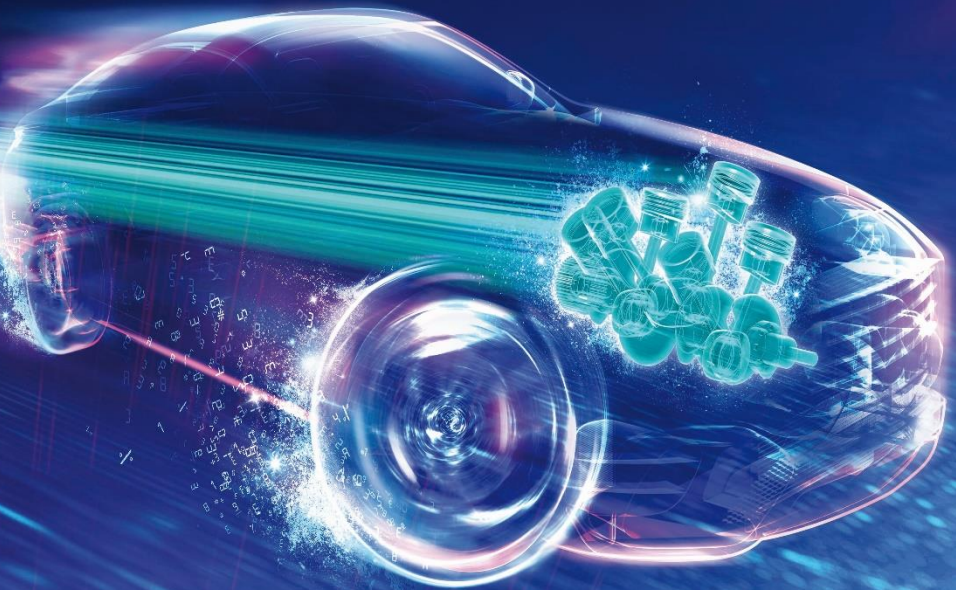




PETRONAS

# FUTURE PROOF



**39<sup>th</sup> Annual General Meeting**  
**PETRONAS DAGANGAN BERHAD**

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

# GIFTS

No.	Question
LIVE AGM QUESTION	
1	E-Voucher Setel thank you
2	Good morning thank you E-Voucher Setel
3	Please give PETRONAS Setel E-Vouchers. Thank you directors.
4	Good morning thank you E-Wallet Setel. God bless
5	Please give E-Voucher. Thank you, directors.
6	Please give E-Vouchers. Thank you.
7	Good morning. In this 2nd virtual AGM, will there be an E-Voucher to reward participants as a token of appreciation
8	A very good morning to the Board members. In this virtual AGM will there be an E-Voucher / E-Wallet be given to participants as a token of appreciation to help relief us in this pandemic times. TQ
9	Since this is 2nd virtual AGM, I humbly request BOD to give E-Voucher and/or E-Wallet credit (in lieu of light refreshments during physical AGM) to minority shareholders as a token of appreciation
10	Good morning Mr.Chairman and board of directors. I wish to request for Setel as a token of appreciation to shareholders who attended this AGM. Tqvm in advance for your kind consideration.
11	Honourable Mr Chairman & Board of Directors, I'd like to request that you reward your loyal shareholders E-Vouchers or E-Wallet in REPLACEMENT of doorgifts as a token of appreciation for our time & effort to attend this AGM. Also these are very HARD times for us FINANCIALLY & many including myself have suffered LOSS of Income due to the pandemic and these free gifts will help alleviate our difficult situation. TQ!
12	Please consider giving E-Voucher to participating shareholders.
13	Honourable Mr. Chairman & Board of Directors, I'd like to request that you reward your loyal shareholders E-Vouchers or E-Wallet in REPLACEMENT of doorgifts as a token of appreciation for our time & effort to attend this AGM Also these are very HARD times for us FINANCIALLY due to the pandemic and these free gifts will help alleviate our difficult situation TQ!
14	Good morning, can the company give away E-Voucher to those who attend the meeting just like PETRONAS Gas and Chemical did. Thank you.
15	Any vouchers?
16	BOD with the savings from holding the AGM via RPV in FY2020 and FY2021 kindly consider to reward shareholders with E-Products (PETRONAS petrol card etc) Thanks
17	Appreciate receiving vouchers. TQ.
18	Can expect higher doorgift of RM100 as petrol price have increased.
19	Any door gifts?
20	Any door gifts?
21	Do you give any vouchers or gifts?
22	Can give more doorgift like E-Wallet request from Senior Citizen.
23	How to redeem the Setel E-Voucher?

