	19	**1,438,056**	1,413,291
Financing costs	20	**(9,608)**	(6,715)
Profit before taxation		**1,428,448**	1,406,576
Tax expense	21	**(317,365)**	(344,191)
PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,111,083**	1,062,385

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Statement of Changes in Equity

For The Year Ended 31 December 2025

In RM'000	Note	Attributable to shareholders of the Company		
		Non-distributable	Distributable	
		Share Capital	Retained Profits	Total Equity
Balance at 1 January 2025		**993,454**	**4,700,012**	**5,693,466**
Profit for the year, representing total comprehensive income for the year		**-**	**1,111,083**	**1,111,083**
Total comprehensive income for the year		**-**	**1,111,083**	**1,111,083**
Dividends to shareholders of the Company	23	**-**	**(1,102,734)**	**(1,102,734)**
Total transactions with owners of the Company		**-**	**(1,102,734)**	**(1,102,734)**
Balance at 31 December 2025		**993,454**	**4,708,361**	**5,701,815**
Balance at 1 January 2024		993,454	4,521,801	5,515,255
Profit for the year, representing total comprehensive income for the year		-	1,062,385	1,062,385
Total comprehensive income for the year		-	1,062,385	1,062,385
Dividends to shareholders of the Company	23	-	(884,174)	(884,174)
Total transactions with owners of the Company		-	(884,174)	(884,174)
Balance at 31 December 2024		993,454	4,700,012	5,693,466

Note 11

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Statement of Cash Flows

For The Year Ended 31 December 2025

In RM'000	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**1,428,448**	1,406,576
Adjustments for:			
Depreciation of property, plant and equipment		**433,906**	418,861
Net impairment losses/(reversals) on:			
- Trade and other receivables		**5,922**	(12,281)
- Investment in a subsidiary		**2,030**	11,111
- Property, plant and equipment		**4,337**	9,796
Net gain on disposal of property, plant and equipment		**(4,800)**	(2,452)
Write-off of:			
- Trade and other receivables		**4,012**	1,032
- Property, plant and equipment		**257**	14,708
Interest income		**(176,727)**	(148,042)
Financing costs		**9,608**	6,715
Dividend income		**(207,350)**	(121,140)
Inventories written down to net realisable value		**2,651**	3,732
Net unrealised (gain)/loss on foreign exchange		**(127)**	1,978
Operating profit before changes in working capital		**1,502,167**	1,590,594
Changes in working capital:			
Trade and other receivables		**2,791,849**	886,319
Trade inventories		**46,135**	(19,681)
Trade and other payables		**(156,992)**	(634,903)
Cash generated from operations		**4,183,159**	1,822,329
Taxation paid		**(301,176)**	(284,919)
Net cash generated from operating activities		**3,881,983**	1,537,410

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Statement of Cash Flows (continued)

For The Year Ended 31 December 2025

In RM'000	Note	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received		**207,350**	121,140
Interest income		**176,727**	148,042
Investment in subsidiaries		**(24,816)**	(32,500)
Purchase of property, plant and equipment		**(412,759)**	(314,721)
Proceeds from disposal of property, plant and equipment		**6,757**	2,908
Net cash used in investing activities		**(46,741)**	(75,131)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	23	**(1,102,734)**	(884,174)
Repayment of Sukuk facilities		**-**	(1,000)
Payment of lease liabilities		**(70,261)**	(53,758)
Profit margin paid for Sukuk facilities		**-**	(21)
Interest paid on lease liabilities		**(6,667)**	(2,425)
Net cash used in financing activities	14	**(1,179,662)**	(941,378)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**2,655,580**	520,901
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**1,626,271**	1,105,370
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	10	**4,281,851**	1,626,271
CASH AND CASH EQUIVALENTS			
Cash with PETRONAS Integrated Financial Shared Services Centre		**4,162,561**	1,484,085
Cash and bank balances		**119,290**	142,186
	10	**4,281,851**	1,626,271

Total cash outflows for leases comprise:

(i) Payment of principal and interest in relation to lease liabilities as financing activities amounting to RM76,928,000 (2024: RM56,183,000); and

(ii) Payment of short-term leases, low-value assets and variable lease payments as operating activities amounting to RM271,661,000 (2024: RM269,442,000).

The notes set out on pages 209 to 265 are an integral part of these financial statements.

Notes to the Financial Statements

31 December 2025

1. BASIS OF PREPARATION

1.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS"), IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia.

These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

As of 1 January 2025, the Group and the Company had adopted Amendments to MFRS ("pronouncement") that has been issued by the Malaysian Accounting Standards Board ("MASB") as described fully in Note 33.

MASB has also issued new and revised pronouncements which are not yet effective for the Group and the Company and therefore, have not been adopted in these financial statements. These pronouncements including their impact on the financial statements in the period of initial application are set out in Note 34. New and revised pronouncements that are not relevant to the operations of the Group and of the Company are set out in Note 35.

These financial statements were approved and authorised for issue by the Board of Directors on 24 February 2026.

1.2 Basis of measurement

The financial statements of the Group and of the Company have been prepared on historical cost basis except for certain items which are measured at fair value, as disclosed in the accounting policies below.

1.3 Functional and presentation currency

The Group's and the Company's financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

All financial information has been rounded to the nearest thousand, unless otherwise stated.

1.4 Use of estimates and judgments

The preparation of financial statements in conformity with MFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

(i) Note 3 : Property, plant and equipment;
(ii) Note 14 : Borrowings;
(iii) Note 15 : Deferred tax liabilities;
(iv) Note 16 : Other long-term liabilities and provisions;
(v) Note 21 : Tax expense; and
(vi) Note 27 : Financial instruments.

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the Group and the Company, unless otherwise stated. The Group and the Company continuously assess the application of material accounting policies to be disclosed in the financial statements.

2.1 Basis of consolidation

Subsidiaries

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

Subsidiaries are entities, including structured entities, controlled by the Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the date that control commences until the date that control ceases.

All inter-company transactions are eliminated on consolidation and revenue and profits relate to external transactions only. Unrealised losses resulting from inter-company transactions are also eliminated unless cost cannot be recovered.

Non-controlling interests

Non-controlling interests at the end of the reporting period, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the shareholders of the Company.

Non-controlling interests in the results of the Group are presented in the consolidated statement of profit or loss and consolidated statement of other comprehensive income as an allocation of the profit or loss and total comprehensive income for the year between the non-controlling interests and shareholders of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a fair value through other comprehensive income financial asset depending on the level of influence retained.

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Associates

Associates are entities in which the Group has significant influence including representation on the Board of Directors, but not control or joint control, over the financial and operating policies of the investee company.

Associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The consolidated financial statements include the Group's share of post-acquisition profits or losses and other comprehensive income of the equity-accounted associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

The Group's share of post-acquisition reserves and retained profits less losses is added to the carrying value of the investment in the consolidated statement of financial position. These amounts are taken from the latest audited financial statements or management financial statements of the associates.

2.3 Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified as either joint operation or joint venture. A joint arrangement is classified as joint operation when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation. A joint arrangement is classified as joint venture when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method.

2.4 Property, plant and equipment and depreciation

Recognition and measurement

Freehold land and projects-in-progress are stated at cost less accumulated impairment losses and are not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation for property, plant and equipment other than freehold land and projects-in-progress, is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

Buildings are depreciated over 20 years or over the remaining land lease term, whichever is shorter.

The estimated useful lives of the other property, plant and equipment are as follows:

• Plant, machinery, tankage and pipeline	6 - 20 years
• Office equipment, furniture and fittings	3 - 7 years
• Computer hardware and software	5 - 8 years
• Motor vehicles	4 - 10 years

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment and depreciation (continued)

Right-of-use ("ROU") assets

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The estimated useful lives of the right-of-use assets are as follows:

• Leasehold land	3 - 44 years
• Buildings	1 - 2 years
• Other plant and equipment	3 - 5 years
• Vessels	3 - 5 years
• Motor vehicles	3 - 5 years

Depreciation of certain right-of-use assets is subsequently capitalised into carrying amount of other assets whenever they meet the criteria for capitalisation and adjusted for certain remeasurements of the lease liability.

The depreciable amount is determined after deducting residual value. The residual value, useful life and depreciation method are reviewed at each financial year end and adjusted as appropriate.

Recognition exemption

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Impairment

At the end of the reporting period, the Group and the Company assess whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

2.5 Non-current assets held for sale

Non-current assets and disposal groups comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Immediately before classification as held for sale, the assets (or all the assets and liabilities in a disposal group) are remeasured in accordance with the Group's applicable accounting policies. Thereafter, on initial classification as held for sale, the assets or disposal groups are measured at the lower of carrying amount and fair value less cost to sell. Any differences are charged to the profit or loss.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no impairment loss is allocated to inventories, contract assets, contract costs, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's and the Company's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets, property, plant and equipment and investment properties once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale.

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Financial instruments

Recognition and derecognition

(i) Financial assets

Regular way purchases or sales were recognised on the settlement date i.e. the date that the asset is delivered to or by an entity. Financial assets are classified at initial recognition and subsequently measured at amortised cost.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss.

Subsequent measurement

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. Interest income and foreign exchange gains and losses are recognised in profit or loss.

(ii) Financial liabilities

Amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iii) Derivative financial instruments

The Group and the Company use derivative financial instruments such as forward rate contracts to manage certain exposures to fluctuations in foreign currency exchange rates.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

In general, contracts to sell or purchase non-financial items to meet expected own use requirements are not accounted for as financial instruments. However, contracts to sell or purchase commodities that can be net settled or which contain written options are required to be recognised at fair value, with gains and losses recognised in the profit or loss.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Financial instruments (continued)

Recognition and derecognition (continued)

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

2.7 Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECL") on financial assets measured at amortised cost.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is past due.

The Group and the Company consider a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security.

(ii) Other assets

The carrying amounts of other assets, other than inventories, deferred tax assets and non-current assets classified as held for sale, are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Reversals of impairment losses are credited to the profit or loss in the year in which the reversals are recognised.

2.8 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances, deposits with licensed financial institutions and highly liquid investments which have an insignificant risk of changes in fair value and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and deposits restricted as they are considered an integral part of the Group's cash management, if any.

Restricted cash in relation to a subsidiary, consist of deposit held by licensed banks and deposits held in trust by licensed banks, which have an insignificant risk of changes in fair value.

Deposit held in trust by licensed banks are funds collected from users which are deposited and managed separately in a trust account. The subsidiary is required to maintain at least the amount of the subsidiary's electronic money liabilities in the trust account at all times in compliance with the Guideline on Electronic Money ("e-money") issued by Bank Negara Malaysia ("BNM").

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Contract liability - PETRONAS Mesra Loyalty Programme

PETRONAS Mesra Loyalty Programme is an in-house loyalty programme where members are awarded with PETRONAS Mesra points at the point of sale made at PETRONAS stations and Kedai Mesra. The monetary value attributed to the awarded points is treated as contract liability and only recognised as revenue in the profit or loss upon redemption, cancellation and expiry of the points. Currently, members can redeem the awarded points for purchase of fuel at PETRONAS stations, items at Kedai Mesra or with selected partners.

Fair value of the contract liability is determined by reference to the monetary value attributable to the awarded points and the redemption expiry dates.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of petroleum products includes direct costs and transportation charges necessary to bring the inventories to their present locations and condition and is determined on a weighted average basis.

Cost of material stores and spares consists of the invoiced value from suppliers.

2.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss.

Global minimum top-up tax

The Group has adopted International Tax Reform – Pillar Two Model Rules upon its release on 2 June 2023. The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes upon adoption. The application by the respective entity is subject to when the law is being enacted or substantively enacted in the respective country jurisdiction.

Upon its application, the Group will apply a mandatory temporary exception from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. The mandatory temporary exception applies retrospectively. The retrospective application has no impact to the Group's consolidated financial statements.

2.12 Foreign currency transactions

In preparing the financial statements of individual entities in the Group, transactions in currencies other than the entity's functional currency ("foreign currencies") are translated to the functional currencies at rates of exchange ruling on the transaction dates.

Monetary assets and liabilities denominated in foreign currencies at the reporting date have been retranslated to the functional currency at rates ruling on the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies, which are measured at fair value, are retranslated to the functional currency at the foreign exchange rates ruling at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Foreign currency transactions (continued)

Gains and losses on exchange arising from retranslation are recognised in the profit or loss.

On consolidation, the assets and liabilities of subsidiaries with functional currencies other than Ringgit Malaysia, are translated into Ringgit Malaysia at the exchange rates ruling at reporting date.

The income and expenses are translated at the exchange rates at the dates of the transactions or an average rate that approximates those rates. Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity.

2.13 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group and the Company recognise revenue when or as it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

2.14 Financing costs

Financing costs comprise interest payable on borrowings and profits share margin on Islamic Financing Facilities, as well as accretion in provision of dismantling, removal and restoration costs due to the passage of time.

2.15 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.16 Operating segments

An operating segment is a component of the Group and of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's and the Company's other components, and for which discrete financial information is available.

An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors of the Company, to make decisions about resources to be allocated to the segment and to assess the Company's performance.

2.17 Fair value measurement

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

Notes to the Financial Statements
31 December 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Fair value measurement (continued)

(i) Financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the end of reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

(ii) Non-financial assets

For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable input).

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT

Group 2025 In RM'000	At 1.1.2025	Additions	Disposals/ Write-offs	Transfers	At 31.12.2025
At cost:					
Own use					
Freehold land	**1,060,324**	**-**	**-**	**14,244**	**1,074,568**
Buildings	**2,428,823**	**12,448**	**(9,786)**	**78,751**	**2,510,236**
Plant, machinery, tankage and pipeline	**3,442,669**	**31,271**	**(39,912)**	**138,306**	**3,572,334**
Office equipment, furniture and fittings	**638,584**	**19,585**	**(6,897)**	**20,777**	**672,049**
Computer hardware and software	**892,741**	**4,269**	**(133,866)**	**11,087**	**774,231**
Motor vehicles	**140,721**	**2,838**	**(90)**	**20,639**	**164,108**
Projects-in-progress	**161,227**	**421,284**	**-**	**(310,665)**	**271,846**
	8,765,089	**491,695**	**(190,551)**	**(26,861)**	**9,039,372**
Right-of-use					
Leasehold land	**1,247,883**	**170**	**(1,318)**	**26,861**	**1,273,596**
Buildings	**14,911**	**2,015**	**(1,486)**	**-**	**15,440**
Other plant and equipment	**11,122**	**-**	**-**	**-**	**11,122**
Vessels	**287,422**	**126,981**	**(128,785)**	**-**	**285,618**
Motor vehicles	**19,742**	**-**	**-**	**-**	**19,742**
	1,581,080	**129,166**	**(131,589)**	**26,861**	**1,605,518**
	10,346,169	**620,861**	**(322,140)**	**-**	**10,644,890**

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2025 In RM'000	At 1.1.2025	Charge for the year	Disposals/ Write-offs	Impairment loss	At 31.12.2025
Accumulated depreciation and impairment losses:					
Own use					
Freehold land	**1,438**	**-**	**-**	**-**	**1,438**
Buildings	**1,903,128**	**74,555**	**(6,804)**	**-**	**1,970,879**
Plant, machinery, tankage and pipeline	**2,508,108**	**182,715**	**(38,470)**	**-**	**2,652,353**
Office equipment, furniture and fittings	**497,819**	**30,597**	**(5,129)**	**47**	**523,334**
Computer hardware and software	**729,258**	**78,482**	**(133,839)**	**-**	**673,901**
Motor vehicles	**115,160**	**9,872**	**(90)**	**-**	**124,942**
Projects-in-progress	**4,124**	**-**	**-**	**-**	**4,124**
	5,759,035	**376,221**	**(184,332)**	**47**	**5,950,971**
Right-of-use					
Leasehold land	**277,676**	**38,790**	**(497)**	**4,337**	**320,306**
Buildings	**8,528**	**3,503**	**(989)**	**-**	**11,042**
Other plant and equipment	**8,726**	**1,917**	**-**	**-**	**10,643**
Vessels	**285,536**	**64,320**	**(128,785)**	**-**	**221,071**
Motor vehicles	**11,412**	**2,173**	**-**	**-**	**13,585**
	591,878	**110,703**	**(130,271)**	**4,337**	**576,647**
	6,350,913	**486,924**	**(314,603)**	**4,384**	**6,527,618**

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2024 In RM'000	At 1.1.2024	Additions	Disposals/ Write-offs	Transfers	At 31.12.2024
At cost:					
Own use					
Freehold land	1,060,324	-	-	-	1,060,324
Buildings	2,341,052	10,095	(7,875)	85,551	2,428,823
Plant, machinery, tankage and pipeline	3,221,623	18,735	(27,262)	229,573	3,442,669
Office equipment, furniture and fittings	599,238	19,372	(1,743)	21,717	638,584
Computer hardware and software	867,927	7,105	(19,411)	37,120	892,741
Motor vehicles	139,815	160	(313)	1,059	140,721
Projects-in-progress	247,125	319,995	(2,836)	(403,057)	161,227
	8,477,104	375,462	(59,440)	(28,037)	8,765,089
Right-of-use					
Leasehold land	1,244,620	8,792	(33,566)	28,037	1,247,883
Buildings	12,333	3,101	(523)	-	14,911
Other plant and equipment	11,122	-	-	-	11,122
Vessels	287,422	-	-	-	287,422
Motor vehicles	19,742	-	-	-	19,742
	1,575,239	11,893	(34,089)	28,037	1,581,080
	10,052,343	387,355	(93,529)	-	10,346,169

