



**PETRONAS**

**PETRONAS DAGANGAN BERHAD**  
INTEGRATED REPORT 2024

# THRIVING FORWARD



# Basis of this Report

The PETRONAS Dagangan Berhad (PDB or the Group) Integrated Report 2024 aims to provide a clear and concise overview of our performance, strategy and priorities for sustainable value creation. Beyond financial results, the Report highlights our efforts to balance business growth with responsible practices, focusing on long-term value creation for all stakeholders. Our report serves as a resource primarily for investors, but it is also relevant for all stakeholders interested in understanding PDB's efforts to create meaningful and lasting impact.

## OUR REPORTING SUITE

The PDB Integrated Report is our primary platform for communicating with stakeholders and providing them with a holistic view of our performance, strategy and future direction. It explores how we drive progress and create meaningful outcomes over the short, medium and long-term. Complementing this Report are the Audited Financial Statements (AFS), detailing our financial results and the PDB Sustainability Report, which highlights our efforts to advance responsible business practices and value creation.

## REPORTING SCOPE AND BOUNDARY

This Report provides key information about the Group, encompassing our subsidiaries, joint ventures and associates, other than those specified in the respective sections, covering the financial year from 1 January 2024 to 31 December 2024. It also includes significant events up to the Board's approval on 20 February 2025, where material. The inclusion of subsidiaries complies with the Malaysian Financial Reporting Standards (MFRS) 10 framework for Consolidated Financial Statements.

## TIME HORIZONS

We define the timeframes for our strategies, goals and targets as follows:

Short-term (2025)	Medium-term (2026 - 2030)	Long-term (beyond 2030)
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## REPORTING FRAMEWORK


PDB's Integrated Report is guided by and makes reference to the following statutory bodies:

- Bursa Malaysia's Main Market Listing Requirements (MMLR)
- International Integrated Reporting Framework by Value Reporting Foundation (VRF) (previously known as International Integrated Reporting Council)
- MSWG's ASEAN Reporting Scorecard
- Malaysian Code on Corporate Governance (MCCG) 2021
- Malaysian Financial Reporting Standards (MFRS)
- Companies Act 2016
- Corporate Governance Guide (4<sup>th</sup> Edition) issued by Bursa Malaysia and Securities Commission Malaysia

## MATERIAL MATTERS

We review our material matters annually and conduct a comprehensive materiality assessment every three years.

In 2024, PETRONAS Group launched a refreshed Sustainability Approach which focuses on three core sustainability components, namely Delivering Net Zero, Thriving with Nature and Fostering a Just Transition. These interconnected components are collectively centred around the goal of Creating Sustainable Value through Responsible Governance. Subsequently, we made refinements to our current Material Matters, categorising and aligning them based on the pillars of the Sustainability Approach.

 For further details on our materiality validation, refer to the Material Matters section on page 56.

# Basis of This Report

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

To address growing demands for climate-related disclosures and align with global reporting frameworks, PDB has embraced the disclosure recommendations of the TCFD. The TCFD framework serves as a strong foundation for the emerging sustainability disclosure standards by the International Sustainability Standards Board (ISSB), including IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosures. By adopting the TCFD recommendations, we strive to enhance the quality and relevance of our climate-related disclosures while positioning ourselves for seamless compliance with future standards.

The Sustainability Action Committee (SAC) and the Board Sustainability and Risk Committee (BSRC) play critical roles in strengthening governance by overseeing climate-related risks, opportunities and other sustainability-related matters. These committees ensure that sustainability considerations, including climate impacts, are effectively integrated into PDB's long-term strategy and decision-making processes.

## ASSURANCE

We continue to ensure the credibility of our disclosures by engaging independent external auditors. The financial statements in this Report have been independently audited, while selected indicators of our sustainability disclosures have been subjected to limited independent assurance by LRQA Malaysia Sdn. Bhd. and KPMG PLT (KPMG) in accordance with ISO 14064 and ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. The selected indicators and scope of assurance can be found in the independent limited assurance reports from pages 166 to 173.

## 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 it is not the Company's obligation to update 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](mailto:petdagir@petronas.com).

## STATEMENT OF ACKNOWLEDGEMENT ON RELIABILITY AND COMPLETENESS OF PDB'S 2024 INTEGRATED REPORT

PDB's Board of Directors acknowledges its responsibility to ensure the integrity of this Integrated Report, which, in the Board's opinion, addresses all the issues that are material to the Group's ability to create value and fairly presents the integrated performance of PDB Group. This Report has been prepared in accordance with the International Integrated Reporting Framework by Value Reporting Foundation and was approved by the Board on 20 February 2025.

**DATUK ANUAR AHMAD**  
Chairman

**AZRUL OSMAN RANI**  
Managing Director/  
Chief Executive Officer



## THRIVING FORWARD

The cover design for PDB's Integrated Report 2024 visually embodies **progress, growth and momentum**, reflecting the theme of **Thriving Forward**. The flowing, parallel lines symbolise **continuous advancement** and **forward movement**, mirroring PDB's commitment to innovation, sustainability and resilience in an ever-evolving environment.

The distinct curves convey motion and dynamism, while the individual lines running independently represent the strength of diverse efforts progressing in parallel. Together, they emphasise PDB's ability to drive growth and transformation across its teams, systems and markets.

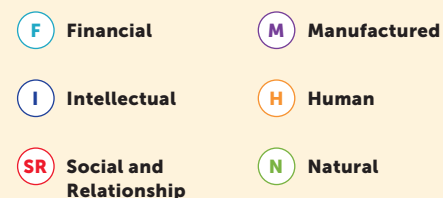
The rich, iridescent hues highlight adaptability, diversity and transformation - qualities that enable PDB to embrace change and pursue a future of cleaner, sustainable solutions. These vibrant elements evoke optimism and possibility, illustrating a company that is **thriving** and **advancing with purpose** to create long-term value for all stakeholders.

## NAVIGATION ICONS

### STRATEGIC PILLARS



### OUR CAPITALS



### 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 Health and Well-being
- M9 Human Capital
- M10 Capability Building
- M11 Community Investment

### OUR STAKEHOLDERS

- Investors
- Customers
- Rakan Niaga/Dealers
- Employees
- Authorities/Regulators/Financial Institutions
- Contractors/Suppliers/Business Partners
- Communities
- Media

# SUSTAINABLE DEVELOPMENT GOALS

Our Sustainability Report has been prepared with reference to the Global Reporting Initiative (GRI) Universal Standards 2021. It complies with Bursa Malaysia's MMLR sustainability reporting requirements and is prepared with reference to:

- Bursa Malaysia's Sustainability Reporting Guide (3<sup>rd</sup> Edition)
- United Nations Sustainable Development Goals (UN SDGs)





# What You Will Find Inside This Report

**i** This interactive PDF allows you to access information easily, search for a specific item or navigate between pages, sections and links.

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# Who We Are and What We Do



**For more than four decades, PETRONAS Dagangan Berhad (PDB) has redefined what it means to deliver value by embracing change and staying attuned to the evolving needs of our customers and stakeholders.**

At PDB, our mission goes beyond simply providing solutions – it is about creating experiences that matter. Staying true to our promise of making your everyday life simpler and better, we constantly challenge boundaries by introducing differentiated offerings that reinforce customer centricity and elevate everyday interactions. From the forecourt to new frontiers of convenience, our focus remains on unlocking opportunities for growth and progress in a rapidly shifting landscape.

In all that we do, we are guided by Environmental, Economic, Social and Governance (EESG) principles. These are not lofty ideals but tangible commitments that drive meaningful and measurable impact. By embedding trust, resilience and sustainability into our business strategies, we aim to balance progress with purpose and deliver outcomes that enable us and our stakeholders to thrive forward.

Driving our vision is a team of dedicated individuals who bring agility, determination and heart to everything we achieve. Their commitment allows us to seize opportunities and overcome challenges, ensuring PDB remains a trusted partner in building a more sustainable and prosperous future for all.



### 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

### Statement of Purpose

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

### Brand Positioning

Passionate about Progress

### Our Promise

Making Your Everyday Life Simpler and Better



# Our Value Chain

# Our Value Chain



### PRIMARY DISTRIBUTION

- Vessels**
- Direct from Refinery and Gas Plant**
  - Melaka
  - Kertih
  - Bintulu
- Multi-product Pipeline**
  - Kuala Lumpur International Airport
  - Klang Valley Distribution Terminal

### TERMINALS AND FACILITIES

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

### SECONDARY DISTRIBUTION

- Fuel Road Tanker**
- LPG Pallet Truck**
- Dispenser**
- LNG Road Tanker**
- Bowser**
- LPG Bulk Delivery**
- ROVR**

### CUSTOMERS

- Retail-Fuel**
- LPG**
- Commercial**
- Lubricants**










# Where We Operate

# Where We Operate

**36**  
Terminals

**Legends**

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



- 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 Sepang 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 Sibul
  - 13 Subang

- 6 LPG Terminals and Bottling Facilities**
- 1 Kertih
  - 2 Melaka
  - 3 Pasir Gudang
  - 4 Prai
  - 5 PST Tawau (JV)#
  - 6 Sepang Bay

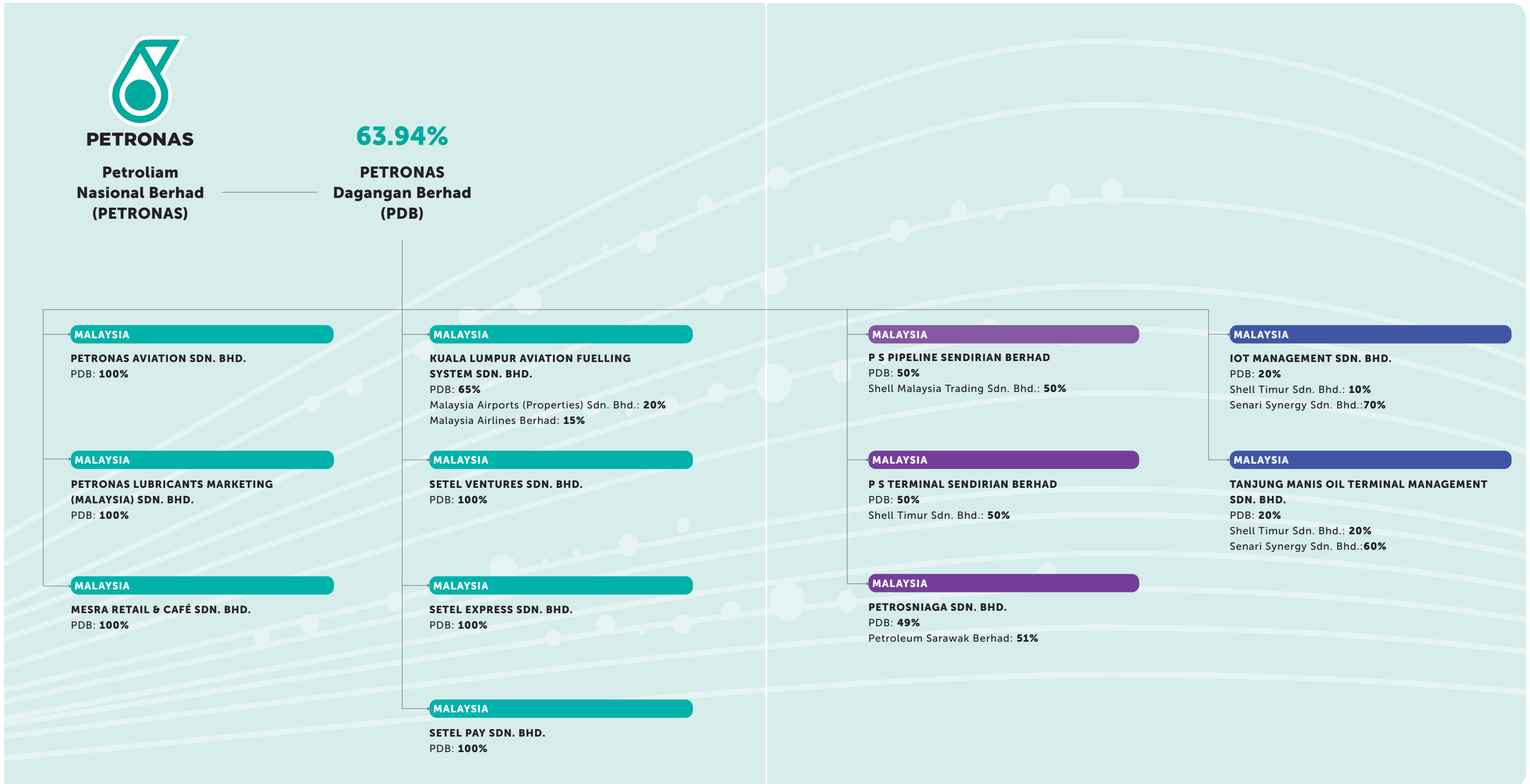
- 6 Offices**
- 1 Johor Bahru
  - 2 Kota Kinabalu
  - 3 Kuala Lumpur
  - 4 Kuantan
  - 5 Kuching
  - 6 Prai

\* Terminal with bunkering facilities  
 \*\* Bunkering terminal only  
 # Non-operational Control JV  
 Note: PDB also operates a standalone bunkering facility in Bintulu



# Group Corporate Structure

# Group Corporate Structure



**Legend**  
● Subsidiary    ● Joint Venture    ● Associate



# Our Investment Insights

## Why Invest in PDB

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

**Solid financial performance with consistent dividend payout**

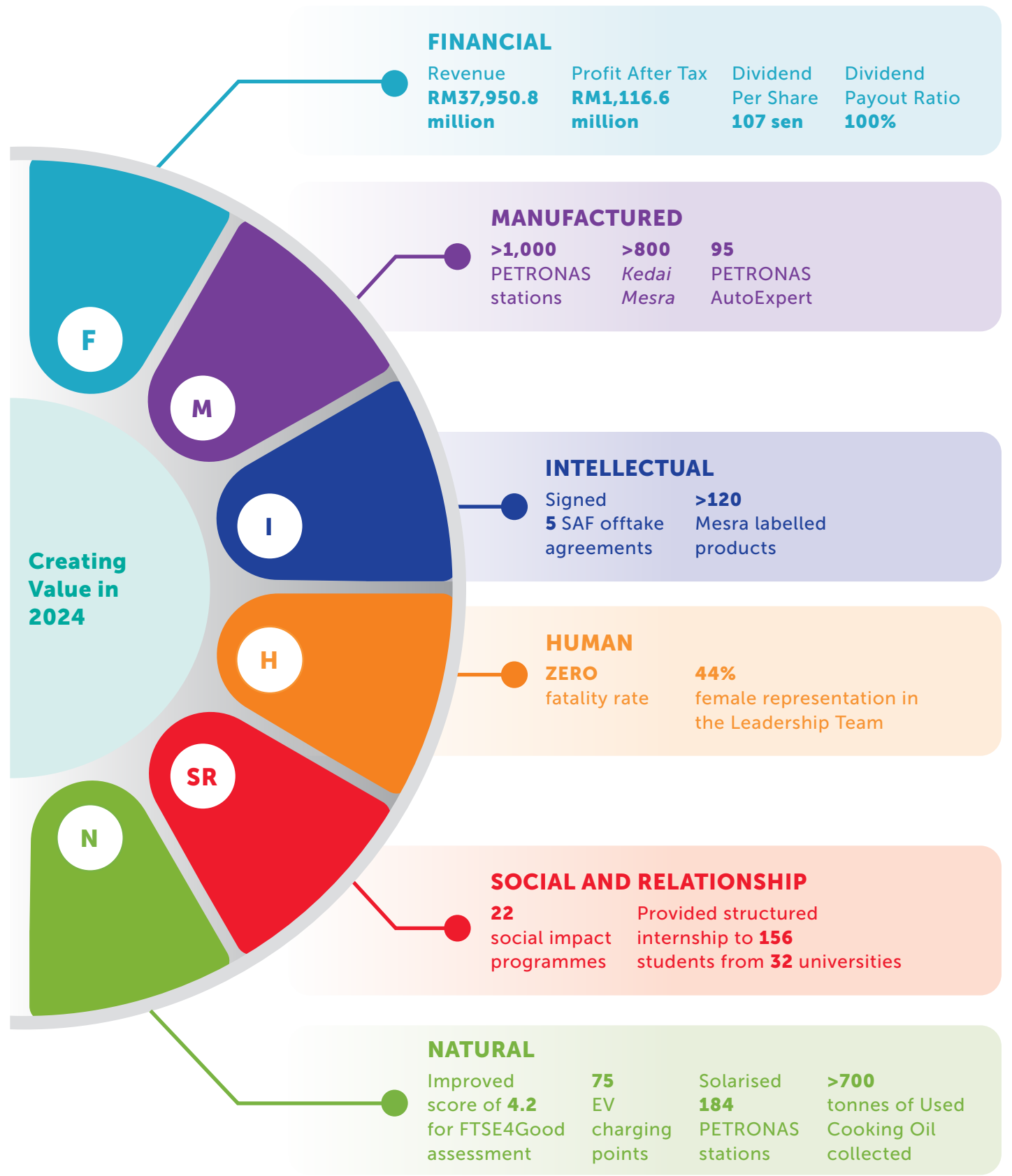
**First in the country to launch an electric vehicle charging hub at the petrol station**

**World-class products and innovative services designed with a customer-centric perspective**

**Strengthened shareholder value by delivering superior customer experience**

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

# Our Investment Insights





## Awards & Accolades

In 2024, we set our sights firmly on elevating industry excellence, building on the awards and recognitions we earned in 2023. Every recognition we receive reaffirms the Shared Values that drive us to create lasting value.

As we continue our journey, our focus sharpens on advancing impactful solutions, fostering meaningful partnerships and delivering results that matter to our stakeholders and the communities we support. We will continue turning recognition into action by advancing impactful solutions, strengthening partnerships and driving progress that shapes the industry's future while empowering sustainable growth.



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

## Milestones

Over the years, we have continually evolved to shape the future of the retail oil and gas industry. Guided by our commitment to making everyday lives simpler and better for our customers, every achievement reflects the passion and drive that define our journey.

In 2024, we embraced a bold future by reimagining how we serve our customers. Guided by a commitment to continuous improvement, we developed innovative, seamless solutions that enhance convenience and elevate the customer experience.

### FEBRUARY

Achieved its 15<sup>th</sup> win at the Putra Brand Awards in 2024, PETRONAS was honored in the Automotive – Fuel, Lubricants and Accessories category. This consistent recognition over the years underscores PDB's unwavering commitment to maintaining a trusted and valued brand in the industry.

### MARCH

Inaugurated two standalone *Kedai Mesra* stores at MRANTI Technology Park and AmBank Tower. This milestone underscores our commitment to enhancing convenience and accessibility for our customers. The new stores offer a wide range of products and services, reflecting PDB's mission to deliver exceptional retail experiences.

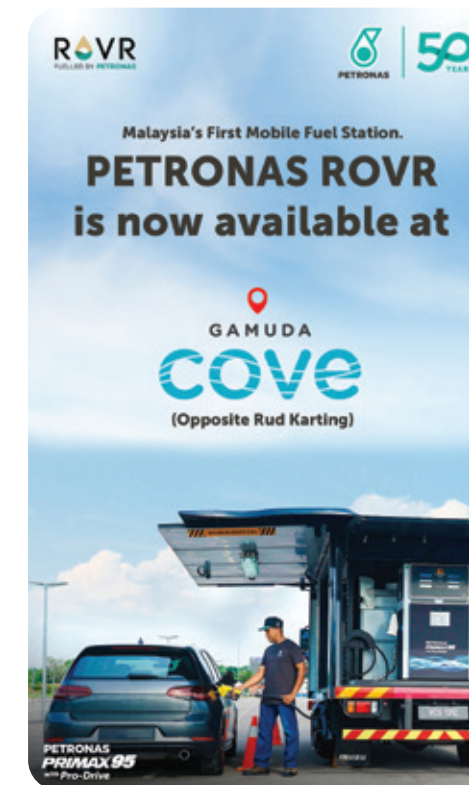
### JULY

PDB and PLUS signed a Memorandum of Understanding (MoU) to develop Malaysia's first Hybrid Super Station on highways, promising enhanced travel experiences with innovative features.

Launched a physical PETRONAS Shop at PETRONAS Solaris station. This new retail outlet marks a significant milestone, providing customers with easy access to authentic PETRONAS merchandise and enhancing their overall experience. This initiative reflects PDB's commitment to expanding its retail footprint and meeting customer needs more conveniently.