24	Do i can get a voucher for attending meeting online
25	Please forward door gifts. Thank you.
26	Hi Good Morning. Kindly distribute door gifts during this pandemic time. TQ
27	How to redeem the setel voucher? will there be instruction provided?
PRE-AGM QUESTION	
28	Will the company consider providing Setel credit as token to virtual AGM participants
29	Dear BOD - Kindly give us some E-Voucher or E-Wallet for being loyal shareholders and attending this meeting. Times are bad now. TQ
30	Any E-Voucher eg. TNG ewallet to be distribute as no physical meeting as cost of holding a physical meeting have reduced.
31	Will the board consider to provide E-Voucher for those attending on the virtual AGM? Appreciate your board in considering this as it's cheaper than conducting actual AGM.
32	A very good morning. It's the 2nd Virtual AGM . Hopefully this year the Board may consider reward of Petronas Gift Card / Voucher, E-Wallet as a token of appreciation to shareholders who participate in this AGM. Will be much appreciated. TQ
33	A very good morning. It's the 2nd Virtual AGM. Hopefully this year the Board may consider reward of Petronas Gift Card / Voucher, eWallet as a token of appreciation to shareholders who participate in this AGM. Will be much appreciated. TQ
34	Since this is the second virtual AGM due to the covid pandemic, please do consider giving E-Wallet vouchers as during past year, physical AGM, door gifts were also given.
35	Kindly provide E-Voucher via Setel app to those who participate. There are 2 benefits to the company ie serve as a marketing tool and as a token of appreciation to shareholder effort and time
36	There were several questions from shareholders requesting for E-Voucher and door gifts. Hope board will look into our view now.
37	Kindly provide E-Cash voucher for those who participate in this AGM.
38	Hope this year the company will be giving doorgifts/ E-Voucher to shareholders/proxies attending this live streaming AGM and remote voting. Tq
39	Is there any evouchers ie door gifts for online AGM? would be good to receive evoucher RM100 Setel like PETRONAS Gas AGM on 20/4/21
40	Will shareholders receive any E-Voucher? Thanks
41	Any door gift given for participation AGM
42	Today PETRONAS Chemical give us Setel RM50 petrol at PETRONAS. MISC also. Hope you give us too. God bless
43	BOD with savings from holding the AGM via RPV in Y2020 and Y2021, kindly consider to reward shareholders with e-products (PETRONAS fuel card), E-Voucher or E-Wallet reload. Thanks
44	I want to attend AGM. Any voucher for Shareholders?
45	Mr Chairman. Kindly provide E-Voucher to shareholders who attend RPV.

Answer to question 1 to 45:

PDB will be providing Setel e-voucher worth RM50 as a token of appreciation to all its shareholders, proxies, corporate representatives and attorneys who participate at today's AGM which will be sent via email by Tricor to your registered email based on today's AGM attendance record within 5 workings days.

The step-by-step email will show how to redeem the Setel e-voucher will be emailed together with the e-voucher pin by Tricor from the PDB 39th AGM day to Shareholders, Proxies, Corporate Representatives and Attorneys who participated in the PDB 39th AGM.

Simply download the Setel mobile app (available in Apple appstore and Google playstore) and redeem the voucher into your e-wallet.

Setel gives customers the best seamless and frictionless experience when it comes to contactless payment for fuel, manage & redeem your Mesra points digitally - all available in the palm of your hand!