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2024 In RM'000	At 1.1.2024	Charge for the year	Disposals/ Write-offs	Impairment loss	At 31.12.2024
Accumulated depreciation and impairment losses:					
Own use					
Freehold land	616	-	-	822	1,438
Buildings	1,833,309	77,057	(7,238)	-	1,903,128
Plant, machinery, tankage and pipeline	2,354,053	173,674	(19,619)	-	2,508,108
Office equipment, furniture and fittings	469,054	30,406	(1,641)	-	497,819
Computer hardware and software	643,539	94,570	(8,851)	-	729,258
Motor vehicles	107,200	8,273	(313)	-	115,160
Projects-in-progress	4,124	-	-	-	4,124
	5,411,895	383,980	(37,662)	822	5,759,035
Right-of-use					
Leasehold land	260,920	39,219	(31,437)	8,974	277,676
Buildings	5,566	3,422	(460)	-	8,528
Other plant and equipment	6,809	1,917	-	-	8,726
Vessels	241,036	44,500	-	-	285,536
Motor vehicles	9,238	2,174	-	-	11,412
	523,569	91,232	(31,897)	8,974	591,878
	5,935,464	475,212	(69,559)	9,796	6,350,913

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2025 In RM'000	At 1.1.2025	Additions	Disposals/ Write-offs	Transfers	At 31.12.2025
At cost:					
Own use					
Freehold land	**1,060,324**	**-**	**-**	**14,244**	**1,074,568**
Buildings	**2,368,217**	**2,225**	**(5,777)**	**77,103**	**2,441,768**
Plant, machinery, tankage and pipeline	**2,974,214**	**31,206**	**(35,603)**	**131,367**	**3,101,184**
Office equipment, furniture and fittings	**589,917**	**7,706**	**(4,040)**	**20,614**	**614,197**
Computer hardware and software	**763,549**	**-**	**(133,750)**	**6,240**	**636,039**
Motor vehicles	**134,043**	**2,553**	**(90)**	**20,273**	**156,779**
Projects-in-progress	**141,061**	**369,069**	**-**	**(296,702)**	**213,428**
	8,031,325	**412,759**	**(179,260)**	**(26,861)**	**8,237,963**
Right-of-use					
Leasehold land	**1,207,094**	**169**	**(1,318)**	**26,861**	**1,232,806**
Buildings	**945**	**214**	**(214)**	**-**	**945**
Other plant and equipment	**11,122**	**-**	**-**	**-**	**11,122**
Vessels	**287,422**	**126,981**	**(128,785)**	**-**	**285,618**
Motor vehicles	**19,742**	**-**	**-**	**-**	**19,742**
	1,526,325	**127,364**	**(130,317)**	**26,861**	**1,550,233**
	9,557,650	**540,123**	**(309,577)**	**-**	**9,788,196**

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2025 In RM'000	At 1.1.2025	Charge for the year	Disposals/ Write-offs	Impairment loss	At 31.12.2025
Accumulated depreciation and impairment losses:					
Own use					
Freehold land	**1,438**	**-**	**-**	**-**	**1,438**
Buildings	**1,871,321**	**69,024**	**(5,668)**	**-**	**1,934,677**
Plant, machinery, tankage and pipeline	**2,216,070**	**163,642**	**(34,350)**	**-**	**2,345,362**
Office equipment, furniture and fittings	**481,236**	**21,950**	**(4,036)**	**-**	**499,150**
Computer hardware and software	**642,572**	**63,791**	**(133,723)**	**-**	**572,640**
Motor vehicles	**109,798**	**9,438**	**(90)**	**-**	**119,146**
Projects-in-progress	**4,124**	**-**	**-**	**-**	**4,124**
	5,326,559	**327,845**	**(177,867)**	**-**	**5,476,537**
Right-of-use					
Leasehold land	**269,333**	**37,447**	**(497)**	**4,337**	**310,620**
Buildings	**836**	**204**	**(214)**	**-**	**826**
Other plant and equipment	**8,726**	**1,917**	**-**	**-**	**10,643**
Vessels	**285,536**	**64,320**	**(128,785)**	**-**	**221,071**
Motor vehicles	**11,412**	**2,173**	**-**	**-**	**13,585**
	575,843	**106,061**	**(129,496)**	**4,337**	**556,745**
	5,902,402	**433,906**	**(307,363)**	**4,337**	**6,033,282**

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2024 In RM'000	At 1.1.2024	Additions	Disposals/ Write-offs	Transfers	At 31.12.2024
At cost:					
Own use					
Freehold land	1,060,324	-	-	-	1,060,324
Buildings	2,294,358	2,472	(7,300)	78,687	2,368,217
Plant, machinery, tankage and pipeline	2,774,610	16,491	(1,213)	184,326	2,974,214
Office equipment, furniture and fittings	561,113	12,045	(1,627)	18,386	589,917
Computer hardware and software	745,302	-	(18,869)	37,116	763,549
Motor vehicles	131,871	1,426	(313)	1,059	134,043
Projects-in-progress	208,789	282,287	(2,404)	(347,611)	141,061
	7,776,367	314,721	(31,726)	(28,037)	8,031,325
Right-of-use					
Leasehold land	1,203,831	8,792	(33,566)	28,037	1,207,094
Buildings	1,152	214	(421)	-	945
Other plant and equipment	11,122	-	-	-	11,122
Vessels	287,422	-	-	-	287,422
Motor vehicles	19,742	-	-	-	19,742
	1,523,269	9,006	(33,987)	28,037	1,526,325
	9,299,636	323,727	(65,713)	-	9,557,650

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2024 In RM'000	At 1.1.2024	Charge for the year	Disposals/ Write-offs	Impairment loss	At 31.12.2024
Accumulated depreciation and impairment losses:					
Own use					
Freehold land	616	-	-	822	1,438
Buildings	1,805,802	72,624	(7,105)	-	1,871,321
Plant, machinery, tankage and pipeline	2,061,599	155,803	(1,332)	-	2,216,070
Office equipment, furniture and fittings	460,765	22,092	(1,621)	-	481,236
Computer hardware and software	577,310	73,570	(8,308)	-	642,572
Motor vehicles	102,018	8,093	(313)	-	109,798
Projects-in-progress	4,124	-	-	-	4,124
	5,012,234	332,182	(18,679)	822	5,326,559
Right-of-use					
Leasehold land	253,919	37,877	(31,437)	8,974	269,333
Buildings	1,046	211	(421)	-	836
Other plant and equipment	6,809	1,917	-	-	8,726
Vessels	241,036	44,500	-	-	285,536
Motor vehicles	9,238	2,174	-	-	11,412
	512,048	86,679	(31,858)	8,974	575,843
	5,524,282	418,861	(50,537)	9,796	5,902,402

Notes to the Financial Statements
31 December 2025

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Carrying amount				
Own use				
Freehold land	**1,073,130**	1,058,886	**1,073,130**	1,058,886
Buildings	**539,357**	525,695	**507,091**	496,896
Plant, machinery, tankage and pipeline	**919,981**	934,561	**755,822**	758,144
Office equipment, furniture and fittings	**148,715**	140,765	**115,047**	108,681
Computer hardware and software	**100,330**	163,483	**63,399**	120,977
Motor vehicles	**39,166**	25,561	**37,633**	24,245
Projects-in-progress	**267,722**	157,103	**209,304**	136,937
	3,088,401	3,006,054	**2,761,426**	2,704,766
Right-of-use				
Leasehold land	**953,290**	970,207	**922,186**	937,761
Buildings	**4,398**	6,383	**119**	109
Other plant and equipment	**479**	2,396	**479**	2,396
Vessels	**64,547**	1,886	**64,547**	1,886
Motor vehicles	**6,157**	8,330	**6,157**	8,330
	1,028,871	989,202	**993,488**	950,482
	4,117,272	3,995,256	**3,754,914**	3,655,248

Restrictions of land title

The titles to certain freehold and leasehold land are in the process of being registered in the Company's name.

3.1 As a lessee

Significant judgments and assumptions in relation to leases

The Group and the Company assess at lease commencement by applying significant judgment whether it is reasonably certain to exercise the extension options. The Group and the Company consider all facts and circumstances including past practice and any cost that will be incurred to change the asset if an option to extend is not exercised.

The Group and the Company also applied judgment and assumptions in determining the incremental borrowing rate of the respective leases. The Group and the Company first determine the closest available borrowing rates before using significant judgment to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

Notes to the Financial Statements
31 December 2025

4. INTANGIBLE ASSET

Group 2025 In RM'000	At 1.1.2025 /31.12.2025
At cost:	
License	**806**

	At 1.1.2025 /31.12.2025
Accumulated amortisation:	
License	**806**

Group 2024 In RM'000	At 1.1.2024	Addition	At 31.12.2024
At cost:			
License	806	-	806

	At 1.1.2024	Charge for the year	At 31.12.2024
Accumulated amortisation:			
License	709	97	806

Group In RM'000	Carrying amount 2025	Carrying amount 2024
License	**-**	-

The intangible asset relates to recognition of logistic license upon finalisation of the purchase price allocation for the acquisition of Setel Express Sdn. Bhd. which was finalised in 2022. The license is amortised for period of 25 months until March 2024.

5. INVESTMENTS IN SUBSIDIARIES

In RM'000	Company 2025	Company 2024
Unquoted shares at cost	**395,186**	370,370
Less: Impairment losses on unquoted shares	**(13,141)**	(11,111)
	382,045	359,259

During the year, the Company had further subscribed to 18,000 redeemable preference shares at RM1,000 each, issued by Setel Ventures Sdn. Bhd. via equity injection of RM18,000,000. The Company had also subscribed to 1,181,851 ordinary shares at RM1 each and 5,634 redeemable preference shares at RM1,000 each, issued by PDB Growth Solutions Sdn. Bhd. ("PGSSB") via equity injection of RM1,181,851 and RM5,634,000 respectively.

Details of subsidiaries are stated in Note 30 to the financial statements.

Impairment review of cost of investment in subsidiaries

The Company performed impairment assessment on all its subsidiaries that have indication of impairment. The recoverable value of investment was arrived at using value-in-use method by discounting future cash flows projected to be generated by the business based on various assumptions. The estimated recoverable value is higher than the carrying value of the investment for the Company's subsidiaries, except for a subsidiary which was impaired during the year of RM2,030,000 (2024: RM11,111,000).

Notes to the Financial Statements
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6. INVESTMENTS IN ASSOCIATES

	Group		Company	
In RM'000	2025	2024	2025	2024
Unquoted shares at cost	**530**	530	**530**	530
Share of post-acquisition profits and reserves	**1,601**	1,809	**-**	-
	2,131	2,339	**530**	530
Dividend received	**500**	-	**500**	-

Summary of financial information on associates:

In RM'000	2025	2024
As at 31 December		
Total assets	**12,803**	13,516
Total liabilities	**(2,150)**	(1,824)
Net assets	**10,653**	11,692
Year ended 31 December		
Revenue	**27,947**	26,280
Total comprehensive income	**1,243**	1,486

Details of the associates are stated in Note 31 to the financial statements.

7. INVESTMENTS IN JOINT VENTURES

	Group		Company	
In RM'000	2025	2024	2025	2024
Unquoted shares at cost	**59,240**	52,474	**52,474**	52,474
Share of post-acquisition profits and reserves	**14,254**	3,156	**-**	-
	73,494	55,630	**52,474**	52,474
Dividend received	**1,300**	1,140	**1,300**	1,140

In May 2025, the Group via PGSSB, incorporated Blueshark Malaysia Sdn. Bhd. ("BMSB"), a wholly owned subsidiary. Subsequently in October 2025, BMSB became a Joint Venture ("JV") company with Blueshark Ecosystem Sdn. Bhd. ("BESB"). The principal activities of this JV company are the distribution of two-wheeler electric vehicles and the provision of battery swap stations in Malaysia.

Notes to the Financial Statements
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7. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summary of financial information on joint ventures:

2025 In RM'000	Material joint venture	Other individually immaterial joint ventures	Total
As at 31 December			
Total assets	**192,254**	**41,457**	**233,711**
Total liabilities	**(73,302)**	**(14,171)**	**(87,473)**
Net assets	**118,952**	**27,286**	**146,238**
Year ended 31 December			
Revenue	**404,010**	**70,248**	**474,258**
Total comprehensive income	**21,007**	**3,232**	**24,239**

2024 In RM'000	Material joint venture	Other individually immaterial joint ventures	Total
As at 31 December			
Total assets	190,766	27,650	218,416
Total liabilities	(93,741)	(14,086)	(107,827)
Net assets	97,025	13,564	110,589
Year ended 31 December			
Revenue	449,157	66,834	515,991
Total comprehensive (loss)/income	(10,400)	3,073	(7,327)

Details of the joint ventures are stated in Note 32 to the financial statements.

8. TRADE AND OTHER INVENTORIES

	Group		Company	
In RM'000	2025	2024	2025	2024
Petroleum products	**107,730**	156,571	**108,006**	156,792
Stores, spares and others	**4,756**	11,962	**-**	-
Inventories at lower of cost and net realisable value	**112,486**	168,533	**108,006**	156,792
Recognised in profit or loss:				
Inventories recognised as cost of revenue	**33,111,364**	32,966,918	**32,665,175**	32,525,214
Write-down to net realisable value	**2,894**	3,732	**2,651**	3,732
Inventories written off	**92**	-	**-**	-

Notes to the Financial Statements
31 December 2025

9. TRADE AND OTHER RECEIVABLES

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Trade				
Trade receivables	**1,594,304**	1,435,645	**1,362,437**	1,245,560
Amounts due from:				
- Holding company	**2,241**	11,818	**-**	-
- Subsidiaries	**-**	-	**4,515**	7,795
- Associates and joint ventures	**8,676**	12,869	**8,676**	12,869
- Related companies	**84,861**	230,946	**56,994**	207,069
Less: Impairment losses	**(37,025)**	(55,698)	**(24,353)**	(45,375)
	1,653,057	1,635,580	**1,408,269**	1,427,918
Non-trade				
Other receivables	**59,193**	32,666	**47,684**	39,587
Prepayments and non-refundable deposits	**25,511**	23,533	**9,909**	10,224
Advances and loans to:				
- Associates and joint ventures	**1,900**	1,945	**1,900**	1,945
Amounts due from:				
- Holding company	**234**	1,095	**234**	1,094
- Subsidiaries	**-**	-	**10,593**	15,174
- Related companies	**15,685**	19,001	**15,437**	17,275
Subsidy receivables	**271,204**	3,054,017	**271,204**	3,054,017
Less: Impairment losses	**(4,162)**	(4,377)	**(3,395)**	(3,616)
	369,565	3,127,880	**353,566**	3,135,700
Trade and other receivables	**2,022,622**	4,763,460	**1,761,835**	4,563,618

Amounts due from holding company, subsidiaries, associates, joint ventures and related companies arose in the normal course of business.

The non-trade advances and loans to associates and joint ventures and non-trade amounts due from holding company, subsidiaries and related companies are unsecured, interest free and repayable on demand.

The credit risk associated with these non-trade receivables is low. The Group and the Company do not expect any material defaults or losses in the foreseeable future.

Notes to the Financial Statements
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10. CASH AND CASH EQUIVALENTS

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Cash with PETRONAS Integrated Financial Shared Services Centre	**4,466,994**	1,848,612	**4,162,561**	1,484,085
Cash and bank balances	**287,927**	265,466	**119,290**	142,186
	4,754,921	2,114,078	**4,281,851**	1,626,271

The Group's and the Company's cash and bank balances are held in the In-House Account ("IHA") managed by PETRONAS Integrated Financial Shared Services Centre ("IFSSC") to enable more efficient cash management for the Group and the Company.

Included in cash and cash equivalents of the Group and of the Company are interest-bearing balances amounting to RM4,652,007,000 (2024: RM1,991,881,000) and RM4,204,535,000 (2024: RM1,519,600,000) respectively.

Included in cash and cash equivalents of the Group are restricted amount of RM104,640,000 (2024: RM65,779,000) held by a trustee. The amount represents the unutilised value of e-wallet monies and amount due to service providers for value utilised.

11. SHARE CAPITAL

Company	2025 No of shares '000	2025 Amount RM'000	2024 No of shares '000	2024 Amount RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares	**993,454**	**993,454**	993,454	993,454

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. Ordinary share has no par value.

12. RESERVES

Capital reserves

Capital reserves arose as a result of business combination of entities under the common control of PETRONAS and comprise merger deficit.

Merger deficit represents the excess of cost of acquisition over the Group's interest in the net carrying value of identifiable net assets, liabilities and contingent liabilities of the acquiree. Merger deficit is classified as part of non-distributable reserves.

Notes to the Financial Statements
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13. NON-CONTROLLING INTERESTS

This consists of the non-controlling interests' proportion of share capital and reserves of partly-owned subsidiaries.