### SEPTEMBER

ROVR debuted its expansion at Gamuda Cove, enhancing fuel accessibility in the neighborhood. Starting on weekends, ROVR offers on-site fuel delivery for residents and visitors. This initiative eliminates detours, addresses fuel concerns and provides a seamless refueling experience.



### NOVEMBER

Alongside Gentari Sdn Bhd, we partnered with Perodua Sales Sdn Bhd through two MoUs to enhance customer experiences. This collaboration introduces new integrated services, including Setel payments in the UFirst app, Mesra amenities and service centers at select PETRONAS stations.

### DECEMBER

Successfully enhanced its Café Mesra network across Malaysia. This significant achievement underscores our commitment to enhancing customer experience by providing convenient and welcoming spaces for relaxation and refreshment.



Follow our full story by scanning the QR code.



# Chairman's Statement

As Malaysia's foremost petrol station network and a trusted marketer of the PETRONAS brand, we build on a solid foundation to create lasting value through innovation, sustainability and operational excellence. In a rapidly changing landscape, we recognise the need to act with greater speed and agility, consistently meeting expectations and seizing new opportunities. Our goal is not simply to maintain the strong performance of the past, but to elevate our ambitions and deliver even greater value. With a clear focus on the future, we are positioning ourselves to meet the challenges ahead and achieve meaningful results for our stakeholders and communities.

# Chairman's Statement

WE ARE POSITIONING OURSELVES TO MEET THE CHALLENGES AHEAD AND ACHIEVE MEANINGFUL RESULTS FOR OUR STAKEHOLDERS AND COMMUNITIES.

### Solid Performance in 2024

The year under review presented a range of challenges, including economic pressures, evolving regulatory landscapes and a rapidly changing market environment. Despite these factors, the resilience of the Malaysian economy and the moderation of oil prices have presented valuable opportunities for PDB to continue gaining momentum under our Moving Forward Together (MFT) strategy. Changes in policy and regulation have also shaped our approach, driving us to adapt and align with emerging requirements. In 2024, our focus on operational excellence, coupled with the expansion into new growth areas has enabled us to remain responsive and positioned for the future.

# THRIVING FORWARD:

## EMBRACING THE FUTURE WITH PURPOSE



**DATUK ANUAR AHMAD**  
Chairman

Dividend Per Share  
**107 sen**

Dividend Payout Ratio  
**100%**



### Commitment to Sustainable Growth

Sustainability is a central pillar of our strategy and in 2024, we adopted PETRONAS' Sustainability Approach, aligning with its broader sustainability vision. Addressing climate change and advancing environmental stewardship remain a key priority and we are committed to creating long-term value for our stakeholders through responsible and measurable actions. The Sustainability Approach focuses on three core sustainability components, namely Delivering Net Zero, Thriving with Nature and Fostering a Just Transition. These interconnected components are collectively centred around the goal of Creating Sustainable Value through Responsible Governance.

We are pleased to report strong operational and financial performance in 2024, underpinned by the continued strength of our core business, which remains essential to driving the success of our MFT strategy. Robust sales, combined with a clear commitment to operational and commercial excellence, have allowed us to navigate a fast-changing marketplace and enhance customer satisfaction. As consumer demand shifts, we continue to fortify our core business while diversifying into the Convenience segment and driving sustainability through low-carbon energy solutions to ensure we future-proof our operations. Our Convenience business has played a key role in these efforts, supporting both growth and the seamless customer experience that is central to our strategy.

In recognition of our continued growth and commitment to delivering value to shareholders, the Board is pleased to announce a dividend of 107 sen per share for the year, inclusive of 20 sen special dividend, reflecting our ongoing efforts to balance growth with long-term value creation.





## Chairman's Statement



For the year under review, we advanced our efforts to integrate low-carbon solutions, such as increasing the use of renewable energy at our stations, enhancing our offerings of biofuels, including biodiesel, Sustainable Aviation Fuel (SAF) and providing pathway to expand the availability of electric vehicle (EV) charging infrastructure. Our Used Cooking Oil (UCO) collection programme is fast gaining traction, contributing to environmental sustainability by recycling waste into valuable resources. These are just some of the steps taken that reflect our commitment to supporting the transition to a low-carbon future and reducing our environmental footprint.

Our commitment to sustainability is driven by measurable goals, clear accountability and creating value for both our customers and communities. In line with this, we are preparing for the 2025 adoption of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards (S1 and S2), which will enhance transparency in our sustainability disclosures, particularly regarding climate-related risks and opportunities. These standards will require comprehensive reporting on governance, strategy and risk management, ensuring we meet regulatory requirements and stakeholder expectations for greater disclosure.



### Leading with Strong Governance

Governance is the foundation of PDB's long-term value creation. We are committed to maintaining a robust governance structure that ensures transparency, responsibility and strategic alignment across all levels of the organisation. In line with PETRONAS' commitment to ethical and responsible operations, we are pleased to adopt the Group's Human Rights Policy, effective from 2024. This policy integrates human rights considerations into our operations, fostering a culture of respect and accountability throughout PDB.

We continue to strengthen our governance framework to embed sustainability into decision-making at every level. Our dedicated sustainability team, aligned with the broader governance structure, collaborates closely with the Sustainability Action Council (SAC) to drive initiatives focused on reducing our environmental impact, including efforts to lower GHG emissions. This approach ensures that our focus remains clear and our progress is measurable.

Our Board and Leadership Team ensure that decisions are informed by diverse perspectives, fostering a culture of inclusivity and integrity. We recognise the critical role of diversity in strengthening governance and are committed to maintaining balanced representation. Currently, 33% of our Board members and 44% of our Leadership Team are women, in line with best practices in corporate governance. With 56% of our Board members classified as independent, we uphold a decision-making process that is objective, transparent and aligned with the highest governance standards.

Our governance structure, underpinned by a commitment to sustainability, has enabled us to achieve significant progress in our environmental, social and governance (ESG) journey. This includes an improvement in our FTSE4Good rating, from 3.6 to 4.2, positioning us within the top quartile of public-listed companies. This accomplishment reflects our comprehensive approach to ESG management and showcases how governance and sustainability are tightly intertwined in our strategy. Yet, we recognise that the pace of change in both governance and sustainability is accelerating and we must remain agile to stay ahead.

## Chairman's Statement

# OUR FOCUS IS ON DRIVING INNOVATION, ADVANCING SUSTAINABILITY AND EMPOWERING OUR PEOPLE TO ENSURE RESILIENCE AND LONG-TERM SUCCESS.

As we move into 2025, we recognise potential macroeconomic challenges such as inflation and commodity price shifts. However, we remain confident in Malaysia's economic resilience, backed by a stable political environment. We are optimistic that the government's management of fuel subsidies will continue to support economic stability and ensure a balanced approach to both consumer needs and business growth. We are committed to staying nimble and adapting to changes while maintaining a sustainable business model that serves our customers effectively.

### In Appreciation

I would like to take a moment to thank our dedicated staff for their hard work and commitment, which has been fundamental to our ongoing success. My heartfelt appreciation also goes to the Board for their guidance and counsel and the Leadership Team for their support. Their collaboration has been instrumental in driving the company forward.

I extend my sincere thanks to our customers, whose trust and loyalty remain the foundation of everything we do. To our partners, regulatory bodies and government ministries, your continued support and cooperation play a crucial role in enabling us to meet our goals and contribute to the country's development.

Finally, I would like to acknowledge the valuable contributions of Datuk Shafie Shamsuddin, who has stepped down from his role as Senior Independent Director. His leadership and service have been an important part of shaping this company and we are grateful for his commitment during his tenure.

Thank you to all our stakeholders for your continued support as we collaborate to drive lasting value and thrive forward together.

### Empowering our Workforce to Accelerate Excellence

We are committed to enhancing our social impact, particularly by ramping up excellence within our workforce. This includes expanding diversity in our hiring practices and providing opportunities for Persons with Disabilities (PWD). These efforts are key to fostering an inclusive workforce that reflects the diverse communities we serve and we are determined to accelerate progress in this area.

None of our achievements would be possible without the dedication and hard work of our people and our extended workforce. To continue building on this success, we are focused on driving a high-performance culture that demands more from every individual. I expect this commitment to excellence not only from our teams but also from myself, the Board and the Leadership Team. We are all in this together, striving across every level of the organisation. As we look to the future, we must move faster, push boundaries and instil a sense of urgency throughout the workforce to ensure we meet the challenges ahead with determination and agility.

### Setting our Sights on the Future

The theme Thriving Forward represents both our efforts in 2024 and our mindset moving forward. It reflects our commitment to accelerating growth and enhancing stakeholder value. While we celebrate our past achievements, we recognise the need to increase the pace to stay ahead in a rapidly evolving energy landscape. Our focus is on driving innovation, advancing sustainability and empowering our people to ensure resilience and long-term success.

The energy sector is transforming and we must act with urgency to lead the transition to a low-carbon future. To achieve this, we are embracing new technologies and innovations that enable swift adaptation and long-term value creation. By investing in digitalisation and big data, we are enhancing our ability to meet evolving customer needs and improve efficiency.

As a major contributor to Malaysia's economy, PDB supports national development through the stable supply of fuels, job creation and significant revenue contributions. But our role extends beyond this. By integrating sustainable solutions such as biofuels, renewable energy and EVs, we are well-positioned to support and align with Malaysia's environmental goals and our strategy to reduce our carbon footprint while enhancing customer convenience.

**DATUK ANUAR AHMAD**  
Chairman



# MD/CEO's Statement

# MD/CEO's Statement

Completing my fifth year as MD/CEO of PDB is a moment of reflection and gratitude. I reflect on a journey that began amid the uncertainty of a global pandemic to where we stand today - stronger, adaptable and better equipped to navigate the challenges ahead. The journey has been one of growth, resilience and relentless dedication to improving our operations and our people. Looking back, I recognise that the lessons we learned during the toughest periods have shaped the achievements we see today and they continue to guide us as we move confidently into the future.

**AZRUL OSMAN RANI**  
*Managing Director/Chief Executive Officer*



# MOVING FORWARD TOGETHER STRATEGY

**Though we faced many obstacles, we never lost sight of our core purpose, which is to deliver value for our customers and stakeholders while maintaining the highest standards of safety and integrity.**

The pandemic showed us new ways of thinking, working and engaging with our customers. In a time when sales were constrained, we turned our attention inward, focusing on operational efficiency and innovative solutions. We have worked tirelessly to enhance convenience and sustainability, striving to make daily life simpler and better for those we serve.

This determination has laid the foundation for our remarkable progress in 2023 and 2024. A defining milestone in our journey has been the achievement of the highest sales volume in the history of PDB. This accomplishment serves as a powerful validation of our ability to thrive, even in the face of uncertainty.

If you would indulge me, I would like to take a moment to reflect on five key insights that we have learned over the past five years that have profoundly shaped how we operate and the progress we have made. These insights, drawn from challenges and successes, have guided our approach and continue to inform our future direction. Each insight has been instrumental in helping us grow and I believe they will resonate as we continue our journey towards even greater success.

5

Key Insights

- 1

**Building Resilience and Embracing Adaptability**
- 2

**Turning Strategy into Success**
- 3

**Harnessing Digital Transformation to Drive Growth**
- 4

**Empowering People to Enable Success**
- 5

**Focusing on Long-term Growth**

**Insight 1: Building Resilience and Embracing Adaptability**

One of our most valuable lessons is the importance of resilience and adaptability. The pandemic tested our fortitude in ways we could not have predicted, from disruptions to our supply chain to shifts in customer demand. However, it also provided an opportunity to reevaluate our approach, not just to survive but to thrive in challenging circumstances.



This period of reflection and optimisation reinforced the need for us to remain agile in an ever-changing environment. Our ability to adapt quickly not only helped us manage immediate disruptions but also allowed us to identify new opportunities for growth. Now, five years on, we continue to build on these lessons, leveraging our strengthened capabilities to drive innovation, enhance customer experiences and create sustainable value.

In 2024, the introduction of the Subsidised Diesel Control System (SKDS) 2.0 presented a complex yet noteworthy turning point for PDB. The new system required us to adapt quickly to shifting demand patterns between retail and commercial and manage operational issues effectively. In addition to this, rising cost pressures, including the expansion of the sales and services tax (SST), called for further innovation. We focused on enhancing operational efficiencies and pivoting our business strategies to maximise value while staying attuned to evolving customer expectations.

At the same time, we faced changes in consumer preferences, influenced by geopolitical tensions, with some customers expressing their beliefs and stance through their purchasing decisions. Our response was swift and decisive. We repositioned by introducing more local brands, ensuring we continued to deliver value during this period of heightened sensitivity.

Despite the challenges we faced, 2024 presented opportunities that drove our growth. The macroeconomic environment remained supportive, with strong Gross Domestic Product (GDP) growth, particularly in the construction and services sectors. This growth generated spillover effects across several industries that PDB serves. The recovery in travel and aviation boosted demand for Jet A-1, while strong domestic demand in the Retail and Commercial segments has significantly driven growth. Furthermore, stable oil prices averaging around USD80 per barrel, created favourable conditions for revenue growth. Lower unemployment and a steady Overnight Policy Rate contributed to greater consumer spending, benefitting our Retail and Convenience segments.

Our operational flexibility enabled us to swiftly adapt to favourable macroeconomic conditions and shifts in consumer behaviour, allowing us to capitalise on emerging opportunities. The successful implementation of the diesel subsidy rationalisation, along with our ongoing commitment to operational efficiency, reinforced our tenacity and ability to navigate through market changes. The efficiencies we had embedded over the years provided the foundation for maintaining strong performance during uncertain times.

These factors contributed to our record-breaking results for 2024, with impressive growth across key business segments. We achieved 16.8 billion litres in sales volume, further solidifying our leading market position in the Retail and Commercial segments. Notably, our Profit Before Tax grew by 15% compared to 2023 and Profit After Tax increased by 15%, surpassing the RM1 billion mark for the first time since the pandemic. These results highlight PDB's resilience and ability to thrive in the face of challenges, whether they stem from regulatory changes, market shifts or global tensions.



## MD/CEO's Statement

### Insight 2: Turning Strategy into Success

We recognised the importance of having a clear and actionable plan in place. The MFT strategy provided that framework, guiding us with focus and consistency. Built on the three pillars of Value, Growth and Sustainability, it has helped us strengthen PDB's core business, diversify through convenience and drive positive environmental, social and governance (ESG) impacts. Our ability to execute this strategy ensured that our adaptability did more than help us navigate uncertainty. It is paving the way for long-term value and sustainable growth.

#### Value Strengthening PDB Core Business

In the Retail-Fuel business, we leveraged our extensive network of over 1,000 PETRONAS stations to achieve record-breaking volumes for three consecutive years. Enhancements to customer experience and improved service and operational excellence were key in driving this continued growth.

The Commercial business also delivered outstanding results, driven by rising market demand across multiple industries and a sharp focus on maximising returns from high-value segments. By responding strategically to shifts in retail diesel demand, we optimised sales strategies and expand market reach to the Commercial segment through value-based pricing and operational efficiencies to ensure strong performance despite market fluctuations.

Our LPG business reaffirmed its market leadership, maintaining its position as the preferred brand for consumers. In 2024, we achieved our highest sales volume since 2016, driven by strategic market expansion, strengthened partnerships with Premier Dealers, and operational agility in optimising supply distribution. Additionally, the continued strategic relocation of cylinders improved availability in key regions while increased upliftment of LPG bulk supply supported stronger demand.

Meanwhile, the Lubricant business reinforced its market position and recorded significant volume increases. This momentum was further accelerated by the expansion of PETRONAS AutoExpert, which added 15 new locations in 2024, further strengthening market reach and customer engagement.



## MD/CEO's Statement

#### Growth Diversifying Through Convenience

Our *Kedai Mesra*, part of the Convenience segment, is a key driver in diversifying PDB's business and adapting to changing customer needs. MESRA achieved record-breaking sales and growth in chargeable sales, driven by heightened travel activity and a wider product selection, which has now grown to over 120 Mesra labelled products.

In 2024, to sustain this growth momentum, we upgraded *Kedai Mesra* to enhance the customer experience, refresh its store identity and strengthen sales performance. At the same time, we operationalised 16 new Complementary Business outlets through strategic collaborations with existing and new partners, offering a curated mix of international and local brands.

MESRA operationalised six innovative hybrid outlets, combining the best of *Kedai Mesra* and Café Mesra and integrating them with food delivery platforms to widen its reach.

PETRONAS Shop achieved a twofold increase in revenue driven by the rising demand for its in-house active lifestyle products. PETRONAS Shop and MESRA synchronised their strategies to strengthen its retail presence, laying a solid foundation for continued expansion in 2025.

Setel has played a key role in driving enterprise growth by enabling us to better engage customers and expand our service capabilities. Through new service offerings, we have simplified transactions, improved accessibility and strengthened customer loyalty, ensuring a more seamless and rewarding experience for our customers.



#### Sustainability Making Positive Impacts through ESG

Sustainability is crucial to the long-term viability of our business, especially as Malaysia undergoes its energy transition. We have learned that effective strategic execution is key to turning our sustainability ambitions into tangible results. By aligning our actions with clear, measurable targets, we are positioning PDB for long-term success while contributing to Malaysia's broader energy and development goals.

In line with Malaysia's energy transition, we made good strides in sustainable energy stewardship. The development of electric two-wheelers (E2W) reached a key milestone with the expansion of our battery swapping stations through strategic partnership to 20 locations in 2024. This initiative is a direct response to the growing demand for low-carbon mobility and alternative energy sources. We have also advanced our Sustainable Aviation Fuel (SAF) route-to-market, securing five offtake agreements and establishing commercial frameworks to drive long-term growth in the aviation sector. Our collaboration with the Malaysian Palm Oil Board to supply B20 biodiesel for industrial equipment and vehicles, further strengthens our commitment to creating meaningful value while facilitating the transition to sustainable energy.

We also expanded our Used Cooking Oil collection campaign to 54 PETRONAS stations, exceeding our target by collecting over 700 tonnes, benefitting more than 190,000 lives as at 2024.

We continue to advance diversity and inclusion (D&I) as a key driver of our culture and growth. I am proud to champion these efforts alongside our teams, ensuring that our commitment goes beyond gender diversity to embrace a broad spectrum of perspectives and experiences. This includes broadening our talent pool to be more inclusive of underrepresented groups, including individuals with disabilities, and fostering a workplace that enables everyone to contribute meaningfully. These efforts have fostered richer discussions at all levels of the organisation.

Our commitment to inclusivity drives our social sustainability initiatives, ensuring opportunities extend to a broader segment of society. We provided employment pathways for 114 Persons with Disabilities (PWDs) within PDB's ecosystem, fostering an environment where everyone, regardless of ability, has the chance to succeed.

We also expanded our community engagement efforts, strengthening our commitment to education, social enterprise and disaster relief. In 2024, we invested a total of RM1.92 million in programmes that benefited over 33,000 people. Our flood relief efforts provided essential aid, including LPG cylinders, meals and care packages, to affected communities in Kelantan, Terengganu and Pahang. We also deepened our involvement in SEEd.Lab, supporting social enterprises that drive employment opportunities for PWD, while continuing to engage in initiatives that improve learning environments for underserved children. These initiatives are integral to our long-term social responsibility goals to ensure we generate lasting value for society and our business.



## MD/CEO's Statement

### Insight 3: Harnessing Digital Transformation to Drive Growth

One of the most important realisations we have had is that technology and innovation are no longer optional, they are fundamental to securing our future success. In an increasingly digital world, we recognise that the ability to harness the power of technology will determine our ability to stay competitive, drive growth and meet the evolving needs of our customers.

While PDB has pursued various digital transformation initiatives, I want to particularly highlight Setel as a standout example of how we turned a challenge into an opportunity. Setel exemplifies who we are as an organisation - a company that listens, adapts and strives to simplify and improve the lives of our customers. Enhanced in response to the pandemic, when digital engagement became essential for maintaining connections with our customers, Setel emerged as an innovative solution to engage customers when face-to-face interactions were limited.

As a fully integrated platform, Setel has enhanced customer engagement considerably, enabling us to connect with our audience in a meaningful way by providing them access to a wide range of services with exceptional ease. This platform has played a key role in expanding our Convenience segment, aligning with our vision of 'Making Your Everyday Life Simpler and Better' and has contributed to our business growth. By the end of 2023 and into 2024, Setel has continued to exceed expectations, confirming its value in driving enterprise growth.