# GOVERNANCE

No.	Question
PRE-AGM QUESTION	
46	<p>Bursa Malaysia is encouraging all public listed companies to adopt good ESG practices in their business operations.</p> <p>What is our Company's annual budget in terms of percentage of total expenditure in pursuing the ESG agenda?</p>
ANSWER	
<p>We have allocated annual OPEX budget of more than RM3 million which is equivalent to 0.1% of total OPEX. We also plan to spend a sizeable CAPEX in FY2021 which supported the ESG practices e.g. cleaner fuels (biodiesel), premium fuel (ron97 with pro-race) etc.</p>	
47	<p>Is it justify to ask for approval to increased Directors fees when company does not increase its revenue as compared to previous years? What is your KPI on the profitability of the company?</p>
ANSWER	
<p>The increase is mainly due to the higher anticipated number of the Board's and Board Committees' meetings until the conclusion of FY2022 AGM.</p> <p>KPI is designed to ensure profitability is maximized which will safeguard shareholders value. This KPI is carried by MD/CEO and management team which will determine their performance.</p>	

# STRATEGY

No.	Question
LIVE AGM QUESTION	
48	Will it affect the sale due to the outbreak of pandemic in India in future? Tq
ANSWER	
Currently PDB does not have any business exposure in India.	
49	The products are made of recyclable materials but how do you ensure that the products are recycled or that the factories in Malaysia are capable of recycling the materials since different recyclable plastic requires specific recyclable machinery and methods?
ANSWER	
PDB encourage our dealers to use vendors under the municipal council and we trust our vendors to carry out their recyclable duties responsibly.	
50	Can you elaborate what sustainability initiatives in relation to people, planet, and What sustainability targets have you put in place
ANSWER	
PDB has a clear commitment to safeguarding the environment in our policies, which cover climate change issues and energy use. In looking at alternative energy to reduce our carbon footprint, PDB has installed solar panels at 8 of our station in FY2020 and plans to install solar panels at an additional ~70 retail stations in 2021. We also look at our social responsibility to our community such as Water for Life, bring fresh and clean water to underserved communities in rural Malaysia. We continue to look at other ways to reduce our overall carbon footprint.	
51	What is PDB's strategy to future proof sales as electric vehicles gain more traction in its markets in the future? If EV maker Nio (focuses on battery swap service instead of merely charging) is launched in Malaysia, would PDB consider setting up battery swap stations for an EV maker like Nio (to help transition business model to EV)?
ANSWER	
Currently PDB has 61 electric car charging facilities (ChargEV) located in 60 of our stations in Peninsular Malaysia.	
As the EV market in Malaysia is still developing, PDB shall continue to closely monitor trends and developments in this area to ensure we make expansion decisions in accordance with the market and consumer demand.	



52	Is the company pursuing sale of alternative energy e.g. sale of solar energy etc to improve its bottom line?
<b>ANSWER</b>	
<p>For alternative energy, LNG has been part of PDB products portfolio. LNG is an alternative cleaner fuel which is non-corrosive and produce less carbon emission (Clean Air Regulation 2014) as compared to Diesel/Fuel Oil &amp; LPG which also supports our sustainability agenda. In relation to solar energy, we target to have ~70 solar panel installed at our stations by end of FY2021 from 8 stations installed in FY2020.</p> <p>PDB shall continuously review its portfolio and open to new opportunities in alternative energy investment, if there is strategic fit and synergy that leads to value creation to our shareholders.</p>	
<b>PRE-AGM QUESTION</b>	
53	Will PETRONAS Dagangan consider to venture into electric car charging station?
<b>ANSWER</b>	
<p>Currently PDB has 61 electric car charging facilities (ChargEV) located in 60 of our stations in Peninsular Malaysia which was underutilized.</p> <p>As the EV market and charging infrastructure in Malaysia is still developing, PDB shall continue to closely monitor trends and developments in this area to ensure we make expansion decisions in accordance with the market and consumer demand.</p>	
54	It is difficult to apply as a vendor to bid competitively for recyclables. Can the company assist its shareholders?
<b>ANSWER</b>	
<ul style="list-style-type: none"> <li>• There is a standard procedure implemented by PETRONAS for vendor selection process. You may visit the PETRONAS website at <a href="http://www.petronas.com">www.petronas.com</a> and select 'Be Our Partner' to register as a PETRONAS licensed vendor.</li> <li>• For issues related to PETRONAS licensing system or inquiries on general licensing and registration matters, please contact: <ul style="list-style-type: none"> <li>• PETRONAS Contact Centre at 1-800-88-0011; or</li> <li>• Email to <a href="mailto:lrs_enquiries@petronas.com">lrs_enquiries@petronas.com</a></li> </ul> </li> </ul>	