14. BORROWINGS

	Group		Company	
In RM'000	2025	2024	2025	2024
Non-current				
Secured				
Lease liabilities	**89,383**	95,204	**17,822**	21,239
Total non-current borrowing	**89,383**	95,204	**17,822**	21,239
Current				
Secured				
Lease liabilities	**73,578**	12,758	**69,749**	9,229
Unsecured				
Sukuk facilities	**-**	-	**-**	-
Total current borrowings	**73,578**	12,758	**69,749**	9,229
Total borrowings	**162,961**	107,962	**87,571**	30,468

Terms and debt repayment schedule

Group 2025 In RM'000	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
Secured					
Lease liabilities	**162,961**	**73,578**	**6,436**	**8,028**	**74,919**
Unsecured					
Sukuk facilities	**-**	**-**	**-**	**-**	**-**
	162,961	**73,578**	**6,436**	**8,028**	**74,919**

Group 2024 In RM'000	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
Secured					
Lease liabilities	107,962	12,758	7,277	11,356	76,571
Unsecured					
Sukuk facilities	-	-	-	-	-
	107,962	12,758	7,277	11,356	76,571

Notes to the Financial Statements
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14. BORROWINGS (CONTINUED)

Terms and debt repayment schedule (continued)

Company 2025 In RM'000	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
Secured					
Lease liabilities	**87,571**	**69,749**	**5,241**	**4,920**	**7,661**
Unsecured					
Sukuk facilities	**-**	**-**	**-**	**-**	**-**
	87,571	**69,749**	**5,241**	**4,920**	**7,661**

Company 2024 In RM'000	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
Secured					
Lease liabilities	30,468	9,229	4,527	8,546	8,166
Unsecured					
Sukuk facilities	-	-	-	-	-
	30,468	9,229	4,527	8,546	8,166

Sukuk liabilities

In 2023, the Company issued two types of Islamic debt securities (collectively, the "Sukuk Wakalah Programmes") which are Islamic Commercial Paper ("ICP") and Islamic Medium Term Notes ("IMTN") amounting to RM2.0 million in total. IMTN outstanding amount had been fully redeemed on 31 July 2024.

The Sukuk facilities of the Company bear interest at 3.66% in 2024.

Secured lease liabilities

The lease liabilities of the Group and the Company bear interests at rates ranging from 3.51% to 8.43% (2024: 3.41% to 8.43%) and 3.91% to 7.80% (2024: 3.41% to 7.80%) per annum respectively.

Notes to the Financial Statements
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14. BORROWINGS (CONTINUED)

Reconciliation of movement of liabilities to cash flows arising from financing activities

Group In RM'000	Borrowings	Dividends	Total
Balance at 1 January 2025	**107,962**	**-**	**107,962**
Changes from financing cash flows			
- Repayment of lease liabilities	**(73,630)**	**-**	**(73,630)**
- Interest expense of lease liabilities	**(12,939)**	**-**	**(12,939)**
Dividends paid	**-**	**(1,102,734)**	**(1,102,734)**
Total changes from financing cash flows	**(86,569)**	**(1,102,734)**	**(1,189,303)**
Other changes			
- Dividends declared	**-**	**1,102,734**	**1,102,734**
- Finance costs	**12,939**	**-**	**12,939**
- Addition of new leases	**129,219**	**-**	**129,219**
- Others	**(590)**	**-**	**(590)**
Balance at 31 December 2025	**162,961**	**-**	**162,961**

Group In RM'000	Borrowings	Dividends	Total
Balance at 1 January 2024	152,219	-	152,219
Changes from financing cash flows			
Repayment of:			
- Sukuk facilities	(1,000)	-	(1,000)
- Lease liabilities	(56,566)	-	(56,566)
Interest expenses:			
- Profit margin paid for Sukuk facilities	(21)	-	(21)
- Lease liabilities	(8,772)	-	(8,772)
Dividends paid	-	(884,174)	(884,174)
Total changes from financing cash flows	(66,359)	(884,174)	(950,533)
Other changes			
- Dividends declared	-	884,174	884,174
- Finance costs	8,793	-	8,793
- Addition of new leases	11,608	-	11,608
- Others	1,701	-	1,701
Balance at 31 December 2024	107,962	-	107,962

Notes to the Financial Statements
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14. BORROWINGS (CONTINUED)

Reconciliation of movement of liabilities to cash flows arising from financing activities (continued)

Company In RM'000	Borrowings	Dividends	Total
Balance at 1 January 2025	**30,468**	**-**	**30,468**
Changes from financing cash flows			
- Repayment of lease liabilities	**(70,261)**	**-**	**(70,261)**
- Interest expense of lease liabilities	**(6,667)**	**-**	**(6,667)**
Dividends paid	**-**	**(1,102,734)**	**(1,102,734)**
Total changes from financing cash flows	**(76,928)**	**(1,102,734)**	**(1,179,662)**
Other changes			
- Dividends declared	**-**	**1,102,734**	**1,102,734**
- Finance costs	**6,667**	**-**	**6,667**
- Addition of new leases	**127,364**	**-**	**127,364**
Balance at 31 December 2025	**87,571**	**-**	**87,571**

Company In RM'000	Borrowings	Dividends	Total
Balance at 1 January 2024	74,519	-	74,519
Changes from financing cash flows			
Repayment of:			
- Sukuk facilities	(1,000)	-	(1,000)
- Lease liabilities	(53,758)	-	(53,758)
Interest expenses:			
- Profit margin paid for Sukuk facilities	(21)	-	(21)
- Lease liabilities	(2,425)	-	(2,425)
Dividends paid	-	(884,174)	(884,174)
Total changes from financing cash flows	(57,204)	(884,174)	(941,378)
Other changes			
- Dividends declared	-	884,174	884,174
- Finance costs	2,446	-	2,446
- Addition of new leases	9,006	-	9,006
- Others	1,701	-	1,701
Balance at 31 December 2024	30,468	-	30,468

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15. DEFERRED TAX LIABILITIES

Recognised deferred tax (liabilities)/assets

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
In RM'000	2025	2024	2025	2024	2025	2024
Group						
Property, plant and equipment	**-**	-	**(130,653)**	(132,940)	**(130,653)**	(132,940)
Contract Liability						
- Loyalty Programme	**17,478**	15,781	**-**	-	**17,478**	15,781
Lease liabilities	**13,870**	13,122	**-**	-	**13,870**	13,122
Expected Credit Loss	**3,960**	662	**-**	-	**3,960**	662
Others	**41,123**	30,634	**-**	-	**41,123**	30,634
Tax assets/(liabilities)	**76,431**	60,199	**(130,653)**	(132,940)	**(54,222)**	(72,741)
Set off tax	**(76,431)**	(60,199)	**76,431**	60,199	**-**	-
Net tax liabilities	**-**	-	**(54,222)**	(72,741)	**(54,222)**	(72,741)

	Assets		Liabilities		Net	
In RM'000	2025	2024	2025	2024	2025	2024
Company						
Property, plant and equipment	**-**	-	**(102,428)**	(103,385)	**(102,428)**	(103,385)
Contract Liability						
- Loyalty Programme	**17,478**	15,781	**-**	-	**17,478**	15,781
Lease liabilities	**3,201**	2,649	**-**	-	**3,201**	2,649
Expected Credit Loss	**3,885**	601	**-**	-	**3,885**	601
Others	**39,677**	29,334	**-**	-	**39,677**	29,334
Tax assets/(liabilities)	**64,241**	48,365	**(102,428)**	(103,385)	**(38,187)**	(55,020)
Set off tax	**(64,241)**	(48,365)	**64,241**	48,365	**-**	-
Net tax liabilities	**-**	-	**(38,187)**	(55,020)	**(38,187)**	(55,020)

Notes to the Financial Statements
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15. DEFERRED TAX LIABILITIES (CONTINUED)

Recognised deferred tax (liabilities)/assets (continued)

The components and movements of deferred tax liabilities and assets during the year are as follows:

Group In RM'000	At 1.1.2025	Credited to profit or loss	At 31.12.2025
Deferred tax (liabilities)/assets			
Property, plant and equipment	**(132,940)**	**2,287**	**(130,653)**
Contract liability - Loyalty Programme	**15,781**	**1,697**	**17,478**
Lease liabilities	**13,122**	**748**	**13,870**
Expected credit loss	**662**	**3,298**	**3,960**
Others	**30,634**	**10,489**	**41,123**
	(72,741)	**18,519**	**(54,222)**

Group In RM'000	At 1.1.2024	Credited/(Charged) to profit or loss	At 31.12.2024
Deferred tax (liabilities)/assets			
Property, plant and equipment	(129,797)	(3,143)	(132,940)
Contract liability - Loyalty Programme	15,003	778	15,781
Lease liabilities	14,122	(1,000)	13,122
Expected credit loss	4,180	(3,518)	662
Others	26,622	4,012	30,634
	(69,870)	(2,871)	(72,741)

Company In RM'000	At 1.1.2025	Credited to profit or loss	At 31.12.2025
Deferred tax (liabilities)/assets			
Property, plant and equipment	**(103,385)**	**957**	**(102,428)**
Contract liability - Loyalty Programme	**15,781**	**1,697**	**17,478**
Lease liabilities	**2,649**	**552**	**3,201**
Expected credit loss	**601**	**3,284**	**3,885**
Others	**29,334**	**10,343**	**39,677**
	(55,020)	**16,833**	**(38,187)**

Company In RM'000	At 1.1.2024	Credited/(Charged) to profit or loss	At 31.12.2024
Deferred tax (liabilities)/assets			
Property, plant and equipment	(99,943)	(3,442)	(103,385)
Contract liability - Loyalty Programme	15,003	778	15,781
Lease liabilities	3,691	(1,042)	2,649
Expected credit loss	4,119	(3,518)	601
Others	25,612	3,722	29,334
	(51,518)	(3,502)	(55,020)

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16. OTHER LONG-TERM LIABILITIES AND PROVISIONS

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Dismantling, removal and restoration costs	**49,311**	45,354	**49,311**	45,354

Dismantling, removal and restoration costs

The movement of provision for dismantling, removal and restoration costs during the financial year is shown below:

In RM'000	Group and Company 2025	Group and Company 2024
Balance at 1 January	**45,354**	40,268
Net changes in provision	**1,016**	817
Unwinding of discount	**2,941**	4,269
Balance at 31 December	**49,311**	45,354

Under provisions of certain land lease agreements, the Company has an obligation to dismantle and remove structures on certain sites and restore those sites at the end of the lease term to an acceptable condition consistent with the lease agreement.

For these affected sites, the liabilities for dismantling, removal and restoration costs are recognised at present value of the compounded future expenditure estimated using existing technology, at current prices and discounted using a real discount rate.

The present value of the estimated costs is capitalised as part of the asset and the related provisions raised on the date when the obligation arises. The capitalised cost is depreciated over the expected life of the asset. The increase in the net present value of the provision for the expected cost is included as finance costs in the profit or loss.

Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision. The impact of the changes in the estimate is not material in relation to the Group's and the Company's net profits for the year.

While the provision is based on the best estimate of future costs and the economic lives of the affected assets, there is uncertainty regarding both the amount and timing of incurring these costs. All the estimates are reviewed on an annual basis or more frequently, where there is indication of a material change.

As at 31 December 2025, the provision for dismantling, removal and restoration costs is expected to be utilised as follows:

In RM'000	Group and Company 2025
1 to 10 years	**19,662**
11 to 20 years	**17,072**
More than 20 years	**12,577**
	49,311

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17. TRADE AND OTHER PAYABLES

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Trade				
Trade payables	**103,852**	77,496	**97,336**	73,975
Contract liability	**72,351**	65,281	**72,351**	65,281
Amounts due to:				
- Subsidiaries	**-**	-	**35,155**	46,938
- Related companies	**3,155,348**	3,500,263	**3,079,660**	3,441,498
	3,331,551	3,643,040	**3,284,502**	3,627,692
Non-trade				
Other payables	**961,681**	783,877	**838,405**	658,305
Amounts due to:				
- Holding company	**144,213**	160,856	**119,160**	150,682
- Subsidiaries	**-**	-	**13,782**	8,249
- Associates and joint ventures	**2,531**	3,101	**2,531**	3,101
- Related companies	**44,713**	53,051	**44,146**	52,859
E-money liabilities	**94,676**	68,523	**-**	-
Duties payables	**60,107**	19,880	**60,107**	19,880
	1,307,921	1,089,288	**1,078,131**	893,076
Trade and other payables	**4,639,472**	4,732,328	**4,362,633**	4,520,768

Contract liability is attributable to the monetary value of the awarded Mesra points under PETRONAS Mesra Loyalty Programme.

Trade amounts due to subsidiaries and related companies arose in the normal course of business.

Non-trade amounts due to holding company, subsidiaries, associates, joint ventures and related companies are unsecured, interest free and repayable on demand.

E-money liabilities are in relation to users' balances in their e-wallets which are refundable to users upon request.

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18. REVENUE

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Revenue from contracts with customers				
Sales of petroleum products	**37,963,456**	37,608,068	**37,298,565**	37,020,107
Other revenue:				
- non-fuel business	**275,278**	309,269	**-**	-
- rendering of services	**30,598**	33,425	**-**	-
Total revenue	**38,269,332**	37,950,762	**37,298,565**	37,020,107

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major products/services lines.

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Major products/services lines				
- Retail	**20,482,621**	20,229,154	**20,354,690**	20,131,144
- Commercial	**17,532,934**	17,434,798	**16,943,875**	16,888,963
- Convenience	**253,777**	286,810	**-**	-
	38,269,332	37,950,762	**37,298,565**	37,020,107

Revenue for the Group derived from petroleum products are predominantly sold to the retail and commercial sectors in Malaysia which have been disclosed in the Operating Segments (Note 26). Further details are disclosed in Note 26 to the financial statements.

Nature of goods and services

Nature of goods and services	Timing of recognition or method used to recognise revenue	Significant payment terms
Retail	Revenue is recognised when petroleum products are delivered and accepted by the customers at their premises/sites or ex-depot.	Payment for the products supplied shall be made before delivery, on delivery or within stipulated credit period.
Commercial	Revenue is recognised when petroleum products are delivered and accepted by the customers at their premises/sites or ex-depot and recognised over time when services are rendered to customers.	Payment for the products supplied shall be made on delivery or within stipulated credit period.
Convenience	Revenue is recognised when products are delivered and accepted by the customers at the station and its premises or when services are rendered to customers.	Payment for the services rendered shall be made on delivery or within stipulated credit period.

There are no significant variable elements in consideration, obligation for returns or refunds nor warranty in the provision of goods and services by the Group and the Company.

Effective 2025, specific business related to fuel in Setel Ventures Sdn. Bhd. is being classified under Retail Segment. Accordingly, certain comparative figures have been reclassified to conform with current year presentation.

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19. OPERATING PROFIT

In RM'000	Note	Group 2025	Group 2024	Company 2025	Company 2024
Included in operating profit are the following charges:					
Auditor's remuneration:					
Audit fees					
- KPMG PLT		**941**	913	**617**	599
Non audit service fees:					
- KPMG PLT		**188**	318	**180**	318
- Local affiliates of KPMG PLT		**167**	44	**167**	-
Amortisation of intangible asset		**-**	97	**-**	-
Depreciation of property, plant and equipment	3	**486,924**	475,212	**433,906**	418,861
Expenses relating to short-term leases		**15,652**	15,286	**15,529**	14,544
Expenses relating to leases of low-value assets		**110**	120	**51**	72
Expenses relating to variable lease payments not included in the measurement of lease liabilities		**256,382**	254,867	**256,081**	254,826
Net impairment losses on:					
- trade receivables		**8,327**	-	**5,978**	-
- property, plant and equipment		**4,384**	9,796	**4,337**	9,796
- investment in a subsidiary		**-**	-	**2,030**	11,111
Staff costs:					
- wages, salaries and others		**373,687**	439,332	**265,676**	324,953
- contributions to Employees Provident Fund ("EPF")		**50,788**	55,895	**39,720**	43,941
Write-off of:					
- trade and other receivables		**4,056**	1,045	**4,012**	1,032
- property, plant and equipment		**3,709**	22,923	**257**	14,708
- trade and other inventories	8	**92**	-	**-**	-
Write down of inventories to net realisable value	8	**2,894**	3,732	**2,651**	3,732
Net unrealised loss on foreign exchange		**-**	1,972	**-**	1,978
Net realised loss on foreign exchange		**-**	338	**-**	644

Notes to the Financial Statements
31 December 2025

19. OPERATING PROFIT (CONTINUED)

In RM'000	Note	Group 2025	Group 2024	Company 2025	Company 2024
and credits:					
Dividend income:					
- subsidiaries		**-**	-	**205,550**	120,000
- associates	6	**-**	-	**500**	-
- joint ventures	7	**-**	-	**1,300**	1,140
Net gain on disposal of property, plant and equipment		**3,666**	2,377	**4,800**	2,452
Interest income		**193,699**	160,852	**176,727**	148,042
Net unrealised gain on foreign exchange		**142**	-	**127**	-
Net realised gain on foreign exchange		**1,608**	-	**1,178**	-
Income from rental of premises		**3,584**	2,974	**26,496**	23,832
Net impairment reversals on:					
- trade receivables		**-**	11,749	**-**	11,988
- other receivables		**50**	343	**56**	293