Beyond its financial success, Setel has become an effective tool for targeted marketing, allowing us to engage with customers more directly, particularly the younger generation. This engagement has bolstered brand loyalty and strengthened our leadership in the retail fuel sector.

### Insight 4: Empowering People to Enable Success



Among the most important lessons we have encountered on our journey is seeing how our people's perseverance, agility and innovation have been the true enablers of PDB's success. I deeply appreciate our teams rising to the challenges along the way, swiftly adapting to new ways of working and finding creative solutions to serve our customers. This includes those who work tirelessly during closures, holiday seasons and odd hours, to ensure seamless operations and uninterrupted service. Their ability to remain flexible and proactive in uncertain times has been nothing short of inspiring.

This determination has been clearly reflected in our safety performance. Over the past five years, we have achieved zero fatalities and zero major fire incidents. This is an extraordinary accomplishment that speaks to the commitment and discipline of our people. The reduction in minor incidents, such as Loss of Primary Containment and fire cases, further underscores their laser focus on safety and operational excellence.

What yielded positive results is our investment in building not just the right tools, systems and processes, but also the culture and mindset within our ecosystem. We have worked diligently to elevate awareness of the critical importance of safety at every level of the organisation, ensuring that it is embedded in our daily practices. This is a testament of continuous learning, adaptation and a shared commitment to safety.

However, safety remains an ongoing effort. It is not a one-time achievement but a constant journey. Even on the rare occasion

of a perfect year, we must remain vigilant. Complacency can set in if we are not consistently mindful, making it clear that safety is an ongoing challenge and one that we will never stop striving to improve. This mindset, ingrained in our people, continues to be a vital part of PDB's success and we will never take it for granted.

We are committed to the continuous development of our people, ensuring that upskilling and training remain central to our growth strategy. Our approach is about fostering a culture of learning, where every individual has the opportunity to grow and enhance their capabilities, ultimately driving performance and innovation across the organisation.

Equally important is our commitment to inclusivity. I mentioned earlier that we provided employment pathways for 114 PWDs. Our teams have worked tirelessly to ensure that these individuals are supported with the right tools, processes and guidance, empowering them to contribute meaningfully to the organisation and society at large. We take immense pride in fostering a culture where diverse abilities are celebrated and individuals are empowered to reach their full potential.

Through their resilience, agility and innovation, our people have proven time and again that they are the heart of our success. I have seen firsthand how their creativity and dedication have driven our achievements and it is their continued efforts that will drive us forward in creating long-term value for our business and society.

### Insight 5: Focusing on Long-term Growth

We have always believed in keeping our feet firmly planted on the ground while our eyes remain focused on the future. We recognise that success in the short term is important, but future-proofing our business will ensure we remain relevant and competitive in a rapidly changing landscape. As we look ahead, we know that our decisions today will have lasting implications for how we operate tomorrow.

Looking towards 2025, we see significant opportunities, driven by a strong GDP growth forecast of 4.5% to 5.5% and expanding domestic demand. While we continue to grow and defend our market position, we are mindful of the upcoming RON95 subsidy rationalisation. This presents a challenge, but also an opportunity to demonstrate our leadership in driving a smooth and efficient transition. With a clear focus on customer acquisition and loyalty, our retail fuel division will continue to strengthen its brand through strategic communications and innovative offerings, ensuring we stay ahead of shifting market dynamics.



Beyond 2025, we are already preparing for the medium- and long-term shifts in the energy landscape. As transient commuters rise and convenient lifestyle demands increase, we are positioning PDB to thrive by diversifying our offerings and emphasising low-carbon solutions.

Looking further ahead to 2030 and beyond, the global shift towards cleaner and more affordable energy will shape the future of our industry. We are future-proofing PDB by optimising our value chain, reducing our dependency on volatile oil markets and strengthening our commitment to the National Energy Transition Roadmap (NETR). As part of this transition, we are exploring opportunities to enhance the role of our PETRONAS stations to ensure they remain relevant in an evolving energy landscape.

## MD/CEO's Statement

### In Appreciation

As we reflect over the past five years, we are reminded that growth and success are the result of continuous learning, adaptation and a relentless drive to improve. From overcoming adversity with resilience to driving innovation with a clear strategy, we have evolved into an organisation that not only survives but thrives as a business and as a community partner.

This journey has taught us that progress is built on the strength of our people, our strategies and our ability to embrace change. Together, we have forged a path that has positioned us for sustainable growth and greater impact. As we continue to move forward, we remain grounded in our shared values and committed to creating value for our customers, stakeholders and the communities we serve.

I am deeply grateful to all who have shown their support, trust and loyalty to PDB. Our achievements in 2024 are a reflection of the power of collaboration and teamwork. I extend my sincere thanks to the Chairman and the esteemed Board of Directors for their invaluable guidance and to our Leadership Team for their strategic vision and tireless efforts. I am also thankful of our people for their continued dedication and hard work.

Our accomplishments would not have been possible without the steadfast support of our customers, shareholders, *Rakan Niaga*, dealers, partners, suppliers, contractors and all within our value chain. I also appreciate the oversight and support from government agencies and regulators.

Looking ahead, I am confident that we will continue to navigate challenges with tenacity and seize opportunities with agility. By embracing the spirit of Thriving Forward, we remain committed to creating a simpler and better future for all.

**AZRUL OSMAN RANI**  
Managing Director/Chief Executive Officer



# CFO's Review

# CFO's Review

## RESULTING IN RESILIENCE



PDB showcased strong financial results in 2024, surpassing expectations and reaching new milestones. EBITDA rose 12% from a year ago to RM1,858.2 million, reflecting PDB's topline growth and its relentless pursuit of cost and operational efficiencies. The Company's Profit Before Tax (PBT) grew by 15% compared to 2023, contributing to a Profit After Tax (PAT) surpassing RM1 billion for the first time since 2020. This highlights PDB's ability to drive profitable growth despite challenges in the broader market environment.

**FARZLINA AHMAD MURAD**  
Chief Financial Officer

This financial strength was underpinned by record-breaking sales volume, reaching 16.8 billion litres for the year. Strong domestic demand for Mogas and Diesel in the Retail and Commercial segments respectively was a key driver of this performance. The Commercial segment was also supported by higher sales in Jet A-1, reflecting the recovery of the aviation industry as seen in the surge of domestic and international passenger movement. The sales growth is a testament to PDB's operational resilience and its ability to seize opportunities arising from Malaysia's economic expansion and market recovery.

Amid this success, 2024 also saw the implementation of the diesel subsidy rationalisation. While this presented new opportunities for growth, external factors such as the uneven pace of global economic recovery, geopolitical tensions and global trade headwinds continued to pose risks to the operating environment. Navigating these complexities required a balance of agility and strategic execution, allowing PDB to sustain profitability through commercial and operational excellence as well as disciplined cost management.

We constantly emphasise continuous improvement, remaining mindful that agility and efficiency are the keys to thriving in today's ever evolving market. We executed structured cost optimisation efforts, implemented strategic negotiations with stakeholders and business partners, simplified processes and focused on high-value investments that support our long-term strategy. Underlying these efforts is our continuous firm commitment to fortifying our risk, governance and compliance frameworks to support long-term resilience and strengthen our operational foundation for sustained growth.

### 2024 Key Milestones

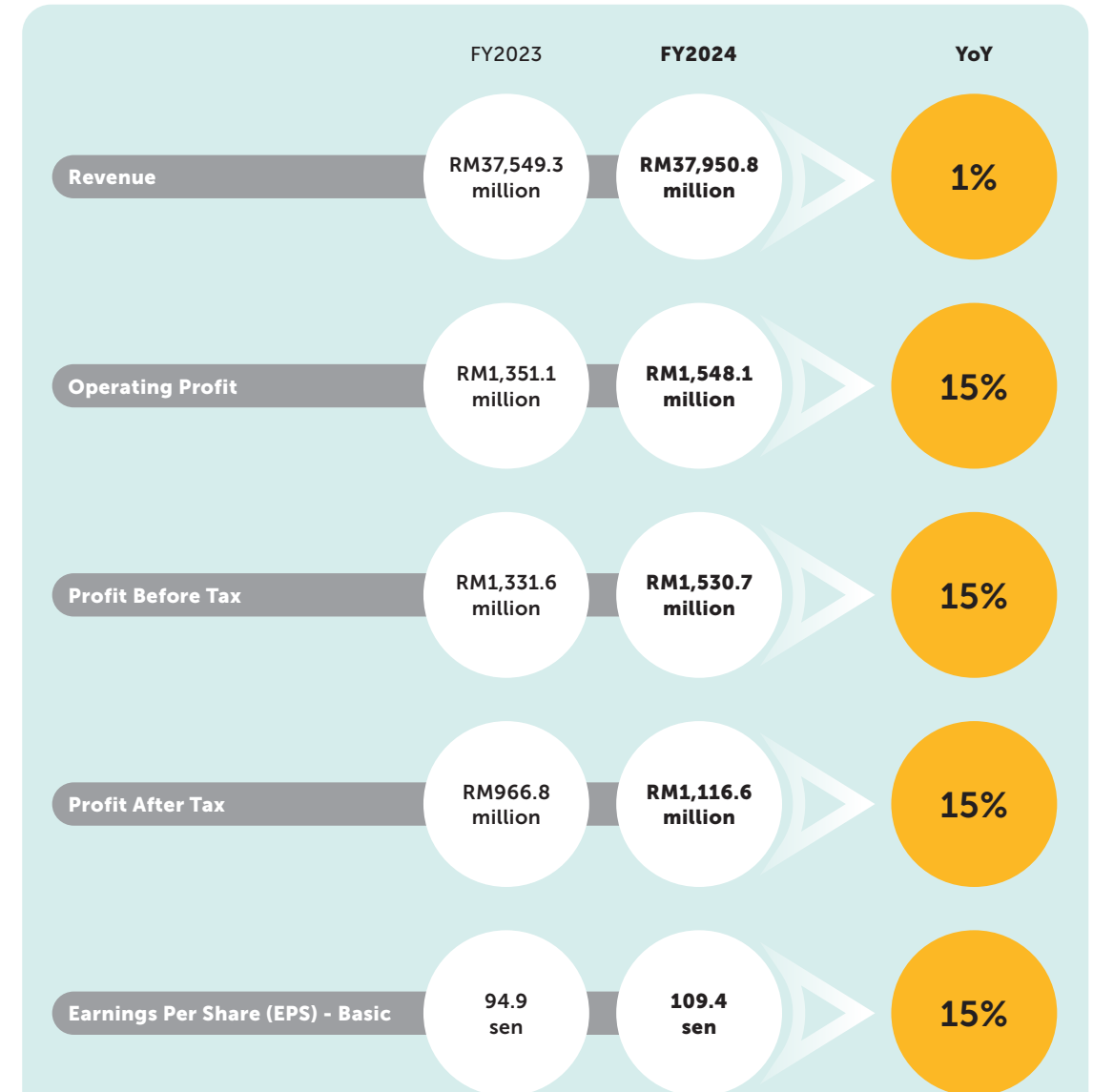
Revenue of **RM37,950.8 million** driven by higher sales volume

Highest Profit After Tax of **RM1,116.6 million** post-pandemic

Highest ever sales volume of **16.8 billion** litres

Full year dividend per share of **107 sen** translating into **100%** dividend payout

### Performance Summary



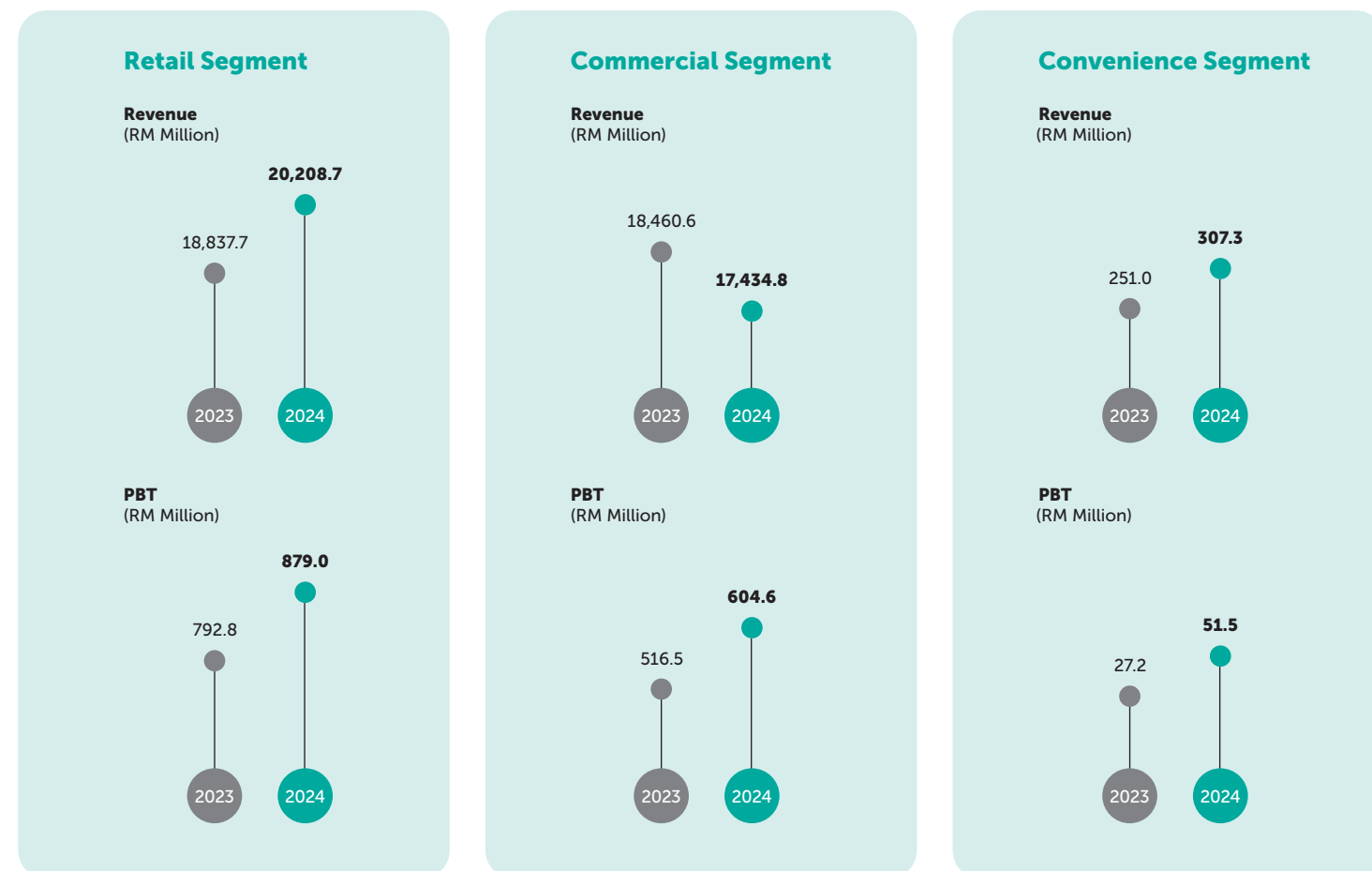
- PDB's revenue for the financial year 2024 grew by RM401.5 million to RM37,950.8 million, driven by 3% growth in sales volume primarily from higher Mogas and Jet A-1 despite a lower average selling price by 2%
- Operating profit for the period saw a notable 15% increase to RM1,548.1 million, contributed by increase in gross profit from all segments. Meanwhile, the impact was mitigated by higher expenditure in line with growth in business activities
- Following the higher operating profit, PBT improved by 15% to RM1,530.7 million while PAT rose to a record high of RM1,116.6 million since the pandemic
- As a result of the higher profit, EPS grew by 15% to 109.4 sen



## CFO's Review

### Segmental Financial Performance Overview

Our segmental financial reporting follows the three main business segments of Retail, Commercial and Convenience. The Retail segment involves the sale of petroleum products to consumers, the Commercial segment provides petroleum products and services to businesses and the Convenience segment focuses on our non-fuel offerings.



For 2024, the Retail segment achieved a revenue increase of 7% to RM20,208.7 million, driven primarily by a 4% rise in sales volume, reflecting heightened demand for Mogas as well as a 3% improvement in average selling prices. This growth was contributed by enhanced customer experience at stations and successful promotional activities, although it was partially offset by lower volume from Diesel sales due to a shift in demand to the Commercial segment following the implementation of Subsidised Diesel Control System (SKDS) 2.0. PBT for the period reached RM879.0 million, an increase of 11% compared to the previous year.

The Commercial segment recorded a slight revenue decrease of RM1,025.8 million, or 6%, primarily due to lower average selling prices by 7% while sales volume remained stable. PBT for the period was RM604.6 million, reflecting a significant 17% increase from the previous year. This strong performance was driven by favourable Mean of Platts Singapore (MOPS) price trends, stronger demand for Jet A-1 and Diesel and a positive market environment. This however was offset by higher expenditure in line with the growth in business activities.

The Convenience segment achieved a revenue of RM307.3 million, an increase of 22%, driven by robust performance of MESRA and PETRONAS Shop. PBT for the period stood at RM51.5 million, an 89% increase from the previous year, reflecting a healthier economy and higher chargeable sales, signalling strong consumer confidence.

To meet evolving customer needs and preferences, we continue to innovate offerings through digitally-enabled platforms, such as Setel, to provide a better customer experience in line with our promise of 'Making Your Everyday Life Simpler and Better'.

## CFO's Review

### Group Financial Position

#### Total Assets

Total assets were recorded at RM11,115.7 million, a decrease of 3%, attributed to a decrease in trade and other receivables which was offset by higher cash and cash equivalents.

#### Total Liabilities

Total liabilities decreased by RM603.7 million, or 11%, primarily due to a reduction in trade and other payables. This was offset by higher taxation in line with profits for the year.

#### Cash Flow

We continued to demonstrate prudent management of operational cash flow, effectively controlling costs and optimising efficiency. Net cash generated from operating activities increased by RM1,856.4 million, largely due to higher receipts from subsidy receivables. Cash used in investing activities decreased by RM98.6 million, reflecting lower capital expenditures. Cash used in financing activities was reduced by RM34.1 million, primarily due to a decrease in dividends paid. Overall, these changes reflect improved liquidity with strong performance in operations and controlled spending in investments and financing.

#### Shareholder Returns

We remain committed to delivering value to our shareholders by maintaining a policy of distributing 50% of our PAT to shareholders. Our strong performance and focus on meeting shareholders' expectations for good return have consistently led us to exceed this policy target. For the financial year ending 31 December 2024, we declared a total dividend of 107 sen per ordinary share, inclusive of 20 sen special dividend, representing a payout ratio of 100%, well above our dividend payout policy rate.



PDB STAYS COMMITTED TO ITS MFT STRATEGY AND CAPITAL INVESTMENT FRAMEWORK IN ALLOCATING SUFFICIENT RESOURCES TO FUTURE-PROOF THE COMPANY.

### Cost Discipline and Spending

PDB is laying the foundation for more agile and efficient operations that can better handle growth and innovation. This includes streamlining our operations, simplifying processes, strategic negotiations with stakeholders and business partners as well as improving supply chain management.

In addition, we place importance on reprioritising our Operating Expenditure (OPEX) and Capital Expenditure (CAPEX) spending. PDB stays committed to its MFT strategy and Capital Investment framework in allocating sufficient resources to future-proof the company. We continue to enhance the Convenience segment while investing in digitalisation and infrastructure improvements at PETRONAS stations and terminals. Investments are evaluated rigorously to ensure alignment with strategic goals and cost-efficiency principles. PDB prioritises CAPEX allocations for Health, Safety and Environmental (HSE) compliance, regulatory adherence and the long-term viability of its strategies.

All in all, PDB's focus on operational efficiencies and investment approach is positioning us for better financial outcomes and overall sustained growth.



## CFO's Review

### Management of Working Capital and Liquidity

PDB diligently oversees its cash flow to maintain a sufficient cash reserve and achieve an optimal working capital position. This strategic financial oversight is essential for establishing a strong safeguard against liquidity risks and ensuring PDB's financial health and operational resilience.