# AGM

No.	Question
LIVE AGM QUESTION	
55	How much does the company spend on this virtual AGM? Would the board kindly consider giving us the company's Setel E-Voucher as a token of appreciation to shareholders who participate in this virtual AGM. Thank you I would like to request a printed hard copy of the company annual report.
ANSWER	
Total cost for virtual meeting is around ~RM200K. We have addressed the question on the voucher and annual report in the previous question.	



# SETEL

No.	Question
LIVE AGM QUESTION	
56	How much have the company invested in Setel so far? Is it breakeven already? If not, when do you expect it to be breakeven?
ANSWER	
<p>Substantial investments have been made in SETEL together with ongoing capital requirements as per the BNM requirements for E-Wallet/E-Money license holders.</p> <p>As common in any new startup, it will take time for ventures to be profitable. Setel is in the growth phase and a roadmap to profitability is in place with scale up of the strategies/initiatives.</p>	
57	Why E-Wallet not available as a payment option at Petronas Stations?
ANSWER	
<p>A seamless and frictionless customer experience is what we wanted to give our customers and Setel does this as Malaysia's first mobile app that integrates fuel payment, retail and loyalty benefits - it allows users to purchase fuel and Kedai Mesra items using their mobile phones right from the comfort of their vehicles.</p> <p>Other E-Wallets in the market are not able to give our customers the same seamless &amp; frictionless experience by Setel.</p>	

# ANNUAL REPORT

No.	Question
LIVE AGM QUESTION	
58	I am madam ngee geok choo, a shareholder. Thank You for this AGM. Please send me a hard copy of the latest annual report. I would also like to request some E-Voucher or E-Wallet, Thank You in advance and a very bright future for the company. Peaceful Ramadan to all the Muslims.
59	I need a hard copy for meeting year 2019 and 2020 for my record. And can I get free gift and voucher for last year meeting.
60	I am Cheong Seng Tin. Thank You for this AGM. Kindly send me a copy of the print copy of the annual report.
ANSWER	
<p>We take note on your request for the hard copies of 2019 and 2020 Annual Reports and we will make the necessary arrangement accordingly.</p> <p>Alternatively, softcopy of the annual report is available at our official webpage <a href="http://www.mymesra.com.my">www.mymesra.com.my</a></p> <p>PDB did not provide any door gift or E-Voucher at last year's AGM.</p>	

# COMMERCIAL

No.	Question
LIVE AGM QUESTION	
61	With global oil price returning back to USD60-65, what is the outlook for the company commercial business
ANSWER	
<p>Commercial Business in Q1 was supported by positive prices and increased demand seen so far, with the roll out of vaccine nationwide and increase in economic activities.</p> <p>However, the outlook remain uncertain as daily COVID-19 cases are still rising in Malaysia. Commercial Business' will continue to focus on high value market segments and target demand recovery post COVID-19 in economic sectors including agriculture, construction, manufacturing and services.</p>	