20. FINANCING COSTS

In RM'000	Note	Group 2025	Group 2024	Company 2025	Company 2024
Recognised in profit or loss:					
Unwinding of discount					
- Provision for dismantling, removal and restoration costs	16	**2,941**	4,269	**2,941**	4,269
Profit margin on Sukuk facilities	14	**-**	21	**-**	21
Interest on lease liabilities	14	**12,939**	8,772	**6,667**	2,425
Total financing costs		**15,880**	13,062	**9,608**	6,715

21. TAX EXPENSE

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Current tax expenses				
Current year	**424,970**	425,791	**346,257**	355,507
Over provision in prior year	**(11,956)**	(14,632)	**(12,059)**	(14,818)
Total current tax expenses	**413,014**	411,159	**334,198**	340,689
Deferred tax (credit)/expenses				
(Reversal)/Origination of temporary differences	**(25,121)**	67	**(24,291)**	884
Under provision in prior year	**6,602**	2,804	**7,458**	2,618
Total deferred tax (credit)/expenses	**(18,519)**	2,871	**(16,833)**	3,502
Total tax expenses	**394,495**	414,030	**317,365**	344,191

Notes to the Financial Statements
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21. TAX EXPENSE (CONTINUED)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

Group In RM'000	%	2025	%	2024
Profit before taxation		**1,530,977**		1,530,662
Taxation at Malaysian statutory tax rate	**24**	**367,434**	24	367,359
Non deductible expenses, net of non assessable income	**2**	**28,536**	3	53,484
Effect of net deferred tax losses unrecognised	**-**	**1,650**	1	5,015
Effects of income subject to different tax rate	**-**	**2,229**	-	-
	26	**399,849**	28	425,858
(Over)/Under provision in prior years				
- current tax expense	**(1)**	**(11,956)**	(1)	(14,632)
- deferred tax expense	**1**	**6,602**	-	2,804
Tax expense	**26**	**394,495**	27	414,030

Company In RM'000	%	2025	%	2024
Profit before taxation		**1,428,448**		1,406,576
Taxation at Malaysian statutory tax rate	**24**	**342,828**	24	337,578
Non deductible expenses, net of non assessable income	**2**	**28,902**	3	47,887
Tax exempt income	**(3)**	**(49,764)**	(2)	(29,074)
	23	**321,966**	25	356,391
(Over)/Under provision in prior years				
- current tax expense	**(1)**	**(12,059)**	(1)	(14,818)
- deferred tax expense	**-**	**7,458**	-	2,618
Tax expense	**22**	**317,365**	24	344,191

In measuring the provision for taxation and deferred taxation at reporting date, the management applied judgments and estimates in relation to certain interpretation of tax legislation in arriving at the Group's and the Company's tax positions. Judgments and estimates are based on the current tax legislation and best available information as at the reporting date. The management continuously reassesses its judgments and estimates whenever there is a change in circumstances.

Global minimum top-up tax

The Group is subject to Pillar Two legislation which come into effect on 1 January 2025.

Following the Amendments to MFRS 112 *Income Taxes International Tax Reform - Pillar Two Model Rules*, mandatory temporary exception has been applied to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes upon adoption.

The assessment of the Pillar Two income taxes is performed based on best financial statements information available for the constituent entities in PETRONAS Group as at reporting period by applying the requirements issued by Organisation for Economic Co-operation and Development ("OECD"). Based on the assessment carried out for the period, the Pillar Two effective tax rate ("ETR") in which PETRONAS Group operates are above 15%. Therefore, the Group does not expect a potential exposure to Pillar Two top-up taxes.

Notes to the Financial Statements
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21. TAX EXPENSE (CONTINUED)

Unrecognised net deferred tax assets

The net deferred tax assets not recognised in the statement of financial position in respect of the temporary differences of subsidiaries are as shown below:

	Group	
In RM'000	2025	2024
Deductible temporary differences	**(32,906)**	(21,583)
Unutilised tax losses	**60,216**	65,443
Unabsorbed capital allowances	**112,939**	89,512
	140,249	133,372

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the subsidiaries can utilise the benefits. In accordance with the provision of Malaysian Finance Act 2021 requirement, the utilisation of unused tax losses will be limited to ten years with effect from year of assessment 2019. Unutilised tax losses of the Group amounting to RM5,872,000 will expire in 2030, RM11,004,000 in 2031, RM5,460,000 in 2032, RM8,051,000 in 2033, RM17,131,000 in 2034 and RM12,698,000 in 2035.

Unabsorbed capital allowances do not expire under current tax legislation.

22. EARNINGS PER SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
In RM'000	2025	2024
Profit for the year attributable to shareholders	**1,099,162**	1,086,628
Number of ordinary shares ('000)	**993,454**	993,454
Basic earnings per ordinary share (in sen)	**110.6**	109.4

No diluted earnings per share is disclosed in these financial statements as there is no potential dilutive ordinary share.

Notes to the Financial Statements
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23. DIVIDENDS

2025 In RM'000	COMPANY Total
In respect of financial year ended 31 December 2024:	
Quarter 4: Interim dividend of 25.0 sen per ordinary share	**248,363**
Quarter 4: Special dividend of 20.0 sen per ordinary share	**198,691**
Total	**447,054**
In respect of financial year ended 31 December 2025:	
Quarter 1: Interim dividend of 20.0 sen per ordinary share	**198,691**
Quarter 2: Interim dividend of 22.0 sen per ordinary share	**218,560**
Quarter 3: Interim dividend of 24.0 sen per ordinary share	**238,429**
Total	**655,680**
Grand total	**1,102,734**

2024	
In respect of financial year ended 31 December 2023:	
Quarter 4: Interim dividend of 27.0 sen per ordinary share	268,233
In respect of financial year ended 31 December 2024:	
Quarter 1: Interim dividend of 18.0 sen per ordinary share	178,822
Quarter 2: Interim dividend of 20.0 sen per ordinary share	198,690
Quarter 3: Interim dividend of 24.0 sen per ordinary share	238,429
Total	615,941
Grand total	884,174

The Directors had on 24 February 2026 declared an interim dividend of 26.0 sen per ordinary share amounting to RM258,298,040 and a special dividend of 20.0 sen per ordinary share amounting to RM198,690,800 in respect of the financial year ended 31 December 2025. The interim and special dividends have not been accounted for in the financial statements for the year ended 31 December 2025.

Notes to the Financial Statements
31 December 2025

24. RELATED PARTIES DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of senior management of the Group.

The Group's and the Company's related parties include subsidiaries, associates, joint ventures as well as the holding company, PETRONAS and its related entities. The Group's related parties also include the Government of Malaysia and its related entities as the holding company is wholly-owned by the Government of Malaysia.

Key management personnel compensation

	Group		Company	
In RM'000	2025	2024	2025	2024
Directors				
- Fees	**1,723**	1,399	**1,622**	1,378
- Other short-term employee benefits	**39**	42	**36**	42
	1,762	1,441	**1,658**	1,420

The Company reimbursed the holding company for compensation of certain key management personnel attributable to services rendered to the Company as well as fees for Directors who are appointees of the holding company as disclosed in the related parties disclosures.

Notes to the Financial Statements
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24. RELATED PARTIES DISCLOSURES (CONTINUED)

Significant transactions with related parties

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group	
In RM'000	2025	2024
Federal and State Government of Malaysia:		
Sales of petroleum products	**312,453**	382,546
Government of Malaysia's related entities:		
Sales of petroleum products	**7,702,056**	7,776,993
Holding company:		
Sales of other products	**7,612**	25,325
Sales of petroleum products	**310**	726
Interest income from PETRONAS IFSSC	**188,343**	156,804
Information, communication and technology charges	**(52,381)**	(71,003)
Corporate services charges	**(44,173)**	(38,184)
Facility charges	**(26,015)**	(27,586)
Treasury Management Services	**(2,181)**	(1,887)
Reimbursement of key management personnel costs and benefits	**(1,937)**	(1,847)
Fees for representation in the Board of Directors*	**(521)**	(372)
Technical manpower services and training	**(277)**	(271)
Related companies:		
Sales of petroleum products	**647,840**	1,028,739
Sales of other products	**28,582**	28,525
Purchases of petroleum products	**(35,858,765)**	(42,379,331)
Information, communication and technology charges	**(76,703)**	(66,907)
Technical manpower services and training	**(49,228)**	(29,862)
Facility charges	**(5,659)**	(5,322)
Lease expenses	**(2,415)**	(2,369)
Associate companies:		
Sales of petroleum products	**443**	538
Facility charges	**(9,398)**	(10,071)
Joint ventures:		
Sales of petroleum products	**253,048**	198,959
Facility charges	**(38,593)**	(40,742)

* Fees paid directly to holding company in respect of directors who are appointees of the holding company.

Notes to the Financial Statements
31 December 2025

24. RELATED PARTIES DISCLOSURES (CONTINUED)

Significant transactions with related parties (continued)

In RM'000	Company 2025	Company 2024
Federal and State Government of Malaysia:		
Sales of petroleum products	**312,453**	382,546
Government of Malaysia's related entities:		
Sales of petroleum products	**7,691,927**	7,762,596
Holding company:		
Sales of petroleum products	**265**	726
Interest income from PETRONAS IFSSC	**173,858**	145,445
Information, communication and technology charges	**(41,018)**	(71,003)
Corporate services charges	**(37,089)**	(33,063)
Facility charges	**(28,158)**	(25,541)
Treasury Management Services	**(2,063)**	(1,792)
Reimbursement of key management personnel costs and benefits	**(1,937)**	(1,847)
Fees for representation in the Board of Directors*	**(521)**	(372)
Subsidiaries:		
Facility charges	**(138,348)**	(114,918)
Technical manpower services and training	**(7,547)**	(6,247)
Related companies:		
Sales of petroleum products	**598,786**	1,026,256
Sales of other products	**19,408**	14,200
Purchases of petroleum products	**(35,307,781)**	(41,896,576)
Information, communication and technology charges	**(69,627)**	(59,478)
Technical manpower services and training	**(49,228)**	(29,862)
Facility charges	**(5,345)**	(5,322)
Lease expenses	**(2,415)**	(2,369)
Associate companies:		
Sales of petroleum products	**443**	538
Facility charges	**(9,398)**	(10,071)
Joint ventures:		
Sales of petroleum products	**253,048**	198,959
Facility charges	**(38,593)**	(40,742)

* Fees paid directly to holding company in respect of directors who are appointees of the holding company.

Information regarding outstanding balances arising from related party transactions as at 31 December 2025 are disclosed in Note 9 and Note 17 as well as lease liabilities balances as follows:

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Related companies	**612**	2,930	**612**	2,930

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established on a commercial basis. The above has been stated at contracted amount.

Notes to the Financial Statements
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25. COMMITMENTS

Outstanding commitments in respect of capital expenditure at the end of the reporting year not provided for in the financial statements are:

In RM'000	Group 2025	Group 2024	Company 2025	Company 2024
Property, plant and equipment				
Approved and contracted for	**83,096**	68,579	**51,641**	61,455
Approved but not contracted for	**481,094**	365,754	**372,208**	314,943
	564,190	434,333	**423,849**	376,398

26. OPERATING SEGMENTS

As at 31 December 2025, the Group's reportable segments comprise Retail, Commercial and Convenience Businesses. Each reportable segment offers different products and services and require different marketing strategies. The following summary describes the operations in each of the Group's reportable segment:

Retail – consists of sales and purchases of petroleum products to the retail sector.
Commercial – consists of sales and purchases of petroleum products and provision of services to the commercial sector.
Convenience – comprises mainly non-fuel business activities.

For each of the reportable segment, the Group chief operating decision maker, which is the Board of Directors of the Company, reviews internal management reports at least on a quarterly basis.

Performance is measured based on segment profit or loss before tax as included in the internal management reports that are reviewed by the Company's Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Revenues derived from petroleum products are predominantly sold to the retail and commercial sectors in Malaysia which have been disclosed in the operating segment. In this respect, no further disaggregation of revenue is presented.

Effective 2025, specific business related to fuel in Setel Ventures Sdn. Bhd. is being classified under Retail Segment. Accordingly, certain comparative figures have been reclassified to conform with current year presentation.

Group 2025 Business Segments In RM'000	Retail	Commercial	Convenience	Total
Revenue	**20,482,621**	**17,532,934**	**253,777**	**38,269,332**
Depreciation and amortisation	**388,129**	**77,549**	**21,246**	**486,924**
Other income	**219,871**	**128,549**	**5,586**	**354,006**
Operating profit	**653,214**	**759,210**	**121,743**	**1,534,167**
Financing costs	**(7,712)**	**(8,010)**	**(158)**	**(15,880)**
Share of profit after tax of associates and joint ventures				**12,690**
Profit before taxation				**1,530,977**

Notes to the Financial Statements
31 December 2025

26. OPERATING SEGMENTS (CONTINUED)

Group 2024 Business Segments In RM'000	Retail	Commercial	Convenience	Total
Revenue	20,229,154	17,434,798	286,810	37,950,762
Depreciation and amortisation	380,506	70,231	24,572	475,309
Other income	200,198	110,889	5,022	316,109
Operating profit	823,186	611,826	113,130	1,548,142
Financing costs	(5,612)	(7,263)	(187)	(13,062)
Share of loss after tax of associates and joint ventures				(4,418)
Profit before taxation				1,530,662

Geographical information

There is no disclosure on geographical segment information as the Group's operations are predominantly within Malaysia.

Major customers

As at 31 December 2025, there are no major customers with revenue that contribute to more than 10 percent of the Group's revenue.

27. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

Group 2025 In RM'000	Note	AC / Total carrying amount
Financial assets		
Trade and other receivables	*	**1,997,111**
Cash and cash equivalents	10	**4,754,921**
		6,752,032
Financial liability		
Trade and other payables	*	**(4,567,121)**

Group 2024 In RM'000	Note	AC / Total carrying amount
Financial assets		
Trade and other receivables	*	4,739,927
Cash and cash equivalents	10	2,114,078
		6,854,005
Financial liability		
Trade and other payables	*	(4,667,047)

* These balances exclude non-financial instruments balances.

Notes to the Financial Statements
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27. FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments (continued)

Company 2025 In RM'000	Note	AC / Total carrying amount
Financial assets		
Trade and other receivables	*	**1,751,926**
Cash and cash equivalents	10	**4,281,851**
		6,033,777
Financial liability		
Trade and other payables	*	**(4,290,282)**

Company 2024 In RM'000	Note	AC / Total carrying amount
Financial assets		
Trade and other receivables	*	4,553,394
Cash and cash equivalents	10	1,626,271
		6,179,665
Financial liability		
Trade and other payables	*	(4,455,487)

* These balances exclude non-financial instruments balances.

Financial risk management

The Group and the Company are exposed to various risks that are particular to their core business which consists of domestic marketing of petroleum products. These risks, which arise in the normal course of the Group's and the Company's business, comprise counterparty credit risk, liquidity risk and market risk relating to interest and foreign exchange risk.

The Group has policies, standards and guidelines in place that sets the foundation for a consistent approach towards establishing an effective integrated financial risk management across PETRONAS Group.

Risk taking activities are undertaken within acceptable level of risk or risk appetite, whereby the risk appetite level reflects business considerations and capacity to assume such risks. The risk appetite is established at Board level, where relevant, based on defined methodology and translated into operational thresholds.

The Group's and the Company's goal in risk management are to ensure that the management understands, measures, monitors and reports the financial risks that arise in connection with their operations. The policies, standards and guidelines have been developed to identify, analyse, appraise, monitor and report the dynamic risks facing the Group and the Company. Based on this assessment, each business unit adopts appropriate measures to mitigate these risks in accordance with the business unit's view of the balance between risk and reward.

Notes to the Financial Statements
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27. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk

Counterparty credit risk refers to risk of loss resulting from a counterparty failing to perform its contractual financial obligation or making payment for goods and services, due to circumstances such as bankruptcy, financial constraints, political restrictions and government directives.

The Group's and the Company's exposures to credit risk arise principally from their receivables from third party customers, fund and other investments and financial guarantees given to financial institutions for credit facilities granted to subsidiaries, joint ventures and associates. Credit risks are controlled in accordance with PETRONAS' policies, standards and guidelines implemented across PETRONAS Group.

i. Trade receivables

Risk management objectives, policies and processes for managing the risk

The Group and the Company minimise credit risk by ensuring that all potential third party counterparties are assessed prior to registration and entering into new contracts. Existing third party counterparties are also subject to regular reviews, including reappraisal and approval of granted limits where applicable. The creditworthiness of counterparties is assessed based on an analysis of all available quantitative and qualitative data regarding business risks and financial standing, together with the review of any relevant third party and market information. Reports are prepared and presented to the management that cover the Group's overall credit exposure against portfolio level risk appetite.

Depending on the types of transactions and counterparty creditworthiness, the Group and the Company further mitigate credit risk by requiring collateral or other credit enhancements such as cash deposits, Amanah Saham Bumiputera ("ASB"), Amanah Saham Bumiputera 2 ("ASB 2"), Amanah Saham Wawasan 2020 ("ASW 2020") and bank guarantees.

The Group uses ageing analysis to monitor the credit quality of the receivables. As at the year end, 95% (2024: 93%) of gross trade receivables of the Group are within the credit terms.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values.