### Risk Management

We recognise that navigating an increasingly complex and dynamic business environment requires a proactive and comprehensive approach to risk management. Our commitment to identifying, assessing and mitigating risks is at the core of our operations to ensure that we remain resilient and adaptable in managing known and emerging risks. We will continually review and refine our risk assessment to address evolving risks, while ensuring alignment with our strategic priorities and long-term objectives.

### Enhancements to Risk and Financial Policy Frameworks

In response to the evolving global business environment, the PETRONAS Risk Library has been updated to include three new risk categories: sustainability, counterparty and investment risks. It has also enhanced some existing categories to better represent a total of 22 risk types that are significant across PETRONAS' operations. This comprehensive resource is available to all employees and outlines key risk elements, including their causes, consequences, controls and mitigations and key risk indicators (KRIs), to enable effective risk assessments across the organisation.

### Management of Financial Risks

Credit risk and trapped liquidity risk are identified as among the most significant financial risks. To mitigate these, we closely monitor and report on trade accounts, conduct thorough creditworthiness assessments of potential customers and perform credit reviews on existing customers. We are also exploring the use of predictive analytics solutions as an early warning system to detect potential delinquents and implement early interventions.

### Enhancements to the PETRONAS Enterprise Risk Management (ERM) System

Our annual review of risk profiles has been enhanced to incorporate assessments of both internal and external emerging risks. This process allows us to update and refine our risk profiles to ensure effective mitigation and alignment with our objectives.

We have identified heightened risks in areas such as our new growth strategy, regulatory requirements and sustainability focus areas. These risks present challenges and opportunities, enhancing our ability to adapt and remain resilient.

### Fostering a Culture of Risk Awareness

We are committed to embedding a Generative Risk Culture across PDB. Our annual risk maturity survey, coupled with focused group discussions and leadership conversations, has led to the development of our Resiliency Roadmap. This initiative aims to deepen our risk culture and align it with our strategic goals.

In 2024, we launched the Risk Radar talk series, featuring notable industry leaders, such as Tan Sri Dr. Noor Hisham, former Director General of the Ministry of Health and Encik Mohd Fuad Sharuji, former Crisis Director at Malaysia Airlines. Their real-life experiences in navigating risks during crises provided valuable insights. We also organised an immersive Risk Masterclass on the 'New Era of AI' in collaboration with Microsoft, aimed at upskilling our leadership team.

Our continuous efforts towards incorporating a Generative Risk Culture in 2024 have been recognised by established risk practitioners and organisations. PDB was named Runner-Up in the 'Risk Champion' category at the ASEAN Risk Awards 2024 by the Enterprise Risk Management Academy, Singapore. At the national level, PDB was awarded the Overall Winner for the 'Public Listed & Big Corporations Risk Mastery' category from the Malaysian Association of Risk and Insurance Management (MARIM). To further strengthen our risk management capabilities, we have implemented a risk capability matrix across all divisions and subsidiaries, which helps assess and close any gaps in risk functions through bespoke training programmes. This initiative supports the successful execution of our MFT strategy.

For more information on PDB's Risk Management, refer to our [Statement on Risk Management and Internal Control \(SORMIC\)](#) on page 247 and our [Key Risks and Mitigation](#) on page 61.

### Governance and Compliance

Robust governance and compliance are essential to maintaining trust and achieving long-term success. We remain committed to upholding the highest standards of governance, strengthening internal controls and fostering a culture of integrity. Our efforts are focused on aligning with best practices and enhancing the effectiveness of our systems to ensure that we manage risks efficiently, make informed decisions and uphold the values that guide our operations.

In 2024, we solidified our governance practices, focusing on strengthening decision-making processes, improving internal controls and reinforcing compliance measures while facilitating business execution.

### Enhancements to Governance Frameworks and Internal Controls

To support better decision-making throughout a project's life cycle, we reviewed and enhanced our project sanctioning processes. We identified an appropriate platform to deliberate new proposals and any changes to ongoing projects prior to approval. We reviewed the roles and responsibilities of relevant parties involved in overseeing project execution, which enhances alignment and ensures efficient escalation of issues to facilitate timely intervention.

We adopted the enhanced PETRONAS Group Project Management System, which institutionalises effective project execution practices given the strategic impact of the projects to the business. Among others, improvements were also made to the LPG cylinder segregation and management processes by conducting benchmarking exercises and evaluating controls to strike a balance between compliance and operational efficiency.

## CFO's Review

### Managing Data Privacy Risks and Strengthening Compliance

As data privacy risks continue to evolve, PDB has focused on enhancing its data protection measures. With the increasing volume of data generated and the growing sophistication of cyber threats, we have made significant progress in addressing these challenges through comprehensive data management practices. The Data Protection Impact Assessment (DPIA) and Personal Data Mapping Record processes have been key in mitigating risks. DPIAs have proven effective in identifying and addressing privacy risks to ensure compliance with data protection regulations and fostering stakeholder engagement. Regular updates to these processes help maintain a robust data privacy framework that keeps pace with emerging threats.

We also recognise the growing complexity of third-party data sharing. To address this, we continue to monitor third-party practices closely to ensure that they adhere to the same high standards of data protection that we uphold internally.

### Anti-Corruption Compliance and Upholding Integrity

In 2024, we undertook steps to enhance our anti-corruption compliance programme in line with the T.R.U.S.T. principles and ISO 37001 standards. The introduction of the PDB Integrity Management Standard has strengthened our commitment to integrity, providing a clear framework for operationalising these principles. Furthermore, we focused on building a structured and transparent anti-corruption programme within our subsidiaries, starting with PETRONAS Lubricants Marketing Malaysia Sdn Bhd. This included tailored, risk-based training on the Code of Business Ethics (CoBE) and Anti-Bribery and Corruption (ABC) Manual, particularly on managing gifts, corporate hospitality and third-party engagements.

For more information on PDB's Governance and Compliance, refer to our [Corporate Governance Overview Statement](#) on page 200, [Corporate Integrity and Ethics](#) on page 244 and [SORMIC](#) on page 247.



We have enhanced governance and compliance in our operational management, particularly in relation to the implementation of the SKDS 2.0. The pre-approved credit facility for qualified customers, coupled with an accelerated credit assessment process for SmartPay customers, has streamlined the customer onboarding process. By reducing processing times from seven to one day and issuing cards on the spot, we effectively managed the increased volume of customers qualifying for subsidised diesel. This has facilitated the successful implementation of SKDS for PDB.

### Limits of Authority (LOA) Review for Efficient Decision-Making

The continuous review of the LOA has strengthened decision-making processes. In collaboration with PETRONAS, we have updated the LOA for procurement activities to enhance value creation and business outcomes. This revision improved efficiency and accelerated project delivery. Similarly, the LOA for land acquisitions has been enhanced to align with the current strategic objectives, reducing the risk of acquiring land that may become non-monetisable due to shifting business conditions.



## CFO's Review

SUSTAINABILITY IS A KEY PART OF PDB'S MFT STRATEGY. WE FOCUS ON BALANCING SUSTAINABILITY TARGETS WITH COST CONTROL AND PROFITABILITY GOALS. EVERY INITIATIVE IS ASSESSED TO ENSURE IT DELIVERS MEANINGFUL VALUE.

### Sustainability

Sustainability is a key part of PDB's MFT strategy. We focus on balancing sustainability targets with cost control and profitability goals. Every initiative is assessed to ensure it delivers meaningful value.

We are committed to supporting sustainability through strategic financial measures. This includes allocating budget and resources towards renewable energy investments, energy efficiency initiatives and corporate social impact activities. These financial commitments ensure that PDB is not only contributing to sustainable development but also strengthening its long-term financial viability. In preparation for future challenges, we are ensuring compliance with the National Sustainability Reporting Framework (NSRF) and future carbon tax regulations.

Recognising the unique challenges posed by sustainability projects, the Sustainability Action Council (SAC) plays a key role in evaluating opportunities in the sustainability space, taking a holistic view that goes beyond financial returns. It considers environmental, economic and social factors to ensure that our projects not only meet profitability targets but also contribute positively to the broader sustainability agenda. The SAC ensures all investments align with PDB's long-term strategy and sustainable growth.

In terms of financing the transition to a low-carbon business model, PDB has ensured sufficient resource allocation to support viable projects and activities. This includes both operational and capital expenditures, all of which undergo the investment framework and reviews previously outlined. These processes ensure that we are not only making the right financial decisions but are also driving sustainability initiatives that align with our strategic objectives.

PDB's approach to managing financial risks and opportunities arising from climate change is in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have identified both transition and physical risks associated with climate change, recognising their potential significant financial impacts on the company. These risks are identified over the short, medium and long-term and we are developing tailored strategies to manage them at each horizon.

At the same time, we recognise that climate change presents unique opportunities for PDB. We are actively assessing and capitalising on these opportunities to ensure that our business remains relevant, resilient and adaptable in the face of climate-related challenges.

[For more information on PDB's Sustainability efforts, refer to our Sustainability Report on page 90.](#)

### Outlook

PDB expects fiscal reforms, particularly fuel subsidy rationalisation and tax reviews, will shape the business landscape. Government efforts to sustain consumer spending and industrial growth will also be crucial in supporting performance. We will remain vigilant in monitoring regulatory shifts, evolving consumer behaviours, and supply chain optimisation needs.

We are also working on aligning our reporting and disclosures with the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standard 1: General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and Sustainability Disclosure Standard 2: Climate-related Disclosures (IFRS S2) to enhance transparency and sustainability integration. As we navigate these evolving dynamics, we remain committed to our strategic priorities to position PDB on a stronger footing for continued growth.



## CFO's Review

### 5-YEAR GROUP FINANCIAL HIGHLIGHTS

#### OPERATING RESULTS (RM MILLION)

Revenue	
FY2020	18,710.9
FY2021	22,674.0
FY2022	36,748.9
FY2023	37,549.3
<b>FY2024</b>	<b>37,950.8</b>

#### Operating profit

FY2020	402.5
FY2021	751.2
FY2022	1,148.9
FY2023	1,351.1
<b>FY2024</b>	<b>1,548.1</b>

#### Profit before tax

FY2020	386.4
FY2021	740.8
FY2022	1,135.0
FY2023	1,331.6
<b>FY2024</b>	<b>1,530.7</b>

#### Net profit attributable to shareholders of the Company

FY2020	276.0
FY2021	529.8
FY2022	776.6
FY2023	943.1
<b>FY2024</b>	<b>1,086.6</b>

#### Profit after tax

FY2020	272.4
FY2021	531.2
FY2022	787.8
FY2023	966.8
<b>FY2024</b>	<b>1,116.6</b>

#### KEY BALANCE SHEET DATA (RM MILLION)

##### Property, plant and equipment

FY2020	4,067.0
FY2021	4,017.5
FY2022	4,115.3
FY2023	4,116.9
<b>FY2024</b>	<b>3,995.3</b>

##### Total assets

FY2020	8,359.6
FY2021	9,600.8
FY2022	11,257.5
FY2023	11,487.0
<b>FY2024</b>	<b>11,115.7</b>

##### Total borrowings

FY2020	178.2
FY2021	116.4
FY2022	184.3
FY2023	152.2
<b>FY2024</b>	<b>108.0</b>

##### Total liabilities

FY2020	2,684.0
FY2021	3,985.4
FY2022	5,470.2
FY2023	5,650.2
<b>FY2024</b>	<b>5,046.5</b>

##### Share capital

FY2020	993.5
FY2021	993.5
FY2022	993.5
FY2023	993.5
<b>FY2024</b>	<b>993.5</b>

##### Equity attributable to shareholders

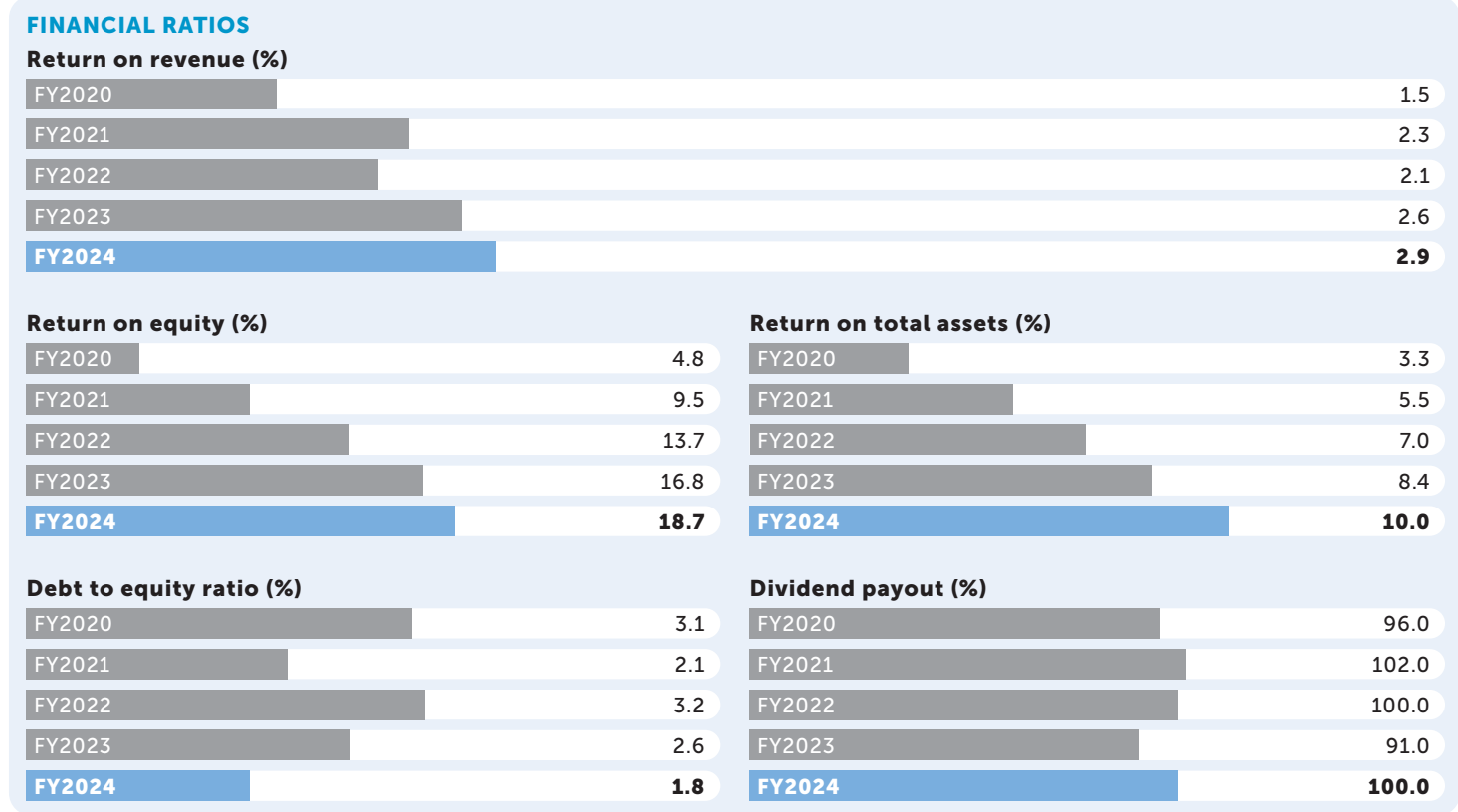
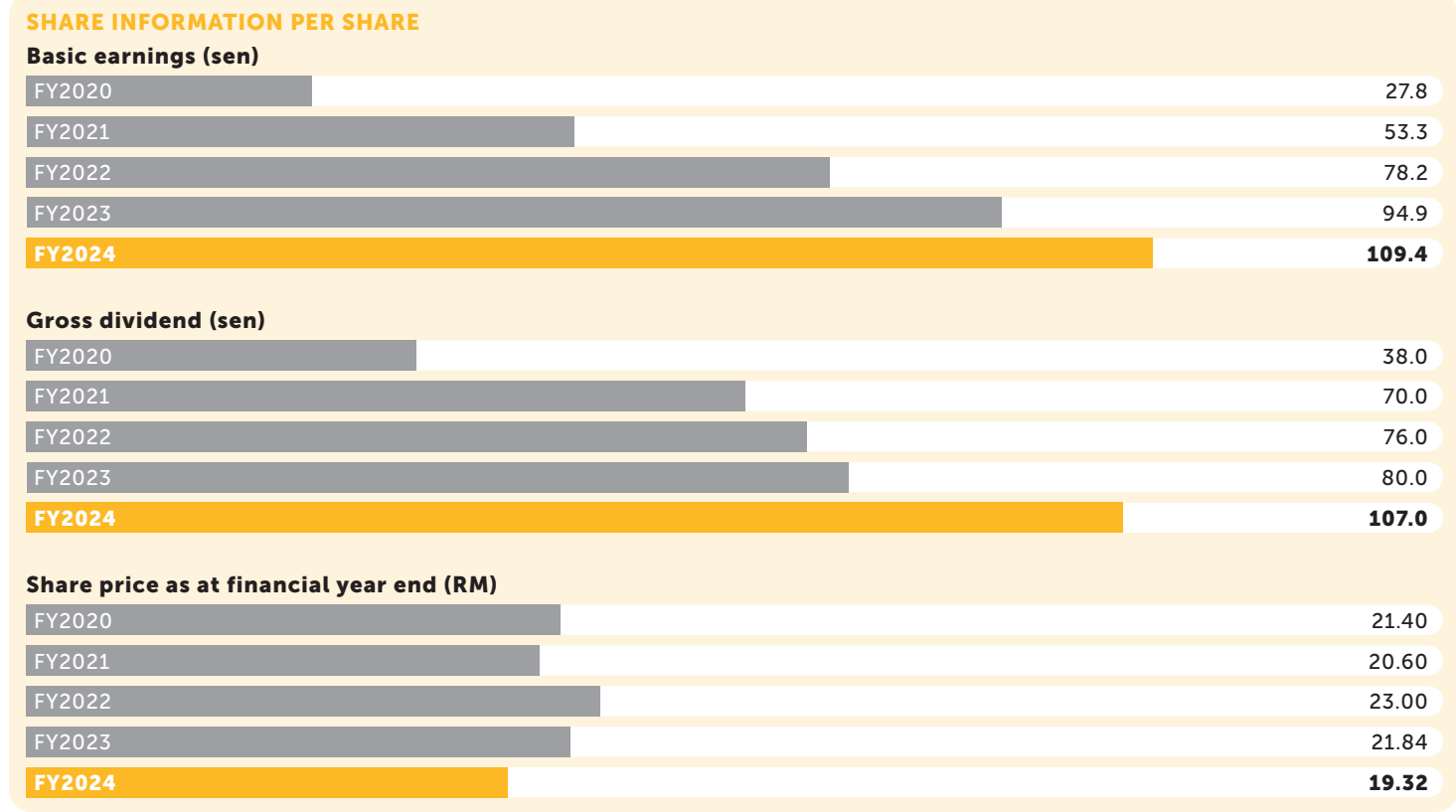
FY2020	5,643.7
FY2021	5,582.1
FY2022	5,742.7
FY2023	5,768.4
<b>FY2024</b>	<b>5,970.9</b>