# DIGITAL

No.	Question
LIVE AGM QUESTION	
62	<p>What is our investment in digital initiatives and to upgrade our systems (world first 15 inch interactive touch screen, cloud based POS) and can you share and quantify the value these investments bring to PDB</p>
ANSWER	
<p>We have allocated a sizeable CAPEX and OPEX budget to modernize and upgrade our retail stations with world class IT systems and also to cloud enable our infrastructure, data center and network components to ensure high level of security, reliability and availability at all times. In addition, these initiatives and upgrades would enable us to run analytic in order to get to a level of personalisation for us to serve our customers better and create the seamless and frictionless customer experience.</p> <p>In relation to the 15-inch interactive touch screen, this create value to PDB as it will provide space for advertisement for both PDB and its partners.</p>	
63	<p>PDB is indeed a leader in term of digital transformation in local petrol retail industry, looking at great product like Setel, Gas on demand delivery and Rovr. Is there other new digital initiative in the pipeline to strengthen your position?</p>
ANSWER	
<p>PDB aims to further improve seamless and frictionless customer experience through more offerings both physically and digitally that are in the pipeline as we hope to launch some of the products in 2021 onwards.</p>	

# 2021 PERFORMANCE

No.	Question
LIVE AGM QUESTION	
64	How much dividend declare for this year
ANSWER	
For FY2020 performance, PDB has paid dividend of 38cent/share amounting to RM378 mil.	
65	Saya cadangkan bagi extra saham daripada bagi dividen untuk yang akan datang. Rate; 1 to 2 atau 2 to 2 atau 2 to 2
ANSWER	
Buat masa ini, PDB tiada keperluan atau rancangan khusus untuk memperuntukkan pemberian saham ekstra sebagai alternatif untuk menggantikan pembayaran dividen secara normal.	
66	Looking forward to your increased amount of doorgift, dividends and its frequency. A struggling IT graduates.
ANSWER	
There is no plan to change the frequency of dividend payment. Currently, we declared dividend on a quarterly basis mainly to ensure that the shareholders are able to obtain return on their shareholdings throughout the year.	
Question in regard to door gift has been addressed in previous question.	
67	Do PDB plan to undertake dividend reinvestment plan? If no, any reason behind this decision?
ANSWER	
Currently there is no plan to undertake dividend reinvestment plan as PDB has sufficient cash balance to meet its working capital and CAPEX requirements.	
68	Do hope that board would reduce borrowing and restrict government from selling share
ANSWER	
As per note 14 of the Note to Financial Statement in Integrated Report (IR), significant portion (~90%) of PDB Group's borrowing is relating to lease liabilities as required by MFRS 16.	
The Malaysian government does not directly own PDB shares.	

69	<p>Company's total revenue declined from RM30.3B in FY2019 to RM18.7B this FY2020; what is the outlook on revenue and profitability going forward?</p> <p>Also the ratio of revenue between retail segment and commercial segment has changed respectively from 40:60 to 49:51. What does this ratio change signify and does it mean that our company has lost market share to competitors?</p> <p>What % of your retail stations have improved performance, and does increasing capex bring commensurate returns improvements?</p>
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**ANSWER**

For FY2021 outlook, PDB saw demand recovery in Q1 FY2021 as supported by the roll out of vaccine nationwide and increase in activities. However, the outlook remain uncertain as daily COVID-19 cases are still rising in Malaysia.

The change in ratio for FY2020's results was due to demand destruction for aviation industry where PDB saw a reduction in aviation volume of approximately ~65% in FY2020 as compared to FY2019. The change in contribution ratio does not necessarily equate to loss in market share.

The drop in FY2020 retail station performance is in line with overall industry decline due to the pandemic and various lockdowns throughout the year. Despite this, the retail segment still returned a commendable performance for both fuel and nonfuel business.

# COMMENTS

No.	Question
LIVE AGM QUESTION	
70	No question
71	When can start to vote? Vote button not available now
72	Experiencing voice loss of this VAGM streaming, can see but can't hear
73	Thank you for your presentations. I am Ngee Geok Choo. Congratulations for the successful AGM
74	No question