At each reporting date, the Group and the Company assess whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

Exposure to credit risk

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
(i) significant financial difficulty of the customer;
(ii) a breach of contract such as a default; or
(iii) it is probable that the customer will enter bankruptcy or other financial reorganisation.

Concentration of credit risk

On reporting date, there is a significant concentration of credit risk of the Group arising from an amount owing from a customer constituting 14% (2024: 12%) of the total trade receivables of the Group.

Notes to the Financial Statements
31 December 2025

27. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

i. Trade receivables (continued)

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group and the Company monitor their debtors and take appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The Group and the Company perform credit rating assessment on all its counterparties in order to measure Expected Credit Loss ("ECL") of trade receivables for all segments using the PETRONAS Credit Risk Rating system. This credit rating assessment considers quantitative assessment using the counterparties' financial statements or a qualitative assessment of the counterparties which includes but is not limited to their reputation, competitive position, industry and geopolitical outlook.

In determining the ECL, the probability of default assigned to each counterparty is based on their individual credit rating. This probability of default is derived by benchmarking against available third party and market information, which also incorporates forward looking information.

Loss given default is the assumption of the proportion of financial asset that cannot be recovered by conversion of collateral to cash or by legal process, and is assessed based on the Group's and the Company's historical experience.

The following table provides information about the exposure to credit risk and ECL for trade receivables as at 31 December 2025.

Group 2025 In RM'000	Note	Gross carrying amount	Loss allowance	Net balance
Credit Risk Rating				
Sovereign		**33,234**	**-**	**33,234**
Excellent		**420,515**	**(133)**	**420,382**
Good		**498,025**	**(435)**	**497,590**
Fair		**718,303**	**(16,452)**	**701,851**
		1,670,077	**(17,020)**	**1,653,057**
Credit impaired:				
Individually impaired		**20,005**	**(20,005)**	**-**
		1,690,082	**(37,025)**	**1,653,057**
Representing:				
Trade receivables	9	**1,690,082**	**(37,025)**	**1,653,057**

Notes to the Financial Statements
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27. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

i. Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

Group 2024 In RM'000	Note	Gross carrying amount	Loss allowance	Net balance
Credit Risk Rating				
Sovereign		30,909	-	30,909
Excellent		380,631	(94)	380,537
Good		872,411	(1,034)	871,377
Fair		354,945	(2,188)	352,757
		1,638,896	(3,316)	1,635,580
Credit impaired:				
Individually impaired		52,382	(52,382)	-
		1,691,278	(55,698)	1,635,580
Representing:				
Trade receivables	9	1,691,278	(55,698)	1,635,580

Company 2025 In RM'000	Note	Gross carrying amount	Loss allowance	Net balance
Credit Risk Rating				
Sovereign		**33,234**	**-**	**33,234**
Excellent		**333,540**	**(123)**	**333,417**
Good		**387,526**	**(327)**	**387,199**
Fair		**670,652**	**(16,233)**	**654,419**
		1,424,952	**(16,683)**	**1,408,269**
Credit impaired:				
Individually impaired		**7,670**	**(7,670)**	**-**
		1,432,622	**(24,353)**	**1,408,269**
Representing:				
Trade receivables	9	**1,432,622**	**(24,353)**	**1,408,269**

Notes to the Financial Statements
31 December 2025

27. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

i. Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

Company 2024 In RM'000	Note	Gross carrying amount	Loss allowance	Net balance
Credit Risk Rating				
Sovereign		30,909	-	30,909
Excellent		303,133	(86)	303,047
Good		782,138	(920)	781,218
Fair		314,742	(1,998)	312,744
		1,430,922	(3,004)	1,427,918
Credit impaired:				
Individually impaired		42,371	(42,371)	-
		1,473,293	(45,375)	1,427,918
Representing:				
Trade receivables	9	1,473,293	(45,375)	1,427,918

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is equal to the carrying amount. The ageing of trade receivables net of impairment amount as at the end of the reporting period is analysed below:

	Group		Company	
In RM'000	2025	2024	2025	2024
At net				
Current	**1,598,376**	1,571,975	**1,385,299**	1,382,277
Past due 1 to 30 days	**24,304**	11,386	**9,683**	5,218
Past due 31 to 60 days	**7,919**	3,195	**234**	849
Past due 61 to 90 days	**4,399**	2,242	**194**	631
Past due more than 90 days	**18,059**	46,782	**12,859**	38,943
	1,653,057	1,635,580	**1,408,269**	1,427,918
Representing:				
Trade receivables (Note 9)	**1,690,082**	1,691,278	**1,432,622**	1,473,293
Less: Impairment losses (Note 9)	**(37,025)**	(55,698)	**(24,353)**	(45,375)
	1,653,057	1,635,580	**1,408,269**	1,427,918

There are trade receivables where the Group has not recognised any loss allowance as the trade receivables are secured by collateral and/or other credit enhancements such as cash deposits, ASB, ASB 2, ASW 2020 and bank guarantees.

Notes to the Financial Statements
31 December 2025

27. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

i. Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

Trade receivables which are credit impaired amounting to RM37,025,000 (2024: RM55,698,000) are partially collateralised in the form of financial guarantee by banks. Impairment loss has been provided in excess of the collateral value of the financial guarantee of RM46,021,000 (2024: RM162,210,000).

The movements in the allowance for impairment losses of trade receivables during the financial year are as follows:

	Group		Company	
In RM'000	2025	2024	2025	2024
Opening balance	**55,698**	67,447	**45,375**	57,363
Impairment loss/(reversal) recognised	**8,327**	(11,749)	**5,978**	(11,988)
Impairment written off	**(27,000)**	-	**(27,000)**	-
Closing balance	**37,025**	55,698	**24,353**	45,375

ii. Fund investments

The Group and the Company are also exposed to counterparty credit risk from financial institutions through fund investment activities which is managed by IFSSC on behalf of the Group comprising primarily money market placement. These exposures are managed in accordance with existing policies and guidelines that define the parameters within which the investment activities shall be undertaken in order to achieve the Group's investment objective of preserving capital and generating optimal returns above appropriate benchmarks within allowable risk parameters.

Investments are only made with approved counterparties who met the appropriate rating and other relevant criteria, and within approved credit limits, as stipulated in the policies and guidelines.

The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

As at the reporting date, the Group and the Company have only invested in short term domestic money market instrument. In view of the sound credit rating of counterparties, the Group and the Company do not expect any counterparties to fail to meet its obligation and hence, loss allowance is not provided for.

Liquidity risk

Liquidity risk is the risk that the Group and the Company will have insufficient funds to meet financial commitments in a timely manner. The Group's and the Company's exposure to liquidity risk arises principally from their trade and other payables, and borrowings. In managing its liquidity risk, the Group and the Company maintain sufficient cash and liquid marketable assets and a balance between continuity of funding and flexibility through use of stand-by credit facilities. The Company's current credit rating enables it to access banking facilities in excess of current and immediate future requirements of the Group and the Company.

Notes to the Financial Statements
31 December 2025

27. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the reporting date based on undiscounted contractual payments:

Group 2025 In RM'000	Carrying amount	Effective interest rates per annum/ discount rate %	Contractual cash flows	Within 1 year
Financial liabilities				
Lease liabilities	**162,961**	**3.51 - 8.43**	**265,853**	**82,090**
Trade and other payables	**4,567,121**	**-**	**4,567,121**	**4,567,121**
Sukuk facilities	**-**	**-**	**-**	**-**
	4,730,082		**4,832,974**	**4,649,211**

continue below

Group 2025 In RM'000	1-2 years	2-5 years	More than 5 years
Financial liabilities			
Lease liabilities	**13,740**	**35,479**	**134,544**
Trade and other payables	**-**	**-**	**-**
Sukuk facilities	**-**	**-**	**-**
	13,740	**35,479**	**134,544**

continued from above

Group 2024 In RM'000	Carrying amount	Effective interest rates per annum/ discount rate %	Contractual cash flows	Within 1 year
Financial liabilities				
Lease liabilities	107,962	3.41 - 8.43	216,763	19,921
Trade and other payables	4,667,047	-	4,667,047	4,667,047
Sukuk facilities	-	-	-	-
	4,775,009		4,883,810	4,686,968

continue below

Group 2024 In RM'000	1-2 years	2-5 years	More than 5 years
Financial liabilities			
Lease liabilities	14,608	39,639	142,595
Trade and other payables	-	-	-
Sukuk facilities	-	-	-
	14,608	39,639	142,595

continued from above

Notes to the Financial Statements
31 December 2025

27. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (continued)

Maturity analysis (continued)

Company 2025 In RM'000	Carrying amount	Discount rate %	Contractual cash flows	Within 1 year
Financial liabilities				
Lease liabilities	**87,571**	**3.91 - 7.80**	**97,889**	**72,903**
Trade and other payables	**4,290,282**	**-**	**4,290,282**	**4,290,282**
Sukuk facilities	**-**	**-**	**-**	**-**
	4,377,853		**4,388,171**	**4,363,185**

continue below

Company 2025 In RM'000	1-2 years	2-5 years	More than 5 years
Financial liabilities			
Lease liabilities	**6,192**	**7,970**	**10,824**
Trade and other payables	**-**	**-**	**-**
Sukuk facilities	**-**	**-**	**-**
	6,192	**7,970**	**10,824**

continued from above

Company 2024 In RM'000	Carrying amount	Discount rate %	Contractual cash flows	Within 1 year
Financial liabilities				
Lease liabilities	30,468	3.41 - 7.80	40,253	10,699
Trade and other payables	4,455,487	-	4,455,487	4,455,487
Sukuk facilities	-	-	-	-
	4,485,955		4,495,740	4,466,186

continue below

Company 2024 In RM'000	1-2 years	2-5 years	More than 5 years
Financial liabilities			
Lease liabilities	5,683	11,960	11,911
Trade and other payables	-	-	-
Sukuk facilities	-	-	-
	5,683	11,960	11,911

continued from above

Notes to the Financial Statements
31 December 2025

27. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk

Market risk is the risk or uncertainty arising from change in market prices and their impact on the performance of the business. The market price changes that the Group and the Company are exposed to include interest rates and foreign currency exchange rates that could affect the value of the Group's and the Company's financial assets, liabilities or expected future cash flows.

Profit margin or Interest rate risk

Profit margin or interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates.

Sukuk facilities, short-term receivables and payables are not significantly exposed to interest rate risk.

The Group's interest-bearing financial assets and financial liabilities, which consist mainly of fixed rate short term fund placements and Sukuk facilities do not have significant exposure to interest rate risk.

All profit or interest rate exposures are monitored and managed proactively in line with PETRONAS' policies and guidelines.

Foreign exchange risk

The Group and the Company are exposed to varying levels of foreign exchange risk when they enter into transactions that are not denominated in the respective companies' functional currencies and when foreign currency monetary assets and liabilities are translated at the reporting date. The main underlying economic currencies of the Group's cash flows are Ringgit Malaysia and US Dollars.

The Group's and the Company's funds are managed by IFSSC whereby foreign currency exposure is typically managed by matching receipts and payment for the same currency and internally hedged with IFSSC. When deemed necessary and appropriate, the Company, via IFSSC will enter into external hedging to minimise its exposure to the foreign currency movements.

The Group's and the Company's significant exposure to foreign currency risk based on carrying amounts as at the reporting date is as follows:

Group In RM'000	2025 Denominated in USD	2024 Denominated in USD
Financial asset		
Trade and other receivables	**180,378**	146,763
Financial liabilities		
Trade and other payables	**(19,289)**	(19,150)
Lease liabilities	**(66,224)**	(1,986)
	94,865	125,627

Notes to the Financial Statements
31 December 2025

27. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Foreign exchange risk (continued)

Company In RM'000	2025 Denominated in USD	2024 Denominated in USD
Financial asset		
Trade and other receivables	**180,378**	146,763
Financial liabilities		
Trade and other payables	**(18,849)**	(18,398)
Lease liabilities	**(66,224)**	(1,986)
	95,305	126,379

Sensitivity analysis for a given market variable provided in this note, discloses the effect on profit or loss and equity as at 31 December 2025 assuming that a reasonably possible change in the relevant market variable had occurred at 31 December 2025 and been applied to the risk exposures in existence at that date to show the effects of reasonably possible changes in price on profit or loss and equity to the next annual reporting date. Reasonably possible changes in market variables used in the sensitivity analysis are based on implied volatilities, where available, or historical data for equity and commodity prices and foreign exchange rates. Reasonably possible changes in interest rates are based on management judgment and historical experience.

The sensitivity analysis is hypothetical and should not be considered to be predictive of future performance because the Group's actual exposure to market prices is constantly changing with changes in the Group's portfolio of among others, commodity, debt and foreign currency contracts. Changes in fair values or cash flows based on a variation in a market variable cannot be extrapolated because the relationship between the change in market variable and the change in fair value or cash flows may not be linear. In addition, the effect of a change in a given market variable is calculated independently of any change in another assumption and mitigating actions that would be taken by the Group. In reality, changes in one factor may contribute to changes in another, which may magnify or counteract the sensitivities.

The following table demonstrates the indicative pre-tax effects on the profit or loss and equity of applying reasonably foreseeable market movements in the following currency exchange rates:

		Group	Company
	Appreciation in foreign currency rate %	Effect on profit or loss RM'000	Effect on profit or loss RM'000
2025			
USD	**5**	**4,743**	**4,765**
2024			
USD	10	12,563	12,638

A depreciation in USD would have had equal but opposite effect, on the basis that all other variables remain constant.

Notes to the Financial Statements
31 December 2025

27. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value information

The Group's and the Company's financial instruments consist of borrowings, cash and cash equivalents, trade and other receivables and trade and other payables.

The carrying amounts of cash and cash equivalents, short-term fund investments, receivables and payables and short-term borrowings, reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market of interest at the end of the reporting period.

Income/(expense), net gains and losses arising from financial instruments

Group 2025 In RM'000	Interest income	Net impairment loss	Others*	Total
Financial assets at amortised cost	**193,699**	**(12,333)**	**(3,075)**	**178,291**
Financial liabilities at amortised cost	**-**	**-**	**4,825**	**4,825**
Total	**193,699**	**(12,333)**	**1,750**	**183,116**

Group 2024 In RM'000	Interest income	Net impairment reversal	Others*	Total
Financial assets at amortised cost	160,852	11,047	(285)	171,614
Financial liabilities at amortised cost	-	-	(2,046)	(2,046)
Total	160,852	11,047	(2,331)	169,568

Company 2025 In RM'000	Interest income	Net impairment loss	Others*	Total
Financial assets at amortised cost	**176,727**	**(9,934)**	**(3,080)**	**163,713**
Financial liabilities at amortised cost	**-**	**-**	**4,385**	**4,385**
Total	**176,727**	**(9,934)**	**1,305**	**168,098**

Company 2024 In RM'000	Interest income	Net impairment reversal	Others*	Total
Financial assets at amortised cost	148,042	11,249	(300)	158,991
Financial liabilities at amortised cost	-	-	(2,343)	(2,343)
Total	148,042	11,249	(2,643)	156,648

* Others relate to gains and losses arising from financial instruments other than interest income, interest expense and impairment loss such as realised and unrealised foreign exchange gains or losses.

Notes to the Financial Statements
31 December 2025

28. CAPITAL MANAGEMENT

The Group, as an essential part of its capital management strategy, is committed towards achieving financial resilience and ensuring long-term business sustainability as outlined in the PETRONAS Financial Policy. The Group's capital structure consists of consolidated equity plus debt, defined as the current and long-term portions of the Group's debt.

The objective of the Group's capital management is to maintain an optimal capital structure and ensure availability of funds in order to meet financial obligations, support business growth and maximise shareholders' value. The Group monitors and maintains a prudent level of total debt to total assets.

There were no changes in the Group's approach to capital management during the financial year.

The debt to equity ratio of the Group as at 31 December 2025 is 2.7:100 (2024: 1.8:100).

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain consolidated shareholders' equity equal to or not less than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Group has complied with this requirement.

29. HOLDING AND ULTIMATE HOLDING COMPANY

The holding and ultimate holding company is Petroliam Nasional Berhad ("PETRONAS"), a company incorporated in Malaysia.

30. SUBSIDIARIES AND ACTIVITIES

	Effective ownership interest and voting interest		Principal place of business	Principal Activities
	2025 %	2024 %		
Companies incorporated in Malaysia				
Mesra Retail & Cafe Sdn. Bhd.	**100**	100	Malaysia	Managing the operations of Mesra convenience stores, food & beverage and managing petrol station.
PETRONAS Aviation Sdn. Bhd.	**100**	100	Malaysia	The Company has ceased operations and is transitioning towards dormancy.
PETRONAS Lubricants Marketing (Malaysia) Sdn. Bhd.	**100**	100	Malaysia	Marketing and distribution of petroleum products.
Setel Express Sdn. Bhd.	**100**	100	Malaysia	The Company has ceased operations and is transitioning towards dormancy.
Setel Pay Sdn. Bhd.	**100**	100	Malaysia	Issuing and operating electronic money ("e-money") and the Company is currently dormant.
Setel Ventures Sdn. Bhd.	**100**	100	Malaysia	Principally engaged in providing seamless payment solutions.
Kuala Lumpur Aviation Fuelling System Sdn. Bhd.	**65**	65	Malaysia	Operating, maintaining and managing Aircraft Fuelling System ("AFS") at Kuala Lumpur International Airport, and providing aviation fuelling services related to the AFS to fuel suppliers.
PDB Growth Solutions Sdn. Bhd.	**100**	—	Malaysia	Investment holding company for PETRONAS Dagangan Berhad's growth initiatives.