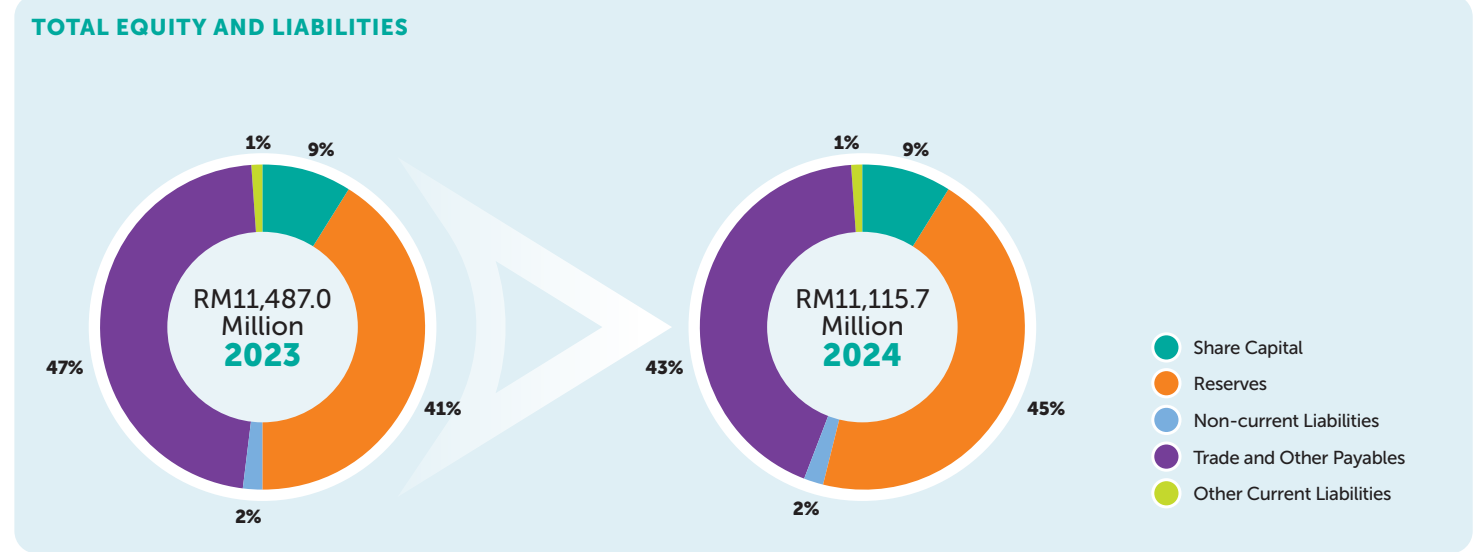
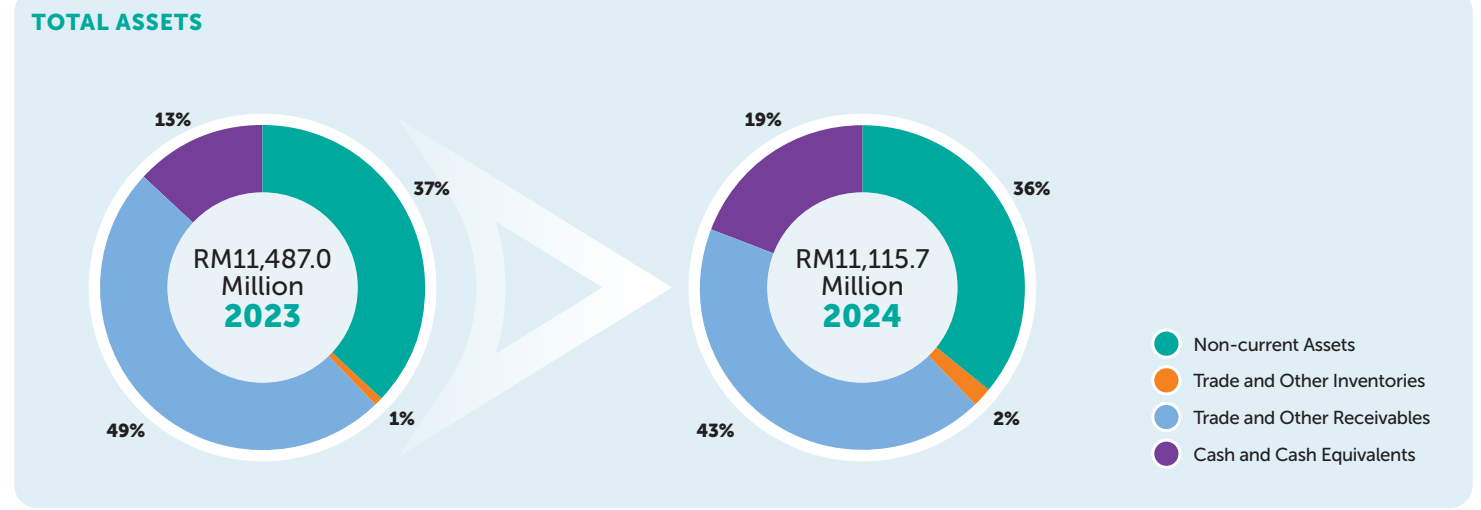
CFO's Review

CFO's Review

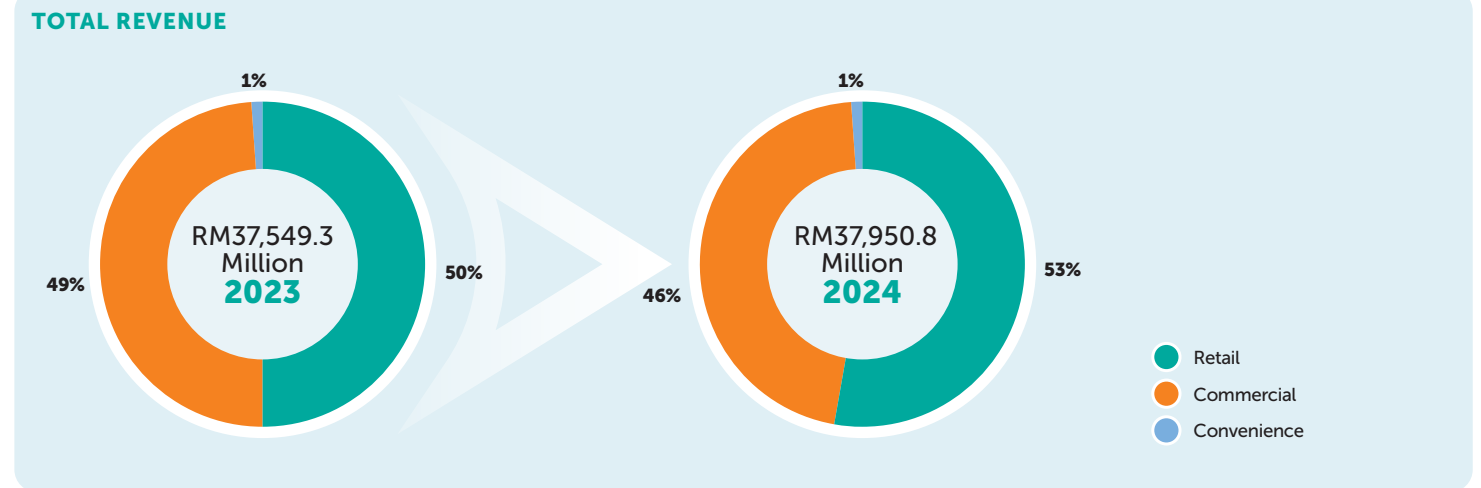
5-YEAR GROUP FINANCIAL HIGHLIGHTS



SIMPLIFIED GROUP STATEMENT OF FINANCIAL POSITION



SEGMENTAL ANALYSIS

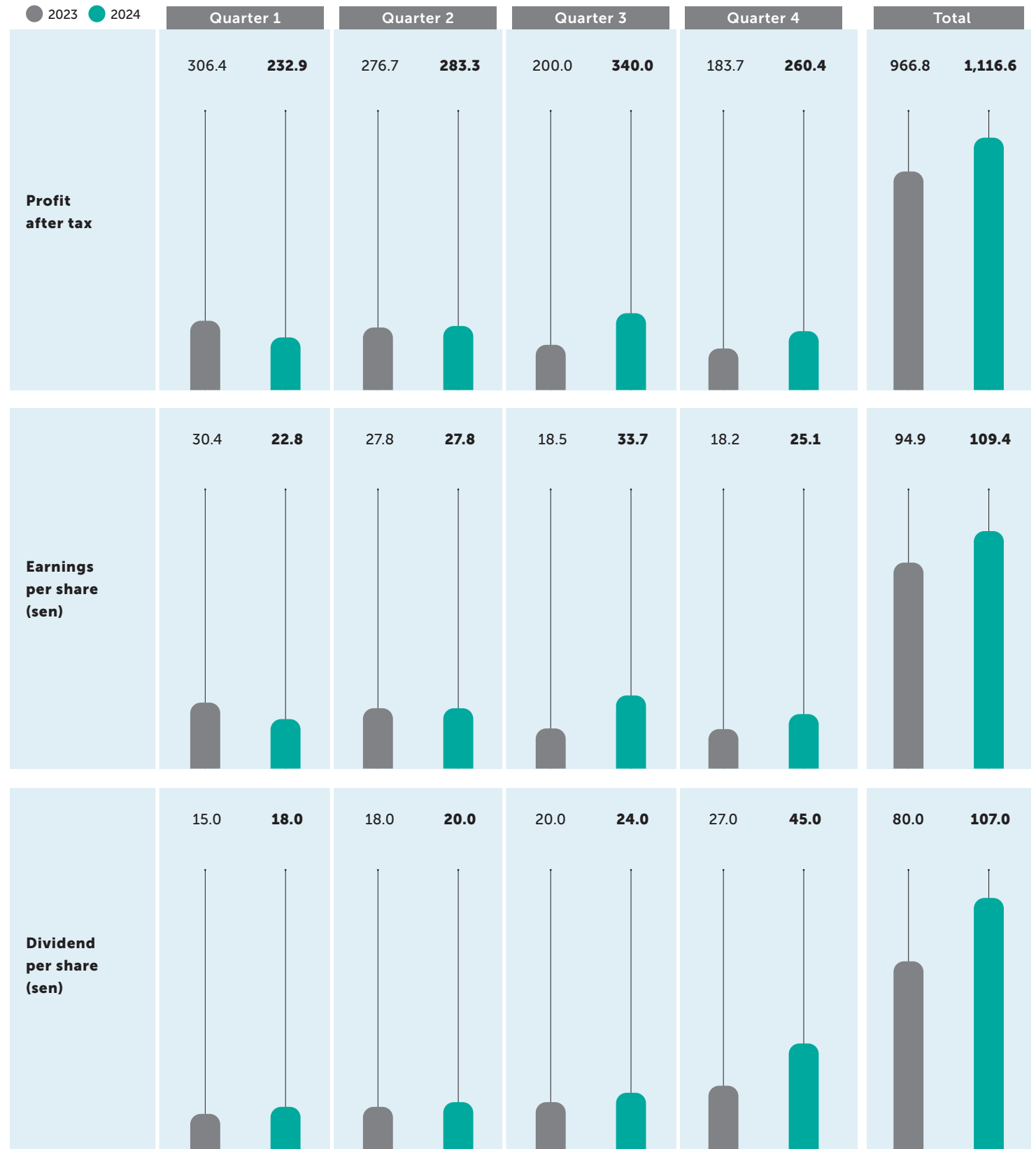




CFO's Review

CFO's Review

GROUP QUARTERLY FINANCIAL PERFORMANCE (IN RM MILLION)

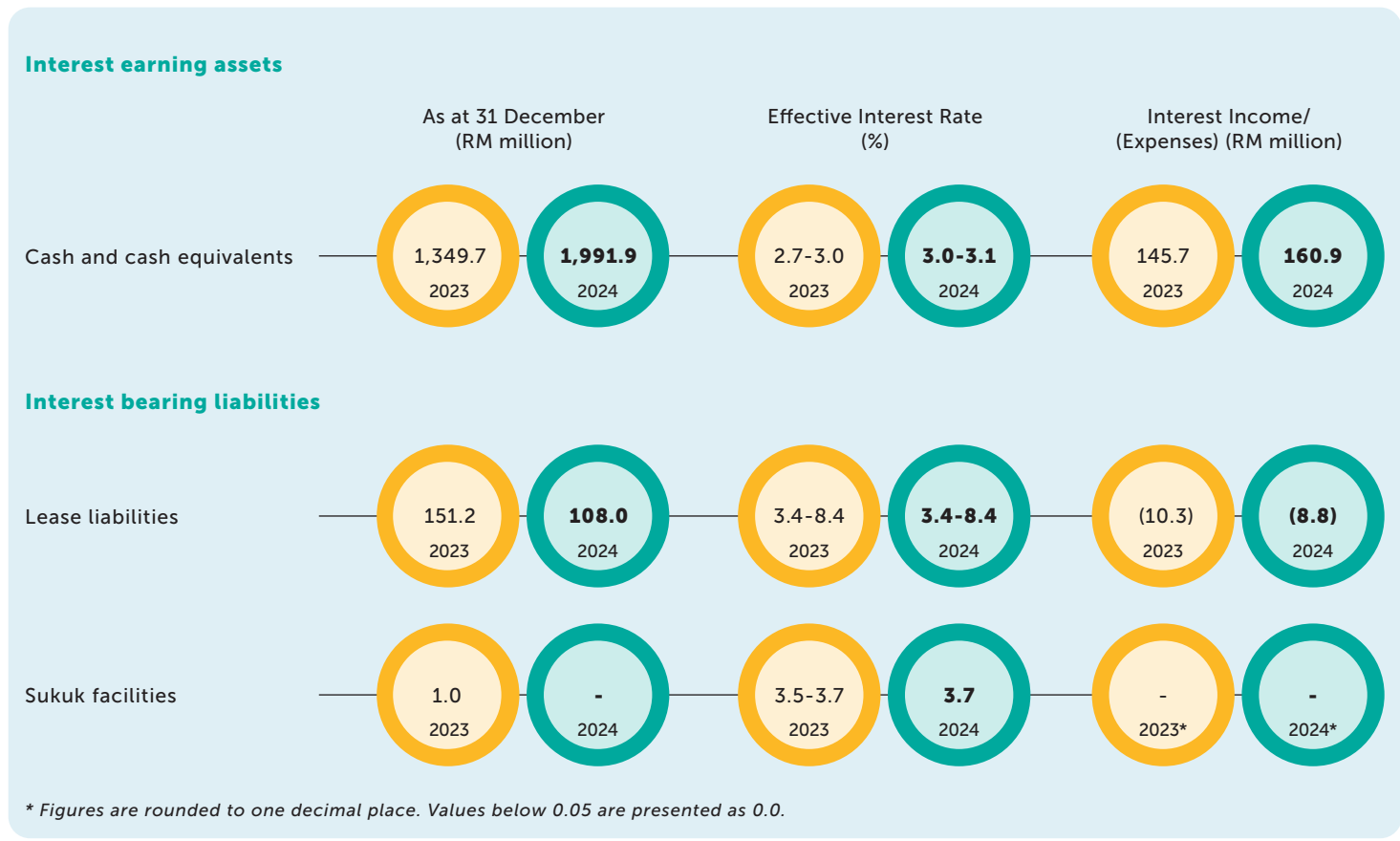




CFO's Review

CFO's Review

KEY INTEREST BEARING ASSETS AND LIABILITIES



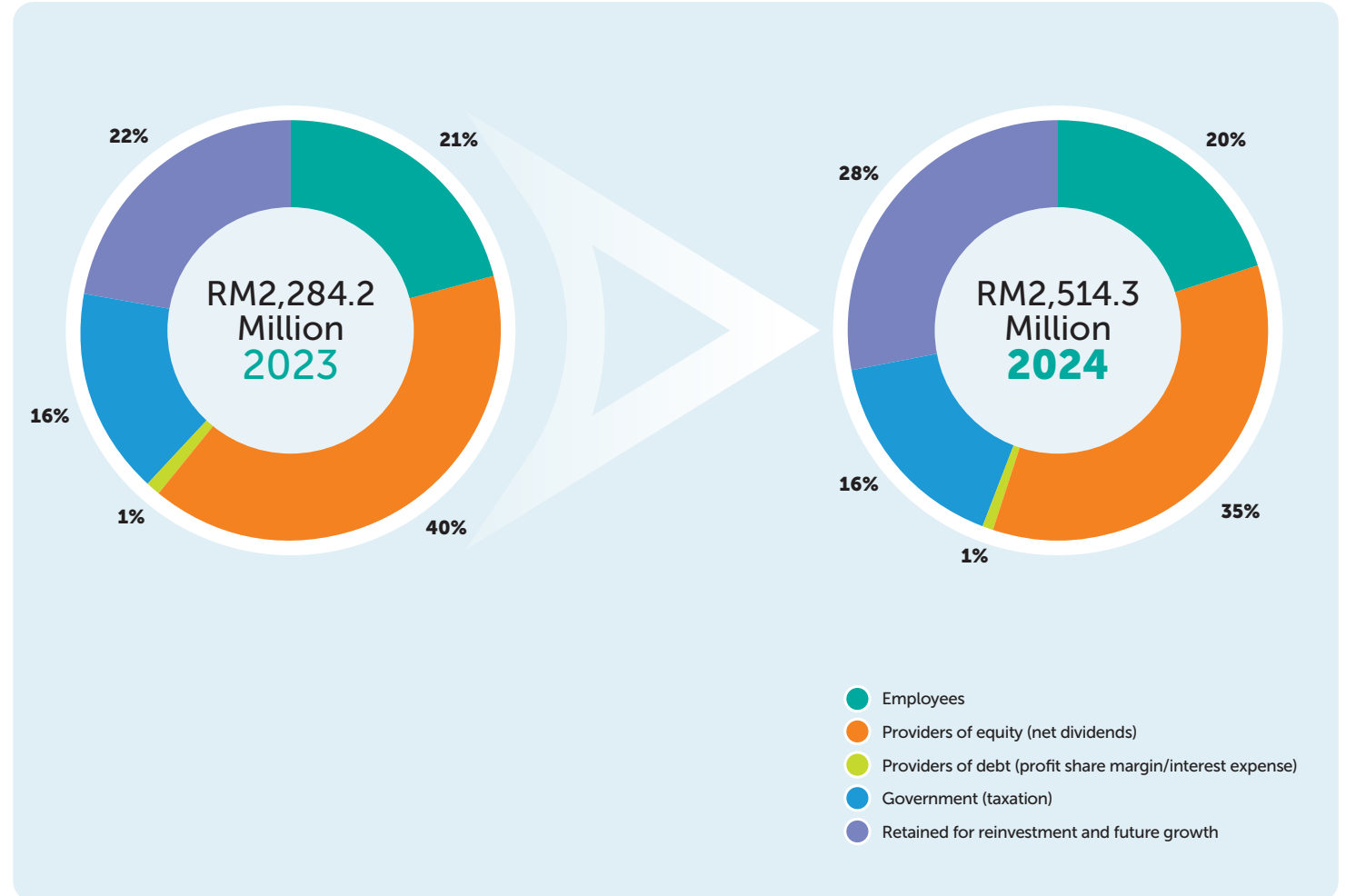
STATEMENT OF VALUE ADDED/DISTRIBUTION OF VALUE ADDED

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	2023 RM'000	2024 RM'000
Revenue	37,549,338	37,950,762
Less: Cost of goods and services	(35,560,244)	(35,735,131)
<b>Value added</b>	<b>1,989,094</b>	<b>2,215,631</b>
Other income	314,552	316,109
Financing costs	(14,567)	(13,062)
Share of loss after tax of equity associates and joint ventures	(4,902)	(4,418)
<b>Value created</b>	<b>2,284,177</b>	<b>2,514,260</b>

Group	2023 RM'000	2024 RM'000
<b>Distributed to:</b>		
Employees	474,847	495,227
Providers of equity (net dividends)	923,913	884,174
Providers of debt	14,567	13,062
Government (taxation)	364,840	414,030
Retained for reinvestment and future growth:		
Depreciation and amortisation	463,144	475,309
Unappropriated profit	42,866	232,458
<b>Value Distribution</b>	<b>2,284,177</b>	<b>2,514,260</b>

Value Distributed





# Our Approach to Value Creation

**Our mission is to enrich lives by making everyday life simpler and better for all our stakeholders. This commitment drives our efforts to create meaningful value and build a sustainable future.**

Our value creation strategy is comprehensive and integrated, driven by a deep understanding of our operational landscape. By identifying risks and opportunities, engaging with stakeholders and addressing material matters, we ensure that our strategic execution aligns with long-term goals and stakeholder needs. This foresight allows us to stay ahead of change, maintain our competitive edge and foster sustained growth, resilience and continuous value creation in a dynamic environment.

## HOW WE FORMULATE OUR BUSINESS STRATEGY

### 1 Understanding our Operating Context

Our performance and value creation are shaped by various factors within our operating environment. This includes economic conditions, regulatory changes, technological innovations, social developments and competitive forces. We closely monitor these elements and proactively identify emerging trends that could impact our operations and adapt accordingly.

[For more information on the Operating Environment and Market Outlook, refer to page 42.](#)

### 2 Managing Risks Effectively

We take a proactive approach to identifying and managing a broad range of risks, from operational and financial to regulatory, market, digital and sustainability risks. By incorporating these risks into our risk register, we ensure they align with our defined risk appetite, allowing us to navigate potential obstacles without compromising our corporate objectives.

[For more information on the Key Risks and Mitigation, refer to page 61.](#)

### 3 Building Strong Relationships

We prioritise establishing and nurturing strong, mutually beneficial relationships with all our stakeholders, including customers, suppliers, dealers, partners, shareholders, employees and the broader community. Through transparent communication and active listening, we aim to foster trust and collaboration that drive shared growth and success.