Notes to the Financial Statements
31 December 2025

31. ASSOCIATES AND ACTIVITIES

	Effective ownership interest and voting interest		Principal place of business	Principal Activities
	2025 %	2024 %		
Companies incorporated in Malaysia				
*IOT Management Sdn. Bhd.	**20**	20	Malaysia	Managing independent oil terminals at Senari, Kuching.
*Tanjung Manis Oil Terminal Management Sdn. Bhd.	**20**	20	Malaysia	Managing oil terminals at Tanjung Manis.

* Audited by firm of auditors other than KPMG PLT.

32. JOINT VENTURES AND ACTIVITIES

	Effective ownership interest and voting interest		Principal place of business	Principal Activities
	2025 %	2024 %		
Companies incorporated in Malaysia				
P S Pipeline Sendirian Berhad	**50**	50	Malaysia	Maintaining and operating the Multi Product Pipeline and Klang Valley Distribution Terminal ("MPP-KVDT") and the associated facilities for the transportation of petroleum products on behalf of the MPP-KVDT owners/ shareholders namely Shell Malaysia Trading Sdn. Bhd. and PETRONAS Dagangan Berhad.
P S Terminal Sendirian Berhad	**50**	50	Malaysia	Operation, management and maintenance of joint facilities – terminal, depot, warehouse, equipment, machinery, pipelines, tanks and associated facilities in Tawau and Bintulu on behalf of the joint shareholders namely Shell Timur Sdn. Bhd. and PETRONAS Dagangan Berhad.
PETROSNiaga Sdn. Bhd.*	**49**	49	Malaysia	To supply industrial bulk, commercial and residential LPG.
Blueshark Malaysia Sdn. Bhd.*	**49**	—	Malaysia	Distributor and authorised wholesaler of 2-wheeler electric vehicles, its spare parts and accessories and supplier of battery swap stations and batteries for Malaysia.

*Audited by firm of auditors other than KPMG PLT.

Notes to the Financial Statements
31 December 2025

33. ADOPTION OF REVISED PRONOUNCEMENT

During the financial year, the Group and the Company adopted the following pronouncement that had been issued by the MASB and is applicable as listed below:

Effective for annual periods beginning on or after 1 January 2025
Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)*

The initial application of the above-mentioned pronouncement did not have any material impact to the financial statements of the Group and the Company.

34. PRONOUNCEMENTS YET IN EFFECT

The following pronouncements that have been issued by the MASB will become effective in future financial reporting periods and have not been adopted by the Group and the Company in these financial statements:

Effective for annual periods beginning on or after 1 January 2026
Amendments to MFRS 9 *Financial Instruments* and MFRS *7 Financial Instruments: Disclosures (Classification and Measurement of Financial Instruments)*
Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards,* MFRS 7 *Financial Instruments: Disclosures,* MFRS 9 *Financial Instruments,* MFRS 10 *Consolidated Financial Statements* and MFRS 107 *Statement of Cash Flows (Annual Improvements to MFRS Accounting Standards - Volume 11)*

Effective for annual periods beginning on or after 1 January 2027
MFRS 18 *Presentation and Disclosure in Financial Statements*

Effective for a date yet to be confirmed
Amendments to MFRS 10 *Consolidated Financial Statements (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)*
Amendments to MFRS 128 *Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)*

The Group and the Company are expected to apply the above-mentioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the above-mentioned pronouncements is not expected to have any material impact to the financial statements of the Group and the Company, except for MFRS 18 pronouncement, which impact on initial application is currently being assessed. Further details on MFRS 18 pronouncements are discussed below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 and introduces enhanced requirements for the presentation and disclosure of financial statements. The standard mandates structured subtotals in the statement of profit or loss, classification of income and expenses into defined categories, and disclosure of management-defined performance measures with reconciliations to MFRS amounts.

The Group and the Company have assessed the estimated impact on financial statements upon the initial application of MFRS 18. The implementation of MFRS 18 will not result in changes to the recognition and measurement of financial statements. The impact will be limited to the financial statements' disclosures and presentation.

Notes to the Financial Statements
31 December 2025

34. PRONOUNCEMENTS YET IN EFFECT (CONTINUED)

MFRS 18 Presentation and Disclosure in Financial Statements (continued)

Upon adoption, the Group and the Company expect the impact mainly from the classification of income derived from the Group's equity accounted investments and income from fund and other investments into the investing category within the statement of profit or loss.

The Group and the Company do not expect significant changes to the information that is currently disclosed in the notes as the requirement to disclose material information remains unchanged. However, there will be new disclosures required for:
i. Management-defined performance measures; and
ii. The nature of expenses for certain line items presented by function in the operating category of the statement of profit or loss.

35. NEW AND REVISED PRONOUNCEMENTS NOT APPLICABLE TO THE GROUP AND THE COMPANY

The MASB has issued new pronouncements which are not relevant to the Group and the Company and hence, no further disclosure are warranted.

Effective for annual periods beginning on or after 1 January 2026
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures (Contracts Referencing Nature-dependent Electricity)

Effective for annual periods beginning on or after 1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*
Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates Translation to a Hyperinflationary Presentation Currency*

Independent Auditors' Report

to the members of PETRONAS DAGANGAN BERHAD
(Company No. 198201008499 (88222-D))
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of PETRONAS Dagangan Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 199 to 265.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Refer to Note 2.13 - Material accounting policies: Revenue and Note 18 - Revenue.

The key audit matter

The main revenue streams of the Group include retail, commercial and convenience. Revenue recognition is a key audit matter due to the risk that revenue may be overstated arising from pressure faced by the Group in achieving performance targets as revenue recognition has direct impact on the results of the Group.

How the matter was addressed in our audit

We performed the following audit procedures, among others, around revenue recognition:

- We tested the design and implementation as well as operating effectiveness of the Group's controls relevant to recognition of revenue;
- We assessed whether sales transactions on either side of the statement of financial position date as well as credit notes issued after year end are recognised in the correct period;
- We tested sales transactions recorded to the acknowledged customer delivery orders as an indication of transfer of control on goods to ascertain validity of sales;
- We involved our Information Technology Specialist to test the overall general IT control environment and application controls relevant to recognition of sales.

Independent Auditors' Report
to the members of PETRONAS DAGANGAN BERHAD
(Company No. 198201008499 (88222-D))
(Incorporated in Malaysia)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report

to the members of PETRONAS DAGANGAN BERHAD
(Company No. 198201008499 (88222-D))
(Incorporated in Malaysia)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 24 February 2026

Eric Kuo Sze-Wei
Approval Number: 03473/11/2027 J
Chartered Accountant

Analysis of Shareholdings

As At 27 February 2026

SHARE CAPITAL

Share Capital : RM993,454,000 comprising 993,454,000 ordinary shares
Class of Shares : Ordinary Shares
Voting Rights : One Vote Per Ordinary Share (On A Poll)

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
Less than 100	2,619	25.724	10,033	0.001
100 – 1,000	2,980	29.270	1,518,425	0.153
1,001 – 10,000	3,874	38.051	10,523,381	1.059
10,001 – 100,000	482	4.735	16,024,482	1.613
100,001 to less than 5% of issued shares	224	2.200	246,779,944	24.841
5% and above of issued shares	2	0.020	718,597,735	72.333
TOTAL	**10,181**	**100**	**993,454,000**	**100**

CLASSIFICATION OF SHAREHOLDERS

Category	No. of Shareholders		No. of Shares		% of Total Shareholdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Individuals	8,065	79	14,022,479	229,950	1.411	0.023
Body Corporate						
• Banks/Finance Companies	17	2	106,643,300	326,500	10.735	0.033
• Investment Trusts/Foundation/Charities	16	0	36,000	0	0.004	0.000
• Industrial and Commercial Companies	149	5	2,055,800	230,000	0.207	0.024
Government Agencies/ Institutions	6	0	7,413,300	0	0.746	0.000
Nominees	1,130	710	786,450,929	76,023,740	79.163	7.652
Others	2	0	22,002	0	0.002	0.000
TOTAL	**9,385**	**796**	**916,643,810**	**76,810,190**	**92.268**	**7.732**

Analysis of Shareholdings

As At 27 February 2026

LIST OF SUBSTANTIAL SHAREHOLDERS

	No. of Shares	% of Total Shareholding	Total No. of Shares
Petroliam Nasional Berhad **Petroliam Nasional Berhad (PETRONAS Research Fund)** Registered with : *CIMB Group Nominees (Tempatan) Sdn. Bhd.*	635,000,400 200,900	63.94	635,201,300
Employees Provident Fund Board Registered with : *Citigroup Nominees (Tempatan) Sdn Bhd (#9 CDS Accs)*		13.32	132,310,974
TOTAL		**77.26**	**767,512,274**

LIST OF DIRECTORS' SHAREHOLDINGS

No.	Name	Direct		Indirect	
		No. of Shares	% of Total Shareholding	No. of Shares	% of Total Shareholding
1.	DATUK ANUAR AHMAD	Nil	Nil	Nil	Nil
2.	AZRUL OSMAN RANI	Nil	Nil	Nil	Nil
3.	ALVIN MICHAEL HEW THAI KHEAM	Nil	Nil	Nil	Nil
4.	NIRMALA DORAISAMY	Nil	Nil	Nil	Nil
5.	TANG SAW HUA	Nil	Nil	Nil	Nil
6.	DATIN ARNI LAILY ANWARRUDIN	Nil	Nil	Nil	Nil
7.	DATUK SAZALI HAMZAH	Nil	Nil	Nil	Nil
8.	MOHD YUZAIDI MOHD YUSOFF	Nil	Nil	Nil	Nil

Analysis of Shareholdings

As At 27 February 2026

LIST OF LEADERSHIP TEAM'S SHAREHOLDINGS

No.	Name	Direct		Indirect	
		No. of Shares	% of Total Shareholding	No. of Shares	% of Total Shareholding
1.	AZRUL OSMAN RANI	Nil	Nil	Nil	Nil
2.	AZUREEN AZITA ABDULLAH	Nil	Nil	Nil	Nil
3.	MAZLIE MINHAT	Nil	Nil	Nil	Nil
4.	SAZLINA AHAMAD	Nil	Nil	Nil	Nil
5.	MOHD FEIRUZ MOHD GHAZALI	Nil	Nil	Nil	Nil
6.	HARDEEP SINGH KIRPAL SINGH	Nil	Nil	Nil	Nil
7.	ANTON SALLEH HASHIM	Nil	Nil	Nil	Nil
8.	NORMAH BASRI	Nil	Nil	Nil	Nil
9.	HARLINA PIKRI	Nil	Nil	Nil	Nil
10.	SORAYA YAHYA	Nil	Nil	Nil	Nil
11.	MOHD FAZNI ISMAIL	Nil	Nil	Nil	Nil
12.	CHEOK YEN KWAN	Nil	Nil	Nil	Nil
13.	AMIR ZAFILY ZAKARIA	Nil	Nil	Nil	Nil
14.	DR RAVI MENON	Nil	Nil	Nil	Nil
15.	NORAZLAN SUBAHA	Nil	Nil	Nil	Nil
16.	ABDULLAH AYMAN AWALUDDIN	Nil	Nil	Nil	Nil
17.	MOHD ZAMEER ZAHUR HUSSAIN	Nil	Nil	Nil	Nil
18.	NIK FARIZA NIK HAMDAN	Nil	Nil	Nil	Nil

Analysis of Shareholdings

As At 27 February 2026

LIST OF 30 LARGEST SHAREHOLDERS

No.	Name	No. of Shares	% of Total Shares
1.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD	635,000,400	63.918
2.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	83,597,335	8.415
3.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	45,079,435	4.538
4.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	34,217,100	3.444
5.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA	22,535,900	2.268
6.	LEMBAGA TABUNG HAJI	18,781,800	1.891
7.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 2 - WAWASAN	8,845,700	0.890
8.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3	8,451,100	0.851
9.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	6,847,700	0.689
10.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	4,886,940	0.492
11.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	4,555,907	0.459
12.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	4,091,800	0.412
13.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 3 - DIDIK	3,882,800	0.391
14.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR ISHARES CORE MSCI EMERGING MARKETS ETF	2,698,600	0.272
15.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	2,482,100	0.250
16.	HSBC NOMINEES (ASING) SDN BHD HSBC-FS G FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM)	2,378,143	0.239
17.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	2,074,400	0.209
18.	MAYBANK NOMINEES (TEMPATAN) SDN BHD SETIAUSAHA KERAJAAN PULAU PINANG	2,000,000	0.201
19.	STATE FINANCIAL SECRETARY SARAWAK	2,000,000	0.201
20.	STATE SECRETARY, KEDAH (INCORPORATION)	1,800,000	0.181
21.	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	1,745,294	0.176
22.	HONG LEONG INVESTMENT BANK BERHAD EXEMPT AN CLR FOR AMANAHRAYA TRUSTEES BERHAD	1,650,000	0.166
23.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LEEF)	1,305,300	0.131
24.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	1,301,800	0.131
25.	CITIGROUP NOMINEES (ASING) SDN BHD LEGAL & GENERAL ASSURANCE (PENSIONS MANAGEMENT) LIMITED (A/C 1125250001)	1,197,103	0.120
26.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND ZV86 FOR STATE STREET GLOBAL ADVISORS TRUST COMPANY INVESTMENT FUNDS FOR TAX EXEMPT RETIREMENT PLANS	1,112,800	0.112
27.	CARTABAN NOMINEES (ASING) SDN BHD BNYM SA/NV FOR ISHARES PUBLIC LIMITED COMPANY	1,082,400	0.109
28.	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR WISDOMTREE EMERGING MARKETS HIGH DIVIDEND FUND	1,067,000	0.107
29.	CHIEF MINISTER, STATE OF SABAH	1,000,000	0.101
30.	MENTERI BESAR INCORPORATION	1,000,000	0.101
		908,668,857	**91.466**

Analysis of Shareholdings
As At 27 February 2026

Net Book Value of Land and Buildings of the Company

	Freehold			Leasehold			Total Land			Building
	Net Book Value of Land (RM'000)	No. of Lots	Area (sq.ft.)	Net Book Value of Land (RM'000)	No. of Lots	Area (sq.ft.)	Net Book Value of Land (RM'000)	No. of Lots	Area (sq.ft.)	Net Book Value of Buildings (RM'000)
CENTRAL REGION	438,409	117	4,387,220	269,582	93	19,678,893	707,991	210	24,066,113	192,998
NORTHERN REGION	191,246	84	3,680,319	45,343	41	5,689,004	236,589	125	9,369,323	86,378
SOUTHERN REGION	364,010	140	5,536,755	80,570	46	1,704,511	444,580	186	7,241,266	101,645
EAST COAST REGION	67,529	37	1,593,158	29,742	54	1,939,805	97,271	91	3,532,963	59,128
SARAWAK	11,721	4	183,095	22,499	36	1,441,916	34,220	40	1,625,011	43,937
SABAH	215	1	49,223	26,371	37	2,534,198	26,586	38	2,583,421	23,005
Grand Total	**1,073,130**	**383**	**15,429,770**	**474,107**	**307**	**32,988,327**	**1,547,237**	**690**	**48,418,097**	**507,091**

Usage of Land*

	Bulk Depot	Klang Valley Distribution Terminal	LPG Storage & Bottling Plant	Multi Product Pipeline	Service Station	Training Centre & Service Station	Vacant Land	Grand Total
CENTRAL REGION	-	2	-	1	200	1	6	210
NORTHERN REGION	3	-	-	-	118	-	4	125
SOUTHERN REGION	-	-	-	-	184	-	2	186
EAST COAST REGION	-	-	1	-	86	-	4	91
SARAWAK	3	-	-	-	37	-	-	40
SABAH	3	-	-	-	33	-	2	38
Grand Total	**9**	**2**	**1**	**1**	**658**	**1**	**18**	**690**

** This represents usage of freehold and leasehold land belonging to the Company, and exclude stations or facilities built on leased land*

List of Top 10 Landed Properties

As at 31 December 2025

Name of Facilities and Location	Net Book Value (RM'000)
PRAI FUEL TERMINAL Lot 93, Kawasan Perindustrian Prai, 13600 Perai, Pulau Pinang	15,631
PSS SEBERANG PRAI KM 131, PLUS Arah Selatan, Lot 1973 Seberang Perai Tengah, Pulau Pinang	11,568
PS BANDAR COALFIELDS HSD 282787 PT 31030 MUKIM IJOK, KUALA SL	10,514
PS SALAK JAYA (NB) KM 13.9 LEBUH RAYA SUNGAI BESI W.P	5,838
PSS SUBANG AIRPORT LOT 1210 JLN LAPANGAN TERBANG SUBANG	4,222
PSS LEBUHRAYA SILK DENGKIL Lot 44116, KM 26.8 Lebuhraya Silk (Arah Kajang), 43300 Seri Kembangan, Selangor	4,165
MEX SERI KEMBANGN (NB) HSD 323903, PT 83459, MUKIM PETALING	4,160
PASIR GUDANG LPG BOTTLING PLANT Lot 108, Lorong Sawit 2, Kawasan Pelabuhan Johor, 81700 Pasir Gudang, Johor	4,046
LUMUT FUEL TERMINAL Lumut Port Industrial Park, Kg Acheh, 32000 Sitiawan, Perak	3,779
PSS BANDAR SUNGAI MERAB Lot PT 2, Bandar Sungai Merab, 43000 Sepang, Selangor	3,637