[For more information on Stakeholders Engagement, refer to page 52.](#)

### 4 Identifying our Material Matters

We focus on the issues that most significantly influence our business operations and the well-being of our stakeholders. By concentrating our resources and efforts on these material matters, we ensure that we have the greatest possible positive impact on our business and society.

[For more information on Material Matters, refer to page 56.](#)

### 5 Driving Sustainability Forward

Our commitment to sustainability goes beyond the products we deliver. We focus on responsible practices that contribute to sustainable growth and create lasting value across the Economic, Environmental, Social and Governance (EESG) dimensions. In 2024, we adopted PETRONAS' Sustainability Approach which focuses on three core sustainability components, namely Delivering Net Zero, Thriving with Nature and Fostering a Just Transition. These interconnected components are collectively centred around the goal of Creating Sustainable Value through Responsible Governance.

[For more information, refer to Sustainability Report on page 90.](#)

## Implement our Strategy

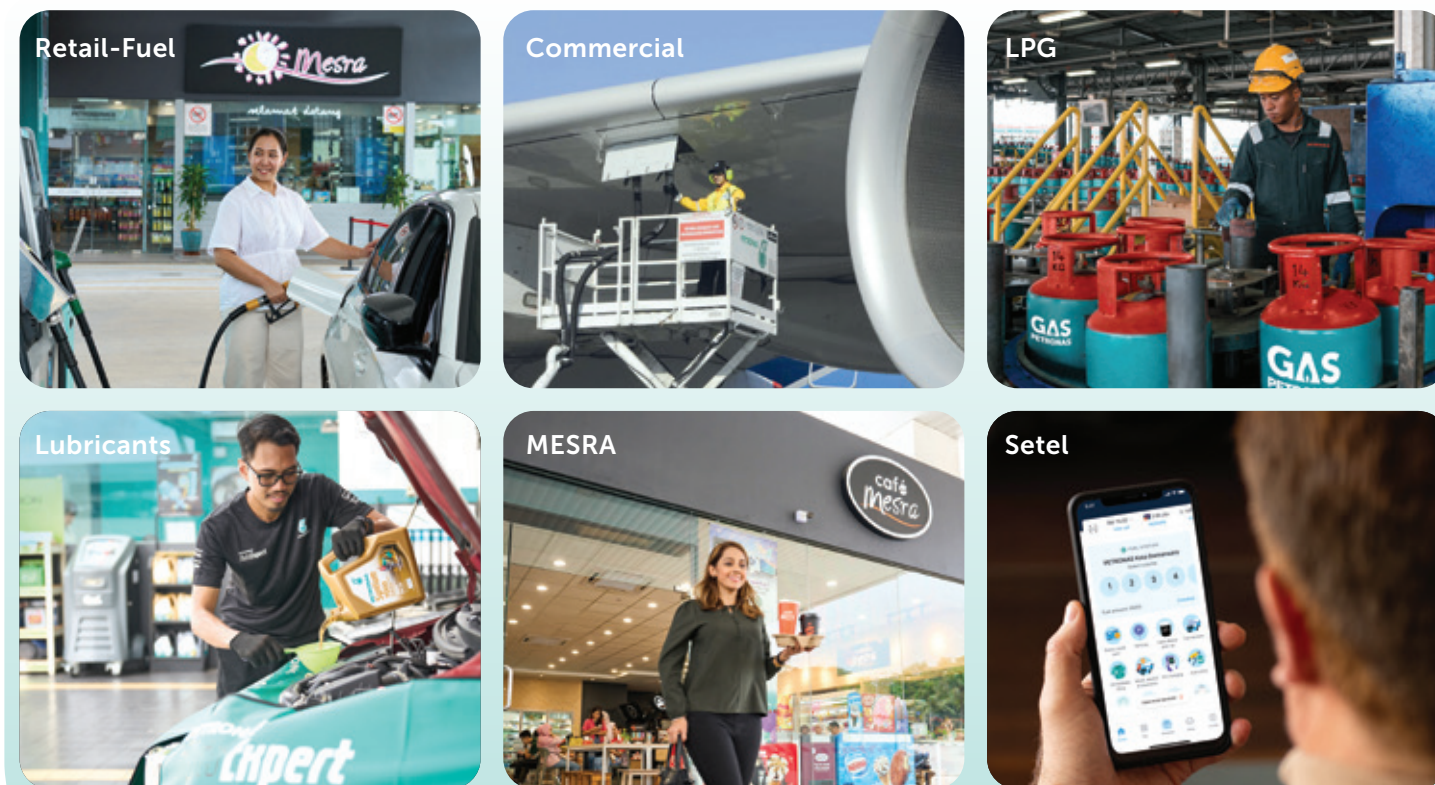
We focus on creating value, driving growth and ensuring sustainability across our operations. These goals inform the development of our Moving Forward Together (MFT) strategy, which is centred on these core aims. Through MFT, we align our actions with our commitment to 'Making Your Everyday Life Simpler and Better', ensuring we consistently work towards achieving our corporate goals.

## HOW WE ALLOCATE OUR RESOURCES



# Our Approach to Value Creation

## OUR INTEGRATED BUSINESS MODEL



We foster a culture of innovation, focusing on enhancing customer experiences, strengthening our brand across all business areas and embedding sustainability into our practices to drive long-term value. Our employees, aligned with our core values, play a vital role in achieving our objectives and supporting the local ecosystem, including suppliers, dealers and vendors. Central to our growth is a commitment to strong governance, ensuring transparency and integrity in every aspect of our operations.

## OUR PROMISE

**Making Your Everyday Life Simpler and Better**

[For more information on Our Value Creating Business Model, refer to page 68.](#)

## HOW WE CREATE VALUE AND DELIVER A POSITIVE IMPACT

We drive long-term growth and create meaningful contributions to our stakeholders and communities through innovation, strong governance and a commitment to sustainability. Our ultimate purpose is to generate sustainable value for our stakeholders. By consistently measuring our performance against key performance indicators (KPIs), we ensure that our values guide continuous improvement in these critical areas:





# Sustainability Agenda

As Malaysia's leading retailer and marketer of downstream petroleum products, PDB plays a pivotal role in connecting with diverse stakeholders across the nation. Our focus extends beyond delivering products, as we prioritise responsible practices that drive sustainable growth and create enduring value to society and the environment. Along with our commitment to sustainable growth, we strive to provide our customers with convenient access to excellent-quality products and services, with immense value pricing that improves their daily lives.

In 2024, we adopted PETRONAS' Sustainability Approach, which focuses on three core sustainability components: **Delivering Net Zero** and **Thriving with Nature**, driving environmental stewardship; **Fostering a Just Transition**, which emphasises social responsibility. Collectively, these three elements aim to **Creating Sustainable Value through Responsible Governance**, which upholds strong governance practices while supporting economic resilience.





# Our Operating Environment and Market Outlook



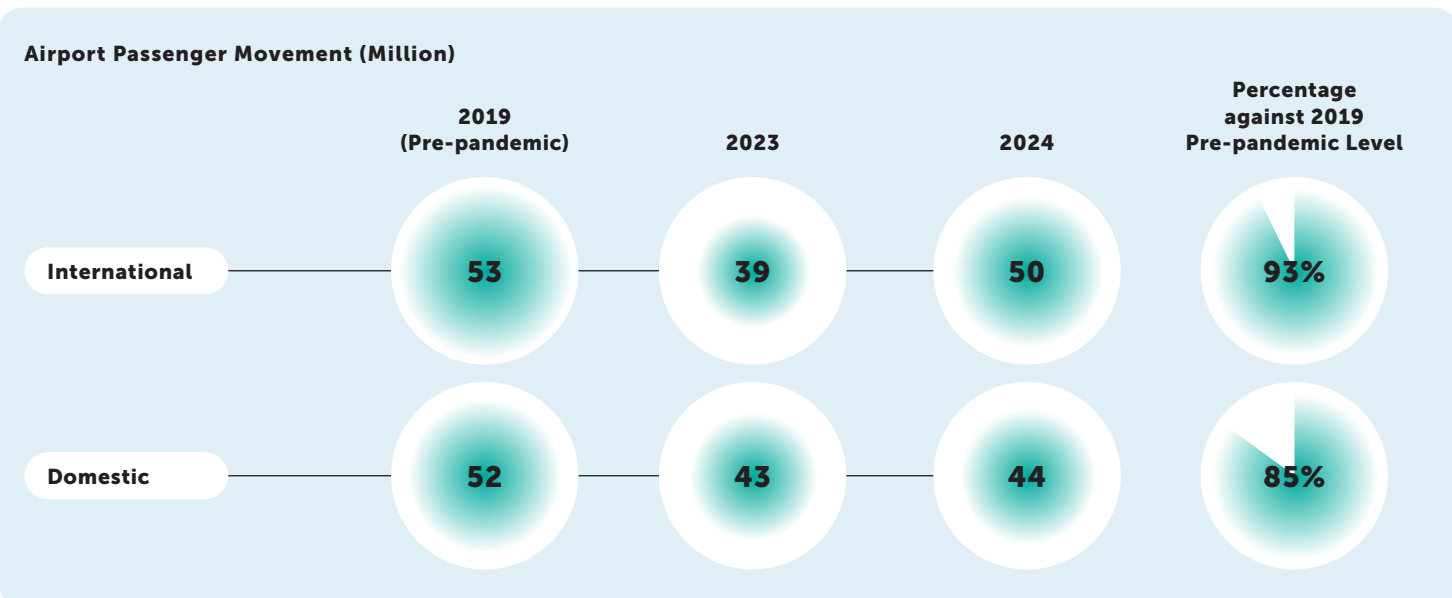
Our operating environment was shaped by a supportive economic landscape in 2024, offering growth opportunities. Malaysia's continued recovery across various sectors, supported by solid macroeconomic fundamentals, provided a conducive environment for industries relevant to PETRONAS Dagangan Berhad's (PDB) operations.

### ECONOMIC RESILIENCE

In 2024, positive macroeconomic conditions underpinned Malaysia's steady growth. The unemployment rate remains at 3.3%<sup>1</sup> in 2024, compared to 3.4% in 2023, reflecting an improving job market. Inflation moderated to 1.8%<sup>2</sup> in 2024, against 2.5% in 2023. The Overnight Policy Rate (OPR) remained steady at 3%, as announced by Bank Negara Malaysia in January 2025, supporting favourable borrowing conditions. These positive macroeconomic factors boosted household purchasing power, with private consumption rose by 5.1%<sup>3</sup> year-on-year against 2023. This growth reflected rising consumer confidence across the economy.

As these favourable conditions took hold, the services sector, particularly aviation, experienced a significant rebound. Passenger movements at Malaysia Airports continued on an upward trajectory in 2024, reaching 89.1% of 2019's pre-pandemic levels with 93.8 million passengers<sup>4</sup>. This growth was driven by several factors, including increased airline seat capacity, visa exemptions for tourists from China and India, as well as improved connectivity to major destinations like China, India, Indonesia, South Korea, Australia and Gulf countries. The recovery in aviation directly supported the broader growth in the services sector and the economy as a whole.

This positive economic momentum has led to Malaysia recording gross domestic product (GDP) growth of 5.1%<sup>5</sup> in 2024, supported by solid fundamentals across key sectors.



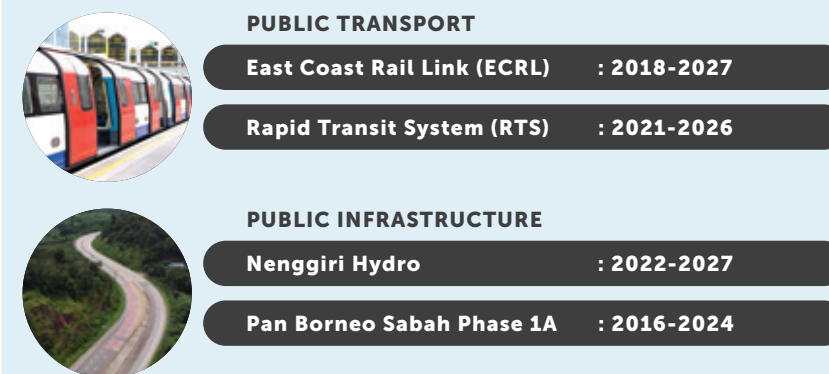
<sup>1,2&3</sup> Ministry of Finance Press Release, Malaysia Exceeds GDP and Fiscal Deficit Targets for 2024  
<sup>4</sup> Passenger Traffic Movement, December 2024 - MAHB Report  
<sup>5</sup> Bank Negara Malaysia, Economic & Financial Developments in Malaysia in the Fourth Quarter of 2024

# Our Operating Environment and Market Outlook

In parallel with the aviation sector's strong recovery, the tourism sector also saw significant growth. In 2024, Malaysia's tourist arrival stood at 25 million<sup>6</sup>, surpassing the total tourist arrivals of 20.1 million recorded in 2023, reflecting the sector's continued rebound.

The construction sector gained momentum in 2024, with work done for the full year registering a total value of RM158.8 billion, reflecting a 20.2%<sup>7</sup> increase compared to 2023. Key infrastructure projects contributing to this growth include:

### Planned Project Timeline



These infrastructure developments, while focusing on rail and energy projects, also stimulates broader economic activity. The construction phase of these projects requires significant fuel and energy resources for machinery and transport. As urban and commercial areas expand in response to these projects, demand for fuels and lubricants grows, particularly in the logistics and transport sectors.

The progress of these infrastructure projects contributes to the broader demand for PDB's products, supporting the development of key industries and the growth of the economy.



<sup>6</sup> Malaysia Tourism Statistics, Malaysia Tourism Statistics Dashboard  
<sup>7</sup> Department of Statistics Malaysia (DOSM)

### Impact to PDB

Malaysia's economic expansion in 2024 contributed to PDB's strong performance, with total sales volume reaching 16.8 billion litres. This growth was driven by reliable product delivery amid a market upturn and increased demand from key sectors.

The tourism sector's growth led to higher demand for Jet A-1, a fuel primarily used by airlines, as more flights were operated due to a rise in tourist arrivals. Meanwhile, ongoing infrastructure projects in construction and public transport increased demand for diesel in the commercial sector, powering heavy vehicles and machinery. These sectoral expansions directly supported the growth of PDB's products and services.

At the consumer level, a rise in private household spending, fuelled by a growing economy, led to higher demand for both retail fuel and non-fuel products such as the eatery sector, driving higher MESRA sales.

### PDB's Response

Capitalising on Malaysia's resilient economic growth in 2024, PDB strategically seized opportunities to strengthen its assets, intensify market penetration and elevate customer experience. These proactive actions enabled PDB to achieve record-breaking sales volumes and sustain a profit before tax exceeding RM1 billion for the year.

To strengthen its market presence, PDB focused on enhancing its assets. The Retail-Fuel business enhanced customer experience at PETRONAS stations with service improvement and operational excellence initiatives and was accorded with Gold and Platinum ratings. New PETRONAS stations were operationalised in 2024, further increasing sales volume. The Commercial business secured new aviation contracts and expanded its reach in the construction and manufacturing sectors. The LPG business also saw growth by acquiring new commercial customers and improving operational efficiency.

To intensify its market penetration, the Lubricant business focused on securing new key accounts within high-performing regions in the Highstreet segment. On the convenience side, MESRA refitted select *Kedai Mesra* outlets to enhance customer experience, elevate store image and meet growing demand for quick, accessible F&B options, driving sales performance and strengthening brand presence.



## Our Operating Environment and Market Outlook

### Outlook

Malaysia's GDP is projected to grow between 4.5% and 5.5% in 2025<sup>8</sup>, driven by continued expansion across most sectors, with services leading the way. The construction sector is also projected to see growth, supported by a sustained development expenditure allocation of RM86 billion, in line with Budget 2025. On the demand side, economic growth is likely to be largely driven by private-sector consumption<sup>9</sup>.



The aviation industry is on track to fully recover, with passenger traffic surpassing pre-pandemic levels, likely boosting demand for aviation fuels. MAVCOM forecasts air passenger traffic to reach pre-pandemic levels, driven by increased seat capacity, higher international travel demand and improved household income. Additionally, the Visit Malaysia 2026 campaign is expected to stimulate tourism. This recovery will boost demand for aviation fuels, benefitting PDB's Commercial segment.

The construction sector is projected to remain stable in 2025, supported by public infrastructure projects and data centre expansion. Following strong performance in 2024, the sector enters 2025 with solid prospects driven by private sector demand, major project rollouts and clearer government plans. Key projects, such as the West - Ipoh Span Expressway, Penang Airport expansion and Sarawak deep-sea port are set to drive job creation, income growth and increased private consumption which will boost demand for PDB's products. While transit projects such as the KL-Singapore High-Speed Rail and Pulau Pinang LRT may offer alternatives to road transport, they could also create new economic hubs, driving fuel demand in emerging areas.

Private consumption, a key driver of Malaysia's economic growth in 2024, is anticipated to remain strong in 2025. Higher civil servant salaries and an increased minimum wage are expected to positively impact spending, driving higher demand for fuel and convenience products, which will benefit PDB's Retail segment and MESRA offerings. However, rising inflation, projected to reach 2.6% in 2025 from 1.8% in 2024, may pose challenges to consumer spending patterns.

While the overall domestic outlook remains positive, PDB will maintain a cautious approach, aligning strategies with market opportunities and risks. This will include strengthening its market position, expanding customer reach and enhancing the customer experience.

<sup>8</sup> Ministry of Finance Press Release, Malaysia Exceeds GDP and Fiscal Deficit Targets for 2024  
<sup>9</sup> MARC, 2025 Macroeconomic Outlook: Growth to sustain amid monetary easing and protectionism

## Our Operating Environment and Market Outlook

### POLICY AND REGULATORY CHANGES

Malaysia's economic landscape is being shaped by significant federal policy changes aimed at restructuring the economy for sustainable growth. Key measures include the removal of the blanket diesel subsidy, the expansion of the Sales and Services Tax (SST) scope and the implementation of climate change and energy transition policies. These policies reflect the government's commitment to fiscal reform, promoting a more efficient use of resources while addressing environmental concerns. Together, these changes will have a profound impact on industries such as retail fuel, including PDB, requiring adaptation to new regulatory conditions and consumer demands.



#### Diesel Subsidy Rationalisation

To improve fiscal sustainability, the Malaysian government implemented the Subsidised Diesel Control System (SKDS) on 10 June 2024, targeting a more efficient subsidy distribution. In 2023, the government spent RM14.3 billion<sup>10</sup> on diesel subsidies and the shift aims to reduce this burden. Under SKDS, logistics vehicles pay RM2.15 per litre, while diesel for public transport and fishermen remains at RM1.88 and RM1.65 per litre, respectively. Cash assistance of RM200 per month is provided to diesel vehicle owners and small-scale farmers through the BUDI Individu and BUDI Agri-Komoditi programmes.

#### Expansion of SST Scope

The expansion of the SST<sup>11</sup>, which came into effect on 1 March 2024, is reshaping the retail fuel landscape. The service tax rate rose from 6% to 8% for all services, except food and beverages (F&B), telecommunications, card services and parking. The scope of the service tax was also expanded to include logistics services. The increase and expansion of SST in 2024 has been impacting the costs incurred by fuel distribution companies in Malaysia.

<sup>10</sup> Ministry of Finance Press Release, Government Implements Targeted Diesel Subsidy for Peninsular Malaysia  
<sup>11</sup> Ministry of Finance Press Release, Service tax increases only affects discretionary, B2B activities

#### Climate Change Policy and Energy Transition

The global energy sector is undergoing rapid transformation to balance the energy trilemma of security, affordability and sustainability. This shift is driven by the global push to decarbonise energy systems and achieve net-zero greenhouse gas emissions. Malaysia is aligning with this global transition with key policies such as the National Climate Change Policy 2.0 and its Net Zero Emissions Target for 2050.

A central element of Malaysia's energy transition is the National Energy Transition Roadmap (NETR), which focuses on low-carbon mobility solutions such as electric two-wheelers (E2W), Sustainable Aviation Fuel (SAF) and biodiesel. The adoption of E2W currently remains low, with only around 1% of the market projected for 2025. However, the government's introduction of the electric motorcycle usage scheme, as outlined in the Budget 2024 and 2025 announcements, offers a promising outlook for E2W adoption, with significant growth expected by 2030.