Corporate Information

BOARD OF DIRECTORS

DATUK ANUAR AHMAD
Chairman

Non-Independent Non-Executive Director

AZRUL OSMAN RANI
Managing Director/Chief Executive Officer

ALVIN MICHAEL HEW THAI KHEAM
Senior Independent Non-Executive Director

NIRMALA DORAISAMY
Independent Non-Executive Director

TANG SAW HUA
Independent Non-Executive Director

DATIN ARNI LAILY ANWARRUDIN
Non-Independent Non-Executive Director

DATUK SAZALI HAMZAH
Non-Independent Non-Executive Director

MOHD YUZAIDI MOHD YUSOFF
Independent Non-Executive Director

BOARD AUDIT COMMITTEE

- Tang Saw Hua *(Chairman)*
- Nirmala Doraisamy
- Datin Arni Laily Anwarrudin
- Mohd Yuzaidi Mohd Yusoff

NOMINATION AND REMUNERATION COMMITTEE

- Mohd Yuzaidi Mohd Yusoff *(Chairman)*
- Alvin Michael Hew Thai Kheam
- Tang Saw Hua

BOARD SUSTAINABILITY AND RISK COMMITTEE

- Alvin Michael Hew Thai Kheam *(Chairman)*
- Tang Saw Hua
- Nirmala Doraisamy
- Datuk Sazali Hamzah

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

- Alvin Michael Hew Thai Kheam
  Email : sidpdb@petronas.com

COMPANY SECRETARIES

- Hazleena Hamzah
  (LS0010278)
  (SSM Practising Certificate No. 201908001643)
- Norhashema Saleh
  (MAICSA 7021781)
  (SSM Practising Certificate No. 202408000073)

REGISTERED ADDRESS

Tower 1, PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur
Malaysia
Tel : +603 2051 5000

Corporate Information

BUSINESS ADDRESS

Level 28, Tower 1
PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur, Malaysia
Tel : +603 2051 5000

INVESTOR RELATIONS ADDRESS

Level 31, Tower 1
PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur, Malaysia
Tel : +603 2392 0609
Email : petdagIR@petronas.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor, Malaysia
Tel : +603 7890 4700 (Helpdesk)
Fax : +603 7890 4670
Email : bsr.helpdesk@boardroomlimited.com

AUDITOR

KPMG PLT (LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor, Malaysia
Tel : +603 7721 3388
Fax : +603 7721 3399

BANKING SERVICES PROVIDER

PETRONAS Integrated Financial Shared Services Centre (IFSSC)*

* *Banking requirements are substantially managed centrally by PETRONAS IFSSC to enable more efficient banking management for the Group and the Company.*

PLACE OF INCORPORATION AND DOMICILE

Malaysia

FORM OF LEGAL ENTITY

Incorporated on 5 August 1982 as a private company limited by shares under the Companies Act 1965 and converted into a public company limited by shares on 21 August 1993

STOCK EXCHANGE LISTING

Listed on the Main Market of Bursa Malaysia Securities Berhad
Listing date : 8 March 1994
Stock Name : PETDAG
Stock Code : 5681
Stock Sector: Consumer Products and Services

OTHER TICKER CODES

Reuters : PETR.KL
Bloomberg : PETD MK

WEBSITE

www.mymesra.com.my

CUSTOMER SERVICE CENTRE (Mesralink)

Tel : 1-300-88-8181
E-mail : mesralink@petronas.com.my

Additional Compliance Information

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Remarks	Group 2025 (RM)	Group 2024 (RM)
Revenue		**38,269,332,492**	37,950,762,029
Other income		**160,306,814**	155,256,422
Interest/Finance income		**193,699,087**	160,852,224
Share of profit of associates		**291,755**	263,833
Share of profit of ventures		**12,398,345**	(4,681,531)
Total		**38,636,028,493**	38,262,452,977
Total Assets		**11,083,871,363**	11,115,679,890

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group 2025 (RM)	Group 2024 (RM)
Interest income	Conventional	**17,407,711**	15,371,854
Tobacco, cigarette, electronic cigarettes and their related products and activities		**21,303,662**	25,058,370
Total		**38,711,373**	40,430,224

Additional Compliance Information

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group 2025 (RM)	Group 2024 (RM)
Cash at bank		**4,330,025,839**	1,603,596,058
Total Cash		**4,330,025,839**	1,603,596,058

Conventional Account/Instruments	Remarks	Group 2025 (RM)	Group 2024 (RM)
Cash at bank		**424,844,432**	510,094,101
Other cash equivalents (please specify in the remarks column)	Petty Cash	**51,006**	388,119
Total Cash		**424,895,438**	510,482,220

(ii) Debt Component

Islamic Financing	Remarks	Group 2025 (RM)	Group 2024 (RM)
Current		**N/A**	N/A
Non-Current		**N/A**	N/A
Total Financing		**N/A**	N/A

Conventional Borrowing	Remarks	Group 2025 (RM)	Group 2024 (RM)
Current		**N/A**	N/A
Non-Current		**N/A**	N/A
Total Debt		**N/A**	N/A

Notice of 44th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 44th Annual General Meeting (AGM) of PETRONAS Dagangan Berhad (the Company) will be held at the Exhibition Hall 1, Ground Floor, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia (Meeting Venue) and will be broadcasted live from the Meeting Venue on Monday, 27 April 2026 at 10.00 a.m. to transact the following Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.

   Please refer to Explanatory Note A

2. To re-elect the following Directors who retire by rotation in accordance with Article 107 of the Company's Constitution and being eligible, offer themselves for re-election:

   (a) Alvin Michael Hew Thai Kheam **(Resolution 1)**
   (b) Datuk Sazali Hamzah **(Resolution 2)**

   Datuk Anuar Ahmad, who is also due to retire by rotation in accordance with Article 107 of the Company's Constitution, has expressed his intention to retire from office and not to seek re-election. Therefore, he will retire from office upon the conclusion of the Company's 44th AGM.

   Please refer to Explanatory Note B

3. To approve the Directors' fees and allowances payable to the Non-Executive Directors of up to RM3,000,000 for the period from 28 April 2026 until the next AGM of the Company. **(Resolution 3)**

   Please refer to Explanatory Note C

4. To approve the re-appointment of KPMG PLT, as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. **(Resolution 4)**

   Please refer to Explanatory Note D

5. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend, participate and vote at the forthcoming 44th AGM, the Company shall be requesting the Record of Depositors as at **20 April 2026** from Bursa Malaysia Depository Sdn Bhd. Only a depositor whose name appears on the Record of Depositors as at **20 April 2026** shall be entitled to attend, participate and vote at the AGM and appoint proxy(ies) to attend, participate and vote on his/her stead.

BY ORDER OF THE BOARD

NORHASHEMA SALEH (MAICSA 7021781) (SSM Practising Certificate No. 202308000073)
HAZLEENA HAMZAH (LS0010278) (SSM Practising Certificate No. 201908001643)
Company Secretaries

Kuala Lumpur
27 March 2026

Notice of 44th Annual General Meeting

NOTES:

A. MODE OF AGM

The 44th AGM of the Company will be held in a hybrid mode and member(s), proxy(ies), corporate representative(s) or attorney(s) are given an option, either:-

(i) to attend physically at the Meeting Venue ("Physical Attendance"); or
(ii) to attend virtually using the Remote Participation and Electronic Voting ("RPEV") facilities to be provided by the appointed share registrar for this AGM, Boardroom Share Registrars Sdn Bhd ("Boardroom") ("Virtual Attendance").

Please refer to the Administrative Guide for the full guide to Physical Attendance and Virtual Attendance at the 44th AGM of the Company.

B. PROXY AND/OR AUTHORISED REPRESENTATIVE

1. A member who is entitled to attend, participate, speak and vote in this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.

2. A member of the Company who is entitled to attend, participate, speak and vote at the meeting may appoint not more than two proxies to participate on his/her behalf provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.

3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities accounts.

4. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for the multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

5. Where a member or the authorised nominee appoints two proxies, or where an Exempt Authorised Nominee appoints two or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

6. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be deposited with Boardroom not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

   (i) In hard copy form

   In the case of an appointment made in hard copy form, the proxy form must be deposited with:

   (a) Boardroom Share Registrars Sdn. Bhd.,
   11th Floor, Menara Symphony,
   No. 5, Jalan Prof. Khoo Kay Kim,
   Seksyen 13, 46200 Petaling Jaya,
   Selangor, Malaysia; or

   (b) By fax at 603-7890 4670 or e-mail to bsr.proxy@boardroomlimited.com

   (ii) By electronic means

   The proxy form can be electronically lodged with Boardroom via Boardroom Smart Investor Portal (BSIP) website at https://investor.boardroomlimited.com. Kindly refer to the Administrative Guide for the AGM on the procedures for electronic lodgment of proxy form via BSIP website.

7. Please ensure the proxy form is completed with **ALL** required particulars, signed and dated accordingly.

8. The last date and time for lodging the proxy form is **Saturday, 25 April 2026 at 10.00 a.m.**

9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with Boardroom at the address stated under item (6)(i)(a) above not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

10. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with Boardroom at the address stated under item (6)(i)(a) above. The certificate of appointment of authorised representative should be executed in the following manner:

    (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

    (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two authorised officers, of whom one shall be a director or any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Notice of 44th Annual General Meeting

11. By submitting the duly executed Proxy Form, the member and his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 44th AGM and any adjournment thereof.

C. VOTING ON A POLL

Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia), all resolutions set out in the Notice of 44th AGM will be put to vote as a poll.

D. EXPLANATORY NOTES

Note A - Audited Financial Statements for the Financial Year Ended 31 December 2025
The audited financial statements are laid before the shareholders pursuant to the provision of Section 340(1)(a) of the CA 2016 for discussion only. The Audited Financial Statements do not require shareholders' approval and hence, will not be put forward for voting.

Note B - Re-election of Directors who retire in accordance with Article 107 of the Company's Constitution
Article 107 of the Company's Constitution provides that one-third of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company provided always that all Directors shall retire from office once every three years but shall be eligible for re-election at the AGM. A Director retiring at a meeting shall retain office until the close of the meeting whether adjourned or not.

Datuk Anuar Ahmad (Datuk Anuar), Alvin Michael Hew Thai Kheam (Alvin) and Datuk Sazali Hamzah (Datuk Sazali) are due to retire by rotation in accordance with Article 107 of the Company's Constitution. Alvin and Datuk Sazali have given their consent for re-election at the 44th AGM of the Company. Meanwhile, Datuk Anuar has expressed his intention to retire from office and not to offer himself for re-election at the Company's 44th AGM. Hence, Datuk Anuar will retire from office upon the conclusion of the 44th AGM.

When assessing Alvin and Datuk Sazali for re-election, the Nomination and Remuneration Committee (NRC) evaluates their eligibility based on a comprehensive review of their competencies, commitment, contributions and overall performance. This assessment incorporates findings from the Board Effectiveness Evaluation, the fit and proper declaration, and an evaluation of their ability to act in the best interest of the Company as well as the quarter assessment of conflict of interest by the Board Audit Committee (BAC).

The Board endorsed NRC's recommendation that Alvin and Datuk Sazali, who retire in accordance with Article 107 of the Company's Constitution, are eligible for re-election at the forthcoming 44th AGM of the Company under Resolution 1 and 2.

The profiles of the retiring Directors are set out in the Profile of the Board of Directors on pages 114, 116 and 120 of the Integrated Report 2025.

Note C - Non-Executive Directors' Fees and Allowances
Pursuant to Section 230(1) of the CA 2016, the fees of the directors, and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The fees and allowances structure of the Non-Executive Director (NED) of the Company are as follows:

- Monthly fixed fees for duties as Director/Chairman;
- Meeting allowance for each Board/Board Committee meeting attended; and
- Fuel/EV charging allowance.

The Directors' fees and meeting allowances for Non-Independent Non-Executive Directors who are also employees of Petroliam Nasional Berhad (PETRONAS) are paid directly to PETRONAS.

The shareholders at the last AGM held on 24 April 2025 approved the Directors' fees and allowance of up to an amount of RM3,000,000 for the period from 25 April 2025 until 44th AGM of the Company to be held on 27 April 2026. The actual Directors' fees and other benefits paid to NEDs for the said period was RM2,502,900.00.

The Directors' fees and allowances for the NEDs for the period from 27 April 2026 until the next AGM of the Company (Mandate Period) are estimated not to exceed RM3,000,000. The calculation is based on the estimated number of scheduled Board and Board Committees' meetings and on the assumption that all the NEDs will remain in office until the next AGM. This resolution is to facilitate payment of the Directors' fees and allowances for the Mandate Period.

The Board will seek shareholders' approval at the next AGM in the event the Directors' fees and allowances proposed are insufficient.

The Company will retain its position to table a single resolution on the approval of the fees of the NEDs. The breakdown of the detailed Directors' remuneration paid for FY2025 is disclosed in the Corporate Governance Report 2025, which is accessible to the public at PDB's corporate website, www.mymesra.com.my.

Note D - Re-appointment of Auditors
The BAC had carried out an assessment on the performance, suitability and independence of external auditors based on the following four key areas:

(a) Quality of engagement team and services;
(b) Adequacy of resources;
(c) Quality of communication and interaction; and
(d) Independence, objectivity and professional skepticism.

The annual assessment on the Company's External Auditors, KPMG PLT, was conducted in January 2026 whereby the BAC was satisfied with the performance and independence of the external auditors.

Based on the assessment conducted, KPMG PLT has also met the criteria prescribed by Paragraph 15.21 of the MMLR of Bursa Malaysia.

The Board at its meeting held on 24 February 2026 recommended the re-appointment of KPMG PLT as External Auditors of the Company for the financial year ending 31 December 2026 for approval of the Shareholders under Resolution 4.

Other Information

In accordance with Paragraph 8.29A(2) of the MMLR of Bursa Malaysia, the Company has engaged independent scrutineers to count, audit and validate the votes for each Resolution presented to the Shareholders.

Administrative Guide

FOR THE 44TH ANNUAL GENERAL MEETING OF PETRONAS DAGANGAN BERHAD

1. MODE OF MEETING

(i) The 44th Annual General Meeting (AGM) of the Company will be conducted on a hybrid mode in accordance with paragraph 8.27A of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia) and in line with the Malaysian Code on Corporate Governance whereby listed issuers are encouraged to leverage technology in conducting general meetings to facilitate greater shareholders' participation and enhance the proceedings of general meetings.

The date, time and venue of the 44th AGM of the Company are as follows:

Date:	Monday, 27 April 2026
Time:	10.00 a.m.
Meeting Venue:	Exhibition Hall 1, Ground Floor, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre 50088 Kuala Lumpur, Malaysia
Online Platform Facilities:	https://investor.boardroomlimited.com with Remote Participation and Electronic Voting provided by Boardroom Share Registrars Sdn. Bhd. (Boardroom)

(ii) Shareholders shall have the option to attend the 44th AGM to exercise his/her right to attend, participate and vote at the meeting either:
(a) Physically in person at the Meeting Venue (Physical Attendance); or
(b) Virtually through live streaming and online remote voting via the Remote Participation and Electronic Voting (RPEV) facilities at https://investor.boardroomlimited.com (Virtual Attendance).

The Meeting Venue is in Malaysia where the Chairman of the meeting will be physically present in accordance with Section 327(2) of the Companies Act 2016.

2. MEMBERS ENTITLED TO ATTEND THE 44TH AGM

Only a member whose name appears on the Record of Depositors as at 20 April 2026 (as stated in the 44th AGM Notice) shall be entitled to attend the 44th AGM or appoint proxies to attend, speak and vote on his/ her behalf.

3. REGISTRATION

A. PHYSICAL ATTENDANCE

(i) Registration will start at 8:00 a.m. on Monday, 27 April 2026 at the Meeting Venue and will close before the voting session begins or such time as may be determined by the Chairman of the meeting.

(ii) Please produce your original MyKad/Identification Card or Passport (for foreigners) during registration. Only original MyKad/ Identification Card or Passport will be accepted for the purpose of identity verification. Please ensure that you collect your MyKad/ Identification Card or passport thereafter.

(iii) No person will be allowed to register on behalf of another person with the original MyKad/Identification Card or Passport of that other person.

(iv) Upon verification and registration:

(a) attendance will be recorded and identification wristband will be provided at the registration counter;

(b) a special QR code will be generated for shareholders to scan and access to the e-polling system using own smartphone/tablet;

(c) if you are attending the 44th AGM as a shareholder as well as a proxy, you will be registered once and will only be given one identification wristband; and

(d) no person will be allowed to enter the meeting hall without wearing the identification wristband. There will be no replacement in the event that you lose/misplace the identification wristband.

(v) The registration counter will only handle verification of identity and registration of attendance. Kindly vacate the area once registration is completed.

(vi) Help desk support is available for any other enquiries/assistance/revocation of proxy's appointment.