In the aviation sector, Malaysia has committed to achieving net zero emissions by 2050. The NETR includes a target of blending 47% SAF by 2050. To achieve this and in line with the Carbon Offsetting and Reduction Scheme for International Aviation, Malaysia plans to introduce SAF blending requirements starting in 2027. Additionally, the B30 biodiesel blending target is expected to be implemented by 2030.



## Our Operating Environment and Market Outlook

### Impact to PDB

Malaysia's evolving regulatory landscape is influencing PDB's market strategies as the government implements fiscal reforms and drives sustainability initiatives. Key policy changes, such as the rationalisation of diesel subsidies in June 2024 and the increase and expansion of the sales and services tax (SST), are impacting fuel demand patterns, shifting diesel volumes from the retail to the commercial sector and requiring corresponding operational and commercial adjustments for PDB.

The expansion of the SST, particularly with the inclusion of logistics services, has impacted costs within the logistics chain, affecting hauliers, maintenance services, as well as IT and digital fees. Coupled with the roll-out of SKDS 2.0, these changes require PDB to pivot its business strategies to maximise value while adapting to the evolving landscape.

On the sustainability front, the shift towards low-carbon mobility solutions, including the adoption of EVs, biodiesel mandates and SAF presents significant opportunities for PDB to expand its offerings in this segment.

### PDB's Response

In response to Malaysia's evolving regulatory landscape and fiscal reforms, PDB is proactively adjusting its strategies to align with the diesel subsidy rationalisation, SST expansion and climate-related policies.

To address the rationalisation of diesel subsidy, PDB focused on capturing the shift in diesel demand from the Retail to the Commercial segment. The Commercial business successfully increased diesel volumes and optimised margins by offering competitive pricing and effectively adapting to the revised subsidy system.

In response to the expansion of the SST scope, PDB maintained strict cost discipline and maximised its margin by reviewing resource allocation and exploring opportunities for value optimisation, all without compromising HSE standards or compliance. These efforts included strategically evaluating current operations, optimising pricing models and enhancing operational efficiencies.

PDB is driving sustainable growth by advancing low-carbon solutions and supporting Malaysia's transition towards cleaner energy. This is reflected in its ongoing efforts with SAF, biodiesel initiatives and the scaling up of battery swap stations for E2Ws at PETRONAS stations and the expansion of EV chargers through strategic partnerships. PDB is also accelerating solar installations at PETRONAS stations and leading circular economy initiatives, such as the nationwide collection of Used Cooking Oil, which has gained significant public adoption.

### Outlook

Malaysia's Budget 2025 introduces key policy measures that will influence PDB's operations and the wider fuel and energy sector. With a focus on fiscal reforms, sustainability and energy transition, the government is shaping the market in ways that will require businesses to adapt. The removal of the blanket RON95 subsidy and the expansion of the sales and services tax will directly impact PDB's operations. In response, PDB plans to enhance its operational and commercial efficiencies to align with these market shifts. With the government's increasing emphasis on sustainability, PDB aims to seize the opportunity to expand its business and provide clean energy solutions to its consumers.



The anticipated rationalisation of the RON95 subsidy is expected to influence fuel demand, requiring PDB to adapt to changing consumption patterns. PDB will continue to enhance operational efficiency and explore improvement opportunities while maintaining a strong focus on HSE standards and compliance. In addition to fuel-related policy changes, another tax imposition to consider is the increase in excise duty on sugary drinks, which may influence consumer choices.

Government-backed infrastructure projects such as the Kerian Integrated Green Industrial Park and Kulim High-Tech Park expansion will drive demand for fuel and logistics services, presenting growth opportunities for PDB. The Johor-Singapore Special Economic Zone incentives for high-value investments will open new markets and fuel demand in the southern region of Malaysia.

The National Budget 2025 places sustainability at the forefront of its agenda, setting the stage for significant long-term environmental progress. One of the key initiatives is the introduction of a carbon tax on the iron, steel and energy sectors, set to take effect by 2026. Aligned with the EU's Carbon Border Adjustment Mechanism (CBAM), this move signals a broader global shift towards decarbonisation, which may indirectly impact downstream retail by influencing consumer demand and increasing pressure on fuel producers to transition towards cleaner alternatives.

## Our Operating Environment and Market Outlook

### Shifting Towards Convenience

Malaysia's rapid urbanisation, with 80%<sup>14</sup> of its population projected to live in urban areas by 2025, is shaping a preference for convenient lifestyles. Urban consumers increasingly favour smaller retail formats such as convenience stores over hypermarkets, driven by their fast-paced routines and demand for accessible, quality products<sup>15</sup>. Simultaneously, hybrid shopping habits have emerged, with consumers blending online and physical retail experiences<sup>16</sup>. While stores remain essential for product interaction, online platforms dominate purchase completions due to attractive pricing and convenience.

### Strengthening Preference for Local Brands

Malaysian consumers are increasingly gravitating toward local brands, a shift amplified by tax policies and geopolitical tensions. The imposition of a 10% sales tax on low-value imports since January 2024 has steered demand toward domestic products<sup>17</sup>, creating an advantageous environment for local businesses. This shift also aligns with a broader cultural inclination to support homegrown brands amid global uncertainties.

In addition to these factors, consumer boycotts have gained significant impact in 2024, largely in response to regional and global political tensions. These boycotts, often driven by national patriotism and political sentiment, have seen consumers actively choosing to avoid foreign brands seen as complicit in controversial political or economic activities. This movement is not just a reaction to geopolitical events but also ties into a growing sense of economic self-reliance as Malaysians look to bolster their own industries and reduce dependence on foreign goods.



### CHANGING CONSUMER LANDSCAPE

Malaysia's consumer landscape is evolving with significant shifts in mobility, convenience and local brand preferences. The growing demand for travelling consumer foodservice, preference for convenient shopping formats and a rise in local brand loyalty are reshaping consumer behaviours, presenting new opportunities for businesses to adapt.

### Rising Demand for Travelling Consumer Foodservice

The rise in road travel and vehicle ownership is a key factor reshaping Malaysia's consumer landscape. Malaysia's automotive industry achieved a record total industry volume of 816,747<sup>12</sup> units in 2024, surpassing the 800,000-unit mark for the first time, reflecting the increasing mobility of Malaysian consumers. This surge in vehicle sales has contributed to more cars on the road, creating opportunities for businesses to transform high-traffic locations into multi-service hubs.

Published reports further highlight a compelling trend in consumer foodservice through travel, projecting a robust 10%<sup>13</sup> compound annual growth rate between 2024 and 2028, reaching RM2.5 billion by 2028.



<sup>12</sup> Malaysia Automotive Association 2024 Market Review & Press Release  
<sup>13</sup> Euromonitor, Sector Capsule: Consumer Foodservice by Location in Malaysia  
<sup>14</sup> Economist Intelligence, Industry Report - Consumer goods and retail, Q2 2024  
<sup>15</sup> Euromonitor International, Sector Capsule: Convenience Retailer in Malaysia, March 2024  
<sup>16</sup> Euromonitor International, Passport: Retail in Malaysia, February 2024  
<sup>17</sup> Economist Intelligence, Industry Report - Consumer goods and retail, Q2 2024



## Our Operating Environment and Market Outlook

### Impact to PDB

In 2024, PDB's growth was driven by shifting consumer preferences, particularly for convenience and travel-related services. This boosted *Kedai Mesra's* sales, expanded PETRONAS Shop's market presence and brand visibility and strengthened Café Mesra's alignment with consumer preferences for local brands. However, the evolving consumer sentiment, largely influenced by geopolitical and economic factors led to mixed effects on MESRA's complementary business. PDB's digital ecosystem also grew rapidly, adapting to hybrid and omni-channel retail trends. Enhancements to the Setel app further improved its competitiveness in an evolving operating environment.

### PDB's Response

In response to shifting consumer preferences, PDB adapted its strategies to meet the growing demand for convenience, local products and hybrid retail experiences. By expanding its non-fuel product range and embracing digital transformation, PDB is strengthening its position in an evolving market landscape.

To capitalise on demand for convenience and travel, MESRA introduced hybrid outlets that integrate the best of *Kedai Mesra* and Café Mesra, catering to the shift towards accessible retail formats. This approach aligns with the expansion of PETRONAS Shop, which has grown from online channels to physical retail outlets, increasing market presence and brand visibility.

Amid evolving consumer sentiment, including the ongoing consumer boycott, MESRA expedited its partner rationalisation to ensure business resilience. It also diversified its complementary business partner portfolio, balancing international and local brands to better meet changing expectations, aligning closely with the growing preference for local products. MESRA is also strategically expanding Café Mesra outlets while enhancing efficiency and customer experience through initiatives such as Setel for pickup and Foodpanda for delivery.



### Outlook

PDB anticipates its fuel stations transforming into integrated retail hubs, driven by growing consumer demand for convenience. To address this, PDB is advancing its strategy to establish hybrid superstations through strategic collaborations for expanded service offerings and retail innovations that align with evolving consumer expectations.

In response to the rise of omnichannel retail, PDB is focused on enhancing customer engagement and driving enterprise growth by leveraging cross-selling and up-selling opportunities for fuel and non-fuel products through Setel. At the same time, PDB is refining its partnerships and retail strategies to effectively navigate market shifts, placing a strong emphasis on branding and expanding its product offerings.

## Our Operating Environment and Market Outlook

### OIL PRICE MOVEMENT



Brent crude oil prices fluctuated within a narrow range of USD70.6 to USD93.3 per barrel throughout 2024, influenced by various factors. While geopolitical tensions and voluntary production cuts by OPEC+ contributed to the increase in oil prices, concerns about slowing global growth, particularly in China, exerted downward pressure on prices.

In 2024, the average Brent crude oil price was USD80.8 per barrel, with prices averaging USD84.1 per barrel in the first half of the year. OPEC+ production cuts and geopolitical instability pushed prices to the average of USD90.2 per barrel in April. However, as geopolitical risks eased and global economic concerns took centre stage, average prices fell to USD82.0 per barrel in May, supported by ongoing output cuts from OPEC+ that helped stabilise the market through June.

In July, prices rose to an average of USD85.3 per barrel, driven by tightening supply, OPEC+ production cuts and geopolitical risks. The subsequent months of August and September saw a price drop due to concerns on slowing global economic growth, especially in China and weakening oil demand.

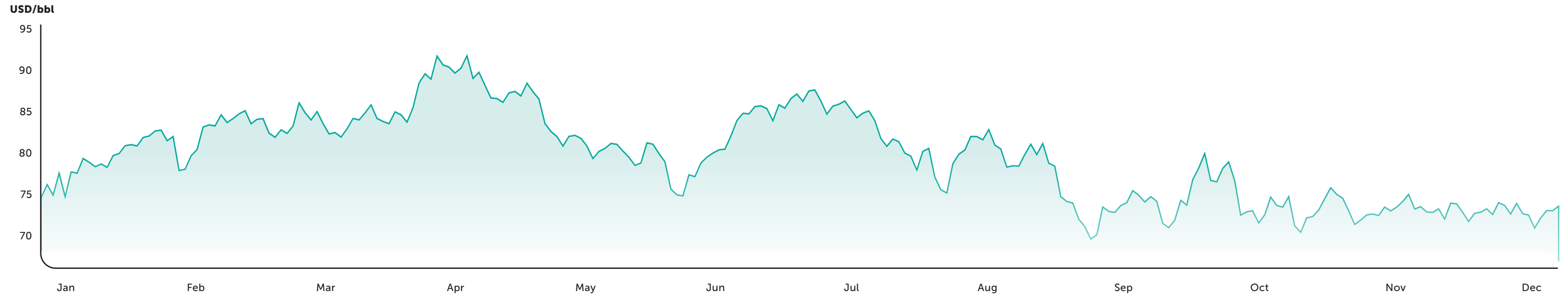
In October, prices briefly spiked to USD79 per barrel amid Middle East geopolitical risks, but the subsequent ceasefire in November, along with China's continuing economic challenges, caused prices to decline steadily towards the end of the year. Consequently, the average oil price in the second half of 2024 stood at USD77.6 per barrel.



## Our Operating Environment and Market Outlook

## Our Operating Environment and Market Outlook

### 2024 Brent crude oil price



#### Impact to PDB

The fluctuations in oil prices during 2024 could have had an effect on PDB's profit margins. However, the company's New Operating Model, introduced in 2021, helped mitigate these effects. By transferring the ownership and operational responsibilities, including supply planning and distribution at PDB terminals, to PETCO Trading Labuan Company Ltd. (PETCO), PDB streamlined its inventory management. This shift not only eliminated the impact of holding inventory but also enhanced working capital management, enabling PDB to navigate the price volatility more effectively.



#### PDB's Response

PDB took advantage of sustained oil prices and the overall improved market conditions in 2024 to maximise returns by expanding its retail network and improving operational efficiency through the development of new locations and strategic partnerships with key stakeholders.

The company strengthened its core business by operationalising new PETRONAS stations, boosting returns from its Retail-Fuel business. PDB also optimised its pricing framework for Commercial products to enhance the premium offered to customers, achieving exceptional profitability margins.

PDB leveraged the strength of its core business to form strategic partnerships with developers in new township projects. This allowed PDB to extend its services to both residents and visitors, broadening its market reach and increasing access to its offerings.

#### Outlook

Oil prices in 2025 are expected to face downward pressure, influenced by a mix of geopolitical risks and OPEC+ production commitments<sup>18</sup>. Although market conditions are likely to remain volatile, uncertainties surrounding the Middle East conflict and the potential variation in OPEC+ members' adherence to voluntary production cuts could impact oil price movements. While oil price volatility may persist, PDB remains agile in adapting to market shifts while continuing to focus on efficiency and profitability.



<sup>18</sup> U.S. Energy Information Administration (EIA), Short-Term Energy Outlook, December 2024



# Engaging with our Stakeholders

Our stakeholders are important to us as they play a critical role in impacting our business activities and performance. We proactively engage with them to understand their expectations, incorporating their needs into our business strategies. The following information reflects how we interact with them:

Stakeholder Groups	
<b>Investors</b>	<b>Customers</b>
Engagement Platforms	
<ul style="list-style-type: none"> <li>Quarterly results announcements and analyst briefings</li> <li>Group and one-on-one meetings</li> <li>Non-deal roadshows and corporate conferences</li> <li>MyMesra website</li> <li>Periodic reports – Integrated and Sustainability Reports</li> <li>Bursa Link under IR's events and announcements on MyMesra website</li> </ul>	<ul style="list-style-type: none"> <li>Events, campaigns, roadshows and other initiatives</li> <li>Mesralink Customer Experience Centre</li> <li>Mainstream and digital media (television, radio, newspapers, PETRONAS Brands social media accounts and MyMesra website)</li> <li>Email</li> <li>Customer surveys and/or feedback system via QR code at PETRONAS stations and mobile applications</li> </ul>
Why They are Important to Us	
<p>Investors are essential for accessing capital, creating long-term value, managing risks, accessing sustainable finance and enhancing corporate governance. By doing so, it allows us to better position ourselves to attract investment, drive innovation and contribute to a more sustainable and prosperous future.</p>	<p>Customers are important because they influence the market, have an impact on brand reputation and loyalty, demand transparency and drive positive change through their choices and actions. Engaging with them allows us to create shared value for both the business and society.</p>
Key Areas of Concern for Stakeholder Groups	
<ul style="list-style-type: none"> <li>Strategic direction, business growth, performance and opportunities</li> <li>Cash utilisation and dividends</li> <li>Corporate governance and business ethics</li> <li>Environment, Economic, Social and Governance (EESG) practices</li> <li>Policy and regulatory changes</li> </ul>	<ul style="list-style-type: none"> <li>Product pricing, safety and quality</li> <li>Innovative products and services</li> <li>Loyalty programme privileges and benefits</li> <li>Sustainability practices</li> </ul>
Our Response	
<ul style="list-style-type: none"> <li>Maintaining business excellence for optimised financial performance</li> <li>Establishing strong corporate governance policies</li> <li>Ensuring compliance with relevant requirements and standards</li> <li>Embedding EESG elements in our business strategies</li> </ul>	<ul style="list-style-type: none"> <li>Offering improved hydrocarbon offerings and innovative customer solutions for unparalleled customer experience</li> <li>Developing and executing targeted marketing campaigns</li> <li>Digitalising Mesra loyalty programme through the Setel app</li> <li>Developing and implementing sustainability-related initiatives</li> </ul>

**Link to**

Material Matters	Capitals	Material Matters	Capitals
M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11	F	M1 M2 M5 M6 M7 M11	SR

# Engaging with our Stakeholders

<b>MATERIAL MATTERS</b> <ul style="list-style-type: none"> <li>M1 Economic Growth and Performance</li> <li>M2 Customer-centricity</li> <li>M3 Ethics and Corporate Governance</li> <li>M4 Data Privacy and Security</li> </ul>	<ul style="list-style-type: none"> <li>M5 Sustainable and Ethical Supply Chain</li> <li>M6 Climate Change and GHG Emissions</li> <li>M7 Environmental Management</li> <li>M8 Health and Well-being</li> </ul>	<ul style="list-style-type: none"> <li>M9 Human Capital</li> <li>M10 Capability Building</li> <li>M11 Community Investment</li> </ul>	<b>CAPITALS</b> <ul style="list-style-type: none"> <li>F Financial</li> <li>H Human</li> <li>M Manufactured</li> <li>SR Social and Relationship</li> <li>I Intellectual</li> <li>N Natural</li> </ul>
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## Stakeholder Highlights



The Bonanza 50 campaign, celebrating PETRONAS' 50th Anniversary, created meaningful and rewarding experiences tailored to customer needs. With simple yet engaging contest mechanics like "Submit a Dream" and authentic video storytelling, the campaign resonated with a broad audience, ensuring that participation was both accessible and impactful. Internal staff and dealer contests further strengthened customer interactions, providing reliable support across the entire PETRONAS ecosystem.

Focused on customer satisfaction, PDB successfully navigated challenges while maintaining commitment to quality. By aligning with stakeholders and enhancing vendor capabilities, the campaign delivered timely, transparent experiences that reinforced customer trust and the brand's integrity.

The campaign's outcomes showcased its success in delivering value to customers. Positive trends in fuel volume and transaction growth reflected strong customer engagement. The financial impact highlighted PETRONAS' ability to create rewarding and impactful experiences.

Through its customer-first approach, Bonanza 50 deepened trust, loyalty and engagement, reaffirming PETRONAS' dedication to understanding and meeting customer expectations.

## Stakeholder Groups

**Rakan Niaga/Dealers**

### Engagement Platforms

- Dealer conferences, events, dialogues, roadshows and other engagements
- Training sessions
- Email
- MyMesra website
- Mesralink Customer Experience Centre
- Retail dealers' MyStation website

### Why They are Important to Us

Business partners, such as dealers, are critical to our operations as they serve as an extension of our network. They play a vital role in distribution channels, providing market access, managing the supply chain and representing our brand. By leveraging their influence, we can promote sustainability, drive the market adoption of sustainable products and contribute to a positive impact on sustainability.

### Key Areas of Concern for Stakeholder Groups

- Strategic direction, business growth, performance and opportunities
- Workforce development
- HSE management and compliance
- Governance and business ethics
- Human rights in supply chain

### Our Response

- Implementing effective strategies for business growth, enhancing performance and leveraging opportunities
- Providing structured development programmes
- Developing and updating HR policies
- Enforcing Code of Conduct and Business Ethics (CoBE)
- Developing Business and Human Rights (BHR) model

**Link to**

Material Matters	Capitals
M3 M5 M6 M7 M8	SR

## Stakeholder Groups

**Employees**

### Engagement Platforms

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

### Why They are Important to Us

Employees are crucial due to their role in implementing sustainable practices, cultivating a culture of sustainability, promoting employee well-being and upholding compliance and ethics. This allows us to leverage their collective efforts to achieve meaningful economic, environmental and social outcomes.

### Key Areas of Concern for Stakeholder Groups

- 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
- Organise programmes and initiatives

**Link to**

Material Matters	Capitals
M3 M8 M9 M10 M11	H

## Stakeholder Highlights

### Driving Workforce Diversity by Empowering PWD

We strive to create a workplace where every individual is valued, respected and empowered to contribute. Our efforts focus on fostering an inclusive environment that welcomes everyone, including Persons with Disabilities (PWD) and provides equal opportunities for growth and collaboration.