Administrative Guide

FOR THE 44TH ANNUAL GENERAL MEETING (AGM) OF PETRONAS DAGANGAN BERHAD

B. VIRTUAL ATTENDANCE

(i) All Member(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend and participate at the 44th AGM virtually are required to login to the Boardroom Smart Investor Portal (BSIP) at https://investor.boardroomlimited.com to register for virtual participation at the 44th AGM.

(ii) Kindly refer to the following steps to register for virtual attendance:

PROCEDURES		ACTIONS
Before the day of the AGM		
Step (1)	Register online with BSIP for **Individual and Corporate Shareholder**	*(Note : For first time registration only* *If you have already signed up with BSIP, you are not required to register again. You may proceed to Step (2) - Submit Request for Remote Participation)* a) Access the website https://investor.boardroomlimited.com b) Click '**Register**' to sign up as a user c) Select 'Account Type' to '**Sign Up As Shareholder' or 'Sign Up As Corporate Holder**' d) Complete registration and upload compulsory documents such as softcopy of MyKad (front and back) or passport and authorisation letter (template available on the BSIP) for Corporate Shareholder e) Enter a valid mobile number and email address f) You will receive an email from BSIP for email address verification. Click 'Verify Email Address' in the email received to continue with the registration g) Once your email address is verified, you will be re-directed to BSIP for verification of mobile number. Click 'Request OTP Code' and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click 'Enter' to complete the process h) Once your mobile number is verified, registration of your new BSIP account will be pending for final verification. Your registration will be verified and approved within one (1) business day and an email notification will be provided
Step (2)	Submit request for remote participation and submission of proxy form	*(Note : You must be a registered BSIP user. Otherwise, please refer to Step (1))* The registration for RPEV facilities will open on 25 April 2026 until such time before the voting session ends at the 44th AGM on Monday, 27 April 2026 (**Registration Deadline**). The instrument appointing a proxy must be received latest by Saturday, 25 April 2026 at 10.00 a.m. (**Proxy Lodgement Deadline**) **For Individual and Corporate Shareholders** a) Login to https://investor.boardroomlimited.com b) Click 'Meeting Event(s)' and select the list of companies – '**PETRONAS DAGANGAN BERHAD 44TH ANNUAL GENERAL MEETING**' and click 'Enter' c) To attend the virtual AGM remotely • Click '**Register for RPEV**' • Read and accept the General Terms and Conditions and enter your CDS account no. to submit your request d) To appoint proxy • Click '**Submit eProxy** Form' • For Corporate Shareholder, select the company you would like to represent (if more than one) • Read and accept the General Terms and Conditions and enter your CDS account no. Thereafter, insert your proxy details and voting instructions. If you wish your proxy(ies) to act upon his/her discretion, please indicate 'Discretionary' **For Authorised Nominees and Exempt Authorised Nominees** a) Login to https://investor.boardroomlimited.com b) Click 'Meeting Event(s)' and select the list of companies – '**PETRONAS DAGANGAN BERHAD 44TH ANNUAL GENERAL MEETING**' and click 'Enter' c) Click '**Submit eProxy Form**' d) Select the company you would like to represent (if more than one) e) Proceed to download the file format for 'Submission of Proxy Form' f) Prepare the file for appointment of proxy(ies) by inserting the required data g) Proceed to upload the duly completed Proxy Appointment file h) Review and confirm your proxy(ies) appointment(s) and click '**Submit**' i) Download or print the eProxy form as acknowledgement For Corporate Shareholders, Authorised Nominees/ Exempt Authorised Nominees and Attorneys, you may also write to bsr.helpdesk@boardroomlimited.com and provide name of the shareholder, CDS account no. and the Certificate of Appointment of Corporate Representative or Proxy Form (as the case may be). A copy of MyKad or passport and a valid email address are required.

Administrative Guide

FOR THE 44TH ANNUAL GENERAL MEETING (AGM) OF PETRONAS DAGANGAN BERHAD

PROCEDURES		ACTIONS
Before the day of the AGM		
Step (3)	Verification and email notification	For Individual Shareholders, Corporate Shareholders, Authorised Nominees/ Exempt Authorised Nominees and Attorneys a) An email notification will be sent by Boardroom to notify that your request for remote participation has been received for system verification. b) Upon verification against the General Meeting Record of Depositors as at 20 April 2026, you will receive an email from Boardroom notifying you either your request for remote participation at the 44th AGM has been approved or rejected.
On the day of the AGM		
Step (4)	Login	a) Login to https://investor.boardroomlimited.com with your registered email address and password. b) Meeting platform will be made available at any time from 9.00 a.m. i.e. one hour before the commencement of the 44th AGM at 10.00 a.m. on Monday, 27 April 2026. c) Click into 'Meeting Event(s)' and go to '**PETRONAS DAGANGAN BERHAD 44TH ANNUAL GENERAL MEETING**' and then click '**Join Live Meeting**' to join the proceedings of the 44th AGM remotely.
	Participate	a) Please follow the user guides in BSIP to view the live webcast, submit questions and vote. b) To view the live webcast, select the broadcast icon c) To ask a question during the 44th AGM, select the messaging icon d) Type your question in the chat box and click the send button to submit.
	Vote	a) Once voting has commenced, the polling icon will appear with the resolutions and voting choices until such time that the Chairman declares an end to the voting session. b) To vote, select your voting preference from the options provided. A confirmation message will appear to indicate that your vote has been received. c) To change your vote, re-select your voting preference. d) If you wish to cancel your vote, please press 'Cancel'.
	End	Upon declaration by the Chairman of the closure of the 44th AGM, the live webcast will end.

(iii) Please note that the quality of the connectivity to the RPEV facilities for live webcast as well as for electronic voting is highly dependent on the bandwidth and stability of the internet connection at your location and the device of the remote participants.

The recommended requirement for live webcast is as follows:

(a) Browser : Latest versions of Chrome, Firefox, Edge, Safari or Opera
(b) Bandwidth : Minimum 9 Mbps stable speed for High Definition (HD) High Quality video quality or 12 Mbps for Extra HD (EHD) video quality
(c) Device with working and good quality speakers.

Administrative Guide

FOR THE 44TH ANNUAL GENERAL MEETING (AGM) OF PETRONAS DAGANGAN BERHAD

4. APPOINTMENT AND/OR REVOCATION OF PROXY

(i) Appointment of Proxy

If you are unable to attend the 44th AGM in-person and wish to appoint the Chairman of the 44th AGM as your **proxy** to vote on your behalf, the instrument appointing proxy(ies) may be made in the following manner:-

(a) In hardcopy form
Deposit your proxy form at the office of the Poll Administrator, Boardroom Share Registrars Sdn Bhd (Boardroom) at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than forty-eight (48) hours before the time of holding the 44th AGM, i.e. latest by Saturday, 25 April 2026 at 10.00 a.m. Any alteration to the Form of Proxy must be initialled.

(b) By electronic means (following the steps below)

For Individual Shareholders, Corporate Shareholders
(a) Open an internet browser. Latest versions of Chrome, Firefox, Safari, Edge or Opera are recommended.
(b) Log in to BSIP website at https://investor.boardroomlimited.com
(c) Login your BSIP account with your registered email address and password.
(d) Click **"Meeting Event"** and select **"PETRONAS DAGANGAN BERHAD 44TH ANNUAL GENERAL MEETING"** from the list of companies and click **"Enter"**.

By Shareholder and Corporate Holder	By Nominees Company
• Click "**Submit eProxy Form**" • For Corporate Shareholder, select the company you would like to represent (if more than one) • Read and accept the General Terms and Conditions and enter your CDS account no. Thereafter, insert your proxy details and voting instructions. If you wish your proxy(ies) to act upon his/her discretion, please indicate 'Discretionary'	• Select the Nominees Company that you are representing. • Go to **"PROXY"** and click on **"Submit eProxy Form"**. • Click on "Download Excel Template" to download. • Insert the appointment of proxy/proxies for each CDS account with the necessary data and voting instructions in the downloaded excel file template. Ensure inserted data is correct and orderly. • Proceed to upload the duly completed excel file. • Review and confirm your proxy/proxies appointment and click **"Submit"**. • Download or print the eProxy form as acknowledgement.
eProxy Form to be lodged not less than forty-eight (48) hours before the time of holding the AGM, i.e. latest by **Saturday, 25 April 2026 at 10.00 a.m.**	

Administrative Guide

FOR THE 44TH ANNUAL GENERAL MEETING (AGM) OF PETRONAS DAGANGAN BERHAD

(ii) Revocation of Proxy

If a shareholder has submitted his/her proxy form prior to the AGM and subsequently decides to appoint another person or wishes to participate in the AGM virtually by himself/herself, please revoke the appointment of proxy/proxies at least forty-eight (48) hours before the AGM. Please find the below step for revocation on eProxy form or physical proxy form:-

eProxy Form	Physical Proxy Form
• Go to **"Meeting Event"** and select **"PETRONAS DAGANGAN BERHAD 44TH ANNUAL GENERAL MEETING"** from the list of companies and click **"Enter"**. • Go to **"PROXY"** and click on **"Submit Another eProxy Form"**. • Go to **"Submitted eProxy Form List"** and click **"View"** for the eProxy form. • Click **"Cancel/Revoke"** at the bottom of the eProxy form. • Click **"Proceed"** to confirm.	• Please write in to bsr.proxy@boardroomlimited.com to revoke the appointment of proxy/proxies.

Upon revocation, proxy/proxies appointed earlier will not be allowed to participate at the AGM. In such event, shareholders should advise their proxy/proxies accordingly.

5. VOTING AT MEETING

(i) The voting at the 44th AGM will be conducted on a poll pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Malaysia. The Company has appointed Boardroom as the Poll Administrator to conduct the poll by way of electronic voting (e-Voting) and Scrutineer Solutions Sdn. Bhd. as Independent Scrutineers to verify the poll results.

(ii) The e-Voting session will commence from the start of the 44th AGM at 10.00 a.m. on Monday, 27 April 2026 (for both Physical and Virtual Attendance) until the end of the voting session which will be announced by the Chairman. Upon completion of the voting session, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

(iii) All physical attendees are advised to bring their own personal devices in order to vote.

(iv) The resolutions proposed at the 44th AGM and the results of the voting will be announced at the 44th AGM and subsequently via an announcement made by the Company through Bursa Malaysia at www.bursamalaysia.com.

6. SUBMISSION OF QUESTIONS FOR THE 44TH AGM

(i) Prior to 44th AGM

Shareholders may submit questions in relation to the agenda items for the 44th AGM via BSIP at https://investor.boardroomlimited.com not later than Saturday, 25 April 2026 at 10.00 a.m. Click 'Submit Questions' after selecting 'PETRONAS DAGANGAN BERHAD 44th ANNUAL GENERAL MEETING' from 'Meeting Event(s)'. The responses to these questions will be shared at the 44th AGM.

(ii) During the meeting

(a) Physical Attendance

Members and proxies will be able to ask questions in person at the Meeting Venue.

Administrative Guide

FOR THE 44TH ANNUAL GENERAL MEETING (AGM) OF PETRONAS DAGANGAN BERHAD

(b) Virtual Attendance

During the 44th AGM live streaming, Members may also pose questions via real time submission of typed texts at BSIP. The Messaging window facility will be opened concurrently with the Meeting Platform (i.e. one hour before the 44th AGM from 9.00 a.m. on Monday, 27 April 2026). The Board of Directors and Key Leadership Team will endeavour to address all questions received in relation to the AGM.

7. INTEGRATED REPORT 2025

(i) The Integrated Report is available on the Company's corporate website at www.mymesra.com.my and Bursa Malaysia's website at www.bursamalaysia.com under Company's announcements.

(ii) You may request for a printed copy of the Integrated Report by logging in to at https://investor.boardroomlimited.com by selecting "Request for Integrated Report" under the "Investor Services".

(iii) Kindly consider the environment before you decide to request for the printed copy of the Integrated Report. The environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

(iv) Please note that no printed copy of the Integrated Report will be provided at the Meeting Venue.

8. OTHER INFORMATION FOR PHYSICAL ATTENDANCE AT THE MEETING VENUE

(i) Parking

Parking is available at Kuala Lumpur Convention Centre (basement parking) ONLY based on first-come, first-served basis.

(ii) Mobile Devices

Please ensure that all mobile devices, i.e. phones/ pagers/ other sound emitting devices are put on silent mode during the AGM to ensure smooth and uninterrupted proceedings.

(iii) No Smoking Policy

A no smoking policy is maintained inside the convention centre.

9. NO RECORDING OR PHOTOGRAPHY

Recording or photography of the 44th AGM is strictly prohibited without the prior written consent of the Company.

10. ENQUIRY

For enquiries and administrative details relating to the meeting, please contact Boardroom during office hours from Monday to Friday (8.30 a.m. to 5.30. p.m.), details as follows:-

Boardroom Share Registrars Sdn. Bhd.
Address : 11th Floor, Menara Symphony
No. 5 Jalan Professor Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor, Malaysia
General Line : +603-7890 4700 (Helpdesk)
Fax Number : +603-7890 4670
Email : bsr.proxy@boardroomlimited.com

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PETRONAS Dagangan Berhad
Registration No.: 198201008499 (88222-D)

PROXY FORM

FOR THE 44TH ANNUAL GENERAL MEETING

No. of Ordinary Shares Held	
CDS Account Number	

I/We _____ NRIC/Passport No./Company No.: _____
(Full Name In Block Letters)

of _____ Telephone No.: _____
(Full Address)

Email address.:_____ being a member of PETRONAS Dagangan Berhad (the Company) hereby appoint:

Full Name (in Block Letters)		**Proportion of Shareholdings**	
NRIC/Passport No.		**No. of Shares**	**%**
Address			

and/or (delete as appropriate)

Full Name (in Block Letters)		**Proportion of Shareholdings**	
NRIC/Passport No.		**No. of Shares**	**%**
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 44th Annual General Meeting (AGM) of the Company which will be held at the Exhibition Hall 1, Ground Floor, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia (Meeting Venue) and will be broadcasted live from the Meeting Venue on **Monday, 27 April 2026** at **10.00 a.m.** and at any adjournment thereof. My/our proxy is to vote as indicated below.

Resolution*	Ordinary Business	For	Against
1	Re-election of Alvin Michael Hew Thai Kheam as a Director		
2	Re-election of Datuk Sazali Hamzah as a Director		
3	Directors' fees and allowances payable to the Non-Executive Directors of up to an amount of RM3,000,000 for the period from 28 April 2026 until the next AGM of the Company		
4	Re-appointment of KPMG PLT as Auditors of the Company		

Note:
* Please refer to the Notice of 44th AGM for full details of the proposed Resolutions.

(Please indicate with an "X" in the spaces provided whether you wish your vote to be casted for or against the proposed Resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit)

Date: _____ 2026.

_____
Signature(s)/Common Seal of Shareholder(s)

NOTES:

1. The 44th AGM of the Company will be held in a hybrid format, whereby member(s), proxy(ies), corporate representative(s), or attorney(s) will have the option to attend either in person (physically) or virtually.

   Please refer to the Administrative Guide for the full details on physical and virtual attendance at the 44th AGM of the Company.

2. A member who is entitled to attend, participate, speak and vote in this 44th AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorized representative to participate in his/her place. A proxy may but need not be a member of the Company.

3. A member of the Company who is entitled to attend, participate, speak and vote at the meeting may appoint not more than two proxies to participate on his/her behalf provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy.

4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities account it holds with ordinary shares of the Company standing to the credit of the said securities accounts.

5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

6. Where a member or the authorised nominee appoints two proxies, or where an Exempt Authorised Nominee appoints two or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be deposited with Boardroom Share Registrars Sdn Bhd (Boardroom) not less than 48 hours before the time appointed for holding the 44th AGM or adjourned general meetings at which the person named in the appointment proposes to vote:

   (i) In hard copy form

   In the case of an appointment made in hard copy form, the proxy form must be deposited with:

   (a) Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia; or
   (b) By fax at +603-7890 4670 or email to is bsr.proxy@boardroomlimited.com

   (ii) By electronic means

   The proxy form can be electronically lodged with Boardroom via Boardroom Smart Investor Portal (BSIP) website at https://investor.boardroomlimited.my. Kindly refer to the Administrative Guide for the 44th AGM on the procedures for electronic lodgment of proxy form via BSIP website.

8. Please ensure the proxy form is completed with ALL required particulars, signed and dated accordingly.

9. Last date and time for lodging the proxy form is on Saturday, 25 April 2026 at 10.00 a.m.

10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with Boardroom at the address stated under item 7(i)(a) above, not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

11. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with Boardroom at the address stated under item 7(i)(a) above. The certificate of appointment of authorised representative should be executed in the following manner:

    (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
    (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two authorised officers, of whom one shall be a director or any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

12. By submitting the duly executed Proxy Form, the member and his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 44th AGM and any adjournment thereof.

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AFFIX
STAMP
HERE

BOARDROOM SHARE REGISTRARS SDN. BHD.
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor, Malaysia

FOLD HERE

PETRONAS

PETRONAS DAGANGAN BERHAD
198201008499 (88222D)

Level 27-32, Tower 1,
PETRONAS Twin Towers, Kuala Lumpur City Centre,
50088 Kuala Lumpur

Tel: (03) 2051 5000

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