This commitment aligns with the PDB Diversity and Inclusion framework, which aims to create an inclusive ecosystem for our workforce. By promoting fairness and equal opportunities, PDB contributes to national goals under the Employment Disabled Persons Act and global standards such as Sustainable Development Goal 8 (SDG 8) for decent work and economic growth.

To foster a culture of inclusivity, PDB also conducted Disability Equality Training sessions to equip employees with the right awareness and knowledge needed to embrace diversity and aspire to be a more inclusive workplace. This effort was further strengthened through partnerships with organisations such as ENOKU, a social enterprise nurtured through the SEEd. Lab programme, which focuses on bridging employment gaps for PWD.

As part of our ongoing efforts to enhance inclusivity, a review conducted in 2024 reaffirmed the growing commitment within our network of dealers to provide employment opportunities for PWD. The findings indicated that dealers have actively employed 86 PWDs through their own initiatives, while 28 individuals secured jobs through our collaboration with ENOKU. These developments reflect a positive shift towards a more diverse and inclusive workforce across PDB's business ecosystem.





# Engaging with our Stakeholders

# Engaging with our Stakeholders

**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 Health and Well-being
- M9 Human Capital
- M10 Capability Building
- M11 Community Investment

**CAPITALS**

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

## Stakeholder Groups

**Contractors/Suppliers/ Business Partners**

**Authorities/Regulators/ Financial Institutions**

## Engagement Platforms

- Formal meetings and briefings
- Group and one-on-one engagement sessions
- Signing ceremonies
- Email
- Mesralink Customer Experience Centre
- Periodic reports
- Annual dealer conferences
- Training sessions

## Why They are Important to Us

Contractors, suppliers and business partners are essential as they significantly impact the supply chain, potential for collaboration and partnership, influence on brand reputation and upholding commitment transparency and accountability. Engaging with them allows us to drive positive economic, environmental and social outcomes while simultaneously enhancing their competitive position in the marketplace.

## Key Areas of Concern for Stakeholder Groups

- Strategic direction, business growth, performance and opportunities
- Fair opportunities, negotiation and contracts
- HSE management and compliance
- Sustainability and EESG elements across the supply and value chain
- Cybersecurity
- Mutual understanding of business expectations, purposes and goals
- Corporate governance and business ethics

## Our Response

- Establishing open and transparent tender and procurement processes
- Conducting regular engagement and communication with partners
- Incorporating HSE, sustainability and EESG elements in procurement processes
- Strengthening the cybersecurity system and culture

**Link to**

Material Matters: M3, M4, M5, M6, M7, M8, M9, M10, M11

Capitals: SR

## Stakeholder Highlights

### Implementing Subsidised Diesel Control System (SKDS) 2.0

On 10 June 2024, the Subsidised Diesel Control System (SKDS) 2.0 programme was successfully launched across Peninsular Malaysia, extending the benefits of the previous SKDS 1.0 programme. Under SKDS 1.0, eligible vehicles received subsidised diesel at RM1.88 per litre, while SKDS 2.0 raised the subsidised price to RM2.15 per litre for eligible diesel vehicle users. The programme was implemented based on fuel purchases made via fleet cards from participating oil companies.



Ahead of the official launch, PDB undertook several strategic initiatives to ensure the smooth rollout of SKDS 2.0. These efforts were focused on meeting the needs of both customers and dealers and included offering competitive rebates and incentives, streamlining the rebate mechanism, transitioning from manual to online applications, optimising the SmartPay process to reduce processing days, introducing new card offerings for different customer segments, providing automatic credit facilities and ensuring that there were no out-of-stock issues across all stations in Peninsular Malaysia.

After the launch of SKDS 2.0, the team faced several challenges, but addressed them effectively. These included dealing with increased calls to Mesralink regarding SmartPay SKDS 2.0 issues, which was expediently managed by deploying short-term manpower to key departments to maintain service level agreement compliance. We also simplified the SmartPay registration process to shorten certain procedures without compromising process integrity. The tracking and updating of customer application statuses were improved, allowing for end-to-end tracking by relevant PDB teams.

### Supporting Subsidised Diesel Access for Customers

SKDS 2.0 was announced in March 2024 and businesses were required to apply for KPDN approval and fleet cards to enjoy government-subsidised diesel. We took proactive steps and swiftly implemented improvement efforts to ensure customers were well-informed, properly guided and fully supported through seamless customer communications and experience.

We focused on clear and consistent communications across owned channels and media platforms to build awareness of SmartPay benefits and educate customers of SKDS 2.0. For example: PETRONAS station POSM, social media, email blasts, newspaper, radio and MyMesra website in multiple languages.

PDB also actively supported and participated in KPDN's events, commercial vehicle/fleet related events such as the Malaysia Commercial Vehicle Exhibition and collaborated with commerce and haulier associations - guiding customers through the application process and offering on-the-spot approvals for eligible applicants.

Innovations to simplify and quicken the application and approval process were as follows:

- Streamlined application process:** Simplified the application steps to reduce application time and effort with a more user-friendly online process
- Customer Service Call Center support:** Trained agents were available to guide customers through the application process, as well as address any questions they had about SKDS 2.0. This proactive assistance helped ensure that customers receive timely and accurate information
- Introduction of SmartPay Subsidy ID Card (Cash Card):** To cater to varying consumer needs with payment option flexibility
- Fast-tracked Applications:** RM6,000 credit limit offered to ensure quicker approvals for SKDS 2.0 eligible applicants

## Stakeholder Groups

**Communities**

**Media**

## Engagement Platforms

- Community briefings and engagements
- Social impact and outreach programmes
- Mainstream and digital media (television, radio, newspapers)
- PETRONAS Brands social media accounts and MyMesra website
- Mesralink Customer Experience Centre

## Why They are Important to Us

Communities hold immense importance due to being our social licence to operate. They play a crucial role in employment, economic development, education, empowerment, promoting social cohesion and equity and offering potential for long-term collaboration. By building trust, fostering collaboration and creating shared value, we can benefit both businesses and communities.

## Key Areas of Concern for Stakeholder Groups

- Community welfare and well-being
- Potential health, safety and environmental impacts
- Inclusive socio-economic development
- Strategic direction, business growth, performance and opportunities
- Sustainability and EESG initiatives
- New offerings

## Our Response

- Investing in various flagship and tactical social impact initiatives
- Providing support for community welfare and well-being
- Establishing open and transparent communication
- Ensuring timely response to media enquiries
- Organising effective rapport-building activities

**Link to**

Material Matters: 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 a diverse range of 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 (GRI, UN SDGs and FTSE4Good) as well as the practices of industry peers and sustainability leaders. This allows us to identify gaps and areas for improvement, as well as to revise 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 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 once a year and conduct a comprehensive materiality assessment once every three years. In 2024, we initiated a materiality assessment to benchmark our material matters against industry peers through a comparative analysis of selected industry players, relevant reporting standards and rating frameworks. This materiality assessment is currently at the prioritisation phase which involved direct engagement with all eight (8) key stakeholder groups that are important to our organisation. The outcome of this ongoing materiality assessment will then be reported in the next reporting cycle after the review and validation process with reference to the Bursa Malaysia Sustainability Reporting Guide. In September 2024, PETRONAS Group launched a Sustainability Approach with three core sustainability components namely Delivering Net Zero, Thriving with Nature and Fostering a Just Transition. These interconnected components are collectively centred around the goal of Creating Sustainable Value through Responsible Governance. Subsequently, we made refinements to our current Material Matters, categorising them based on the pillars of the Sustainability Approach. This ensures realignment with PETRONAS Group in our goals, addressing material issues and enterprise strategy.

# Material Matters

## CREATING SUSTAINABLE VALUE THROUGH RESPONSIBLE GOVERNANCE



### Economic Growth and Performance



### Customer-centricity



### Ethics and Corporate Governance

#### Definition

The capability to sustain business performance over the short-, medium- and long-term, while supporting national growth by fostering the development and expansion of suppliers' capacity and capabilities, both locally and regionally.

Improving customer experience by adapting to their evolving needs and preferences through innovative solutions.

Establishing a strong corporate governance framework and ethical business practices, grounded in the principles of accountability and stewardship.

#### Why is it important to us?

Strong economic performance allows us to achieve growth objectives, meet financial commitments and build stronger stakeholder relationships. It is essential for PDB's sustainability, ensuring our ability to deliver long-term value to stakeholders.

In the increasingly competitive retail fuel industry, maintaining customer trust and confidence is essential for building loyalty and sustaining our business success.

Strong corporate governance is essential for respecting the interests of our stakeholders, creating value for them and enhancing our market reputation as a trusted organisation that consistently delivers.

#### Cross Reference

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#### Link to

<p><b>UN SDGs</b></p>	<p><b>Stakeholder</b></p>	<p><b>UN SDGs</b></p>	<p><b>Stakeholder</b></p>	<p><b>UN SDGs</b></p>	<p><b>Stakeholder</b></p>
<p><b>Capitals</b></p>	<p><b>Strategic Pillars</b></p>	<p><b>Capitals</b></p>	<p><b>Strategic Pillars</b></p>	<p><b>Capitals</b></p>	<p><b>Strategic Pillars</b></p>



# Material Matters

## CREATING SUSTAINABLE VALUE THROUGH RESPONSIBLE GOVERNANCE

### Data Privacy and Security

**Definition**

Implementing strong systems to safeguard the security of our customers' data and protect our digital infrastructure.

**Why is it important to us?**

As we continue to digitalise our operations and product solutions, protecting our digital platforms from cyberattacks is crucial to prevent costly data breaches and maintain the trust of our stakeholders.

### Sustainable and Ethical Supply Chain

**Definition**

Ensuring that our partners, suppliers and contractors adhere to the same EESG principles as PDB, with a particular focus on compliance in highly regulated areas.

**Why is it important to us?**

Ensuring sustainability and ethical practices across our value chain is vital for achieving growth objectives, meeting financial commitments and strengthening stakeholder relationships. Transitioning to renewable energy safeguards the environment, supports business sustainability and aligns with stakeholder expectations. These efforts enhance our credibility as an EESG-focused organisation committed to creating long-term value for all stakeholders.

**Cross Reference**

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		Sustainability Report: Sustainable and Ethical Supply Chain	107

**Link To**

<b>UN SDGs</b> 	<b>Stakeholder</b> 	<b>UN SDGs</b> 	<b>Stakeholder</b> 
<b>Capitals</b> 	<b>Strategic Pillars</b> 	<b>Capitals</b> 	<b>Strategic Pillars</b> 

## DELIVERING NET ZERO

### Climate Change and GHG Emissions

**Definition**

Contributing to climate change mitigation through energy efficiency initiatives and renewable energy investments, while implementing adaptation measures.

**Why is it important to us?**

Transitioning to renewable energy is crucial for protecting the environment, ensuring long-term business sustainability and meeting stakeholders' expectations.

**Cross Reference**

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Sustainability Review	90	Sustainability Report: Climate Change and GHG Emissions	113

**Link to**

<b>UN SDGs</b> 	<b>Stakeholder</b> 	<b>UN SDGs</b> 	<b>Stakeholder</b> 
<b>Capitals</b> 	<b>Strategic Pillars</b> 	<b>Capitals</b> 	<b>Strategic Pillars</b> 

## THRIVING WITH NATURE

### Environmental Management

**Definition**

Ensure the sustainable management of water resources, emissions, pollution, spills and waste to prevent environmental degradation and promote circular practices.

**Why is it important to us?**

Transitioning to renewable energy helps protect the environment, ensures long-term business sustainability and meets stakeholder expectations, all while supporting our goal of Delivering Net Zero.

**Cross Reference**

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Sustainability Report: Environmental Management	124		

**Link to**

<b>UN SDGs</b> 	<b>Stakeholder</b> 	<b>UN SDGs</b> 	<b>Stakeholder</b> 
<b>Capitals</b> 	<b>Strategic Pillars</b> 	<b>Capitals</b> 	<b>Strategic Pillars</b> 

## FOSTERING A JUST TRANSITION

### Health and Well-being

**Definition**

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

**Why is it important to us?**

The health and well-being of our employees and partners are essential for maintaining smooth operations, driving strong business performance and enhancing the confidence of our partners and suppliers in collaborating with us.

### Human Capital

**Definition**

An inclusive, rewarding and engaging work environment brings out the best in employees, creates a sense of ownership of their responsibilities and motivates them to perform to the best of their abilities – all of which enhance performance and support the achievements of our corporate goals.

**Why is it important to us?**

An inclusive, rewarding and engaging work environment helps employees perform at their best. This environment fosters a sense of ownership over their responsibilities and motivates them to excel—ultimately enhancing performance and driving the achievement of our corporate goals.

**Cross Reference**

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**Link to**

<b>UN SDGs</b> 	<b>Stakeholder</b> 	<b>UN SDGs</b> 	<b>Stakeholder</b> 
<b>Capitals</b> 	<b>Strategic Pillars</b> 	<b>Capitals</b> 	<b>Strategic Pillars</b> 



# Material Matters

## FOSTERING A JUST TRANSITION

**Capability Building**

**Community Investment**

**Definition**

Invest in our people through development programmes to build a high-performing, skilled and talented workforce that contributes value to the organisation.

Enhanced our presence in local communities by creating targeted community investment programmes that effectively address societal needs.

**Why is it important to us?**

Having highly trained, competent employees and fostering a high-performance culture are crucial to driving PDB's ongoing transformation and achieving sustainable growth and outcomes.

The community is a natural extension of our customer base. By investing in the community, we enhance our market reputation and ensure steady, sustainable demand for our products and services.

**Cross Reference**

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**Link to**

**UN SDGs**

**Stakeholder**

**Capitals**

**Strategic Pillars**

**UN SDGs**

**Stakeholder**

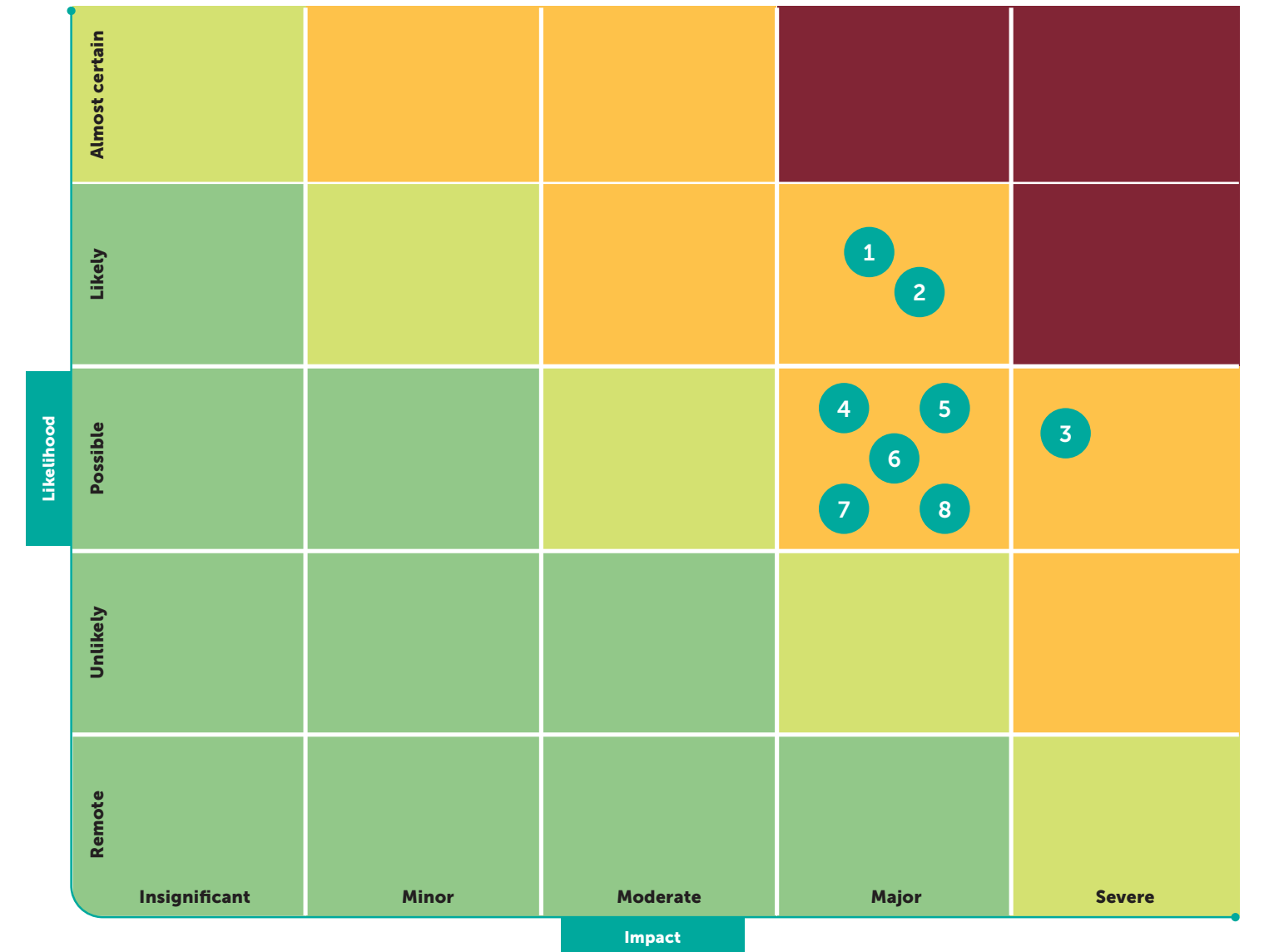
**Capitals**

**Strategic Pillars**

# Key Risks and Mitigation

In line with our ongoing commitment to effective risk management, we regularly review our key risks based on the Enterprise Risk Management (ERM) framework and guidelines. These guidelines take into account various factors that influence our risk exposure. It includes our business objectives, risk appetite, material matters, sustainability focus areas, historical risk profile, risk monitoring and scanning activities, industry risk reports and assurance findings.

We adopt a systematic approach to assess and prioritise identified risks based on their likelihood and impact, plotting them on a risk matrix. This evaluation supports informed decision-making on risk treatment to manage the identified risks effectively. Risks deemed significant by management and requiring close monitoring are registered in the Corporate Risk Profile (CRP). The CRP is presented to Management and the Board on a quarterly basis and includes specific mitigation plans for each risk, assigned to respective risk owners. The owners will then be accountable for their execution and monitoring.



**1 Strategy**      **4 Technology and Cybersecurity**      **7 HSE**

**2 Operations**      **5 Market**      **8 Financial**

**3 Legal and Regulatory**      **6 Sustainability**

**Risk Rating**

Low      Medium      High      Very High



# Key Risks and Mitigation

Risk Movement ⊖ Stable ⊕ Increase

## STRATEGY RISK ⊕

### Risk Description

As we navigate an increasingly competitive operating landscape and shifting customer preferences, PDB remains committed to diversifying our business and expanding beyond our core offerings. The ongoing transition to a low-carbon economy, driven by climate change, continues to reshape the market landscape, presenting both risks and opportunities. To ensure effective diversification of our business portfolio, PDB must seize new growth opportunities.

In 2024, strategy risk continues to be significant, highlighting the ongoing importance of our adaptive strategies in this dynamic environment. This focus underscores the need for proactive measures and innovative approaches to effectively manage potential impacts and capitalise on emerging opportunities. However, the risk has increased due to heightened competition in the convenience space, necessitating even more robust and innovative strategies to maintain our competitive edge and achieve successful diversification.

### Implication

- Opportunity loss
- Loss of market competitiveness
- Financial loss
- Inability to meet strategic direction
- Tarnished reputation

### Mitigation Strategies

- Transforming our retail fuel stations into integrated retail hubs, offering products and services centred on convenience to meet the changing needs of our customers
- Expanding *Kedai Mesra* and *Café Mesra* with innovative hybrid outlets
- Growing complimentary businesses by securing new partnerships
- Expanding the PETRONAS Shop platform
- Integrating services through Setel

### Opportunities

- Diversifying focus beyond fuel retailing with new growth opportunities
- Innovation and differentiation with unique products, services and customer experience

**Link to**

**Strategic Pillars**

**Material Matters**

**Capitals**

**Stakeholders**

**Sustainability**

For more information on Retail-Fuel, Convenience: MESRA, Convenience: Setel and Enablers: Digital – Key Initiatives, refer to Business Review on page 70, 78, 82 and 86.  
For more information on Growth, refer to Our Strategy on page 66.  
For more information on Climate Change and GHG Emissions, refer to page 113.

## OPERATIONS RISK ⊖

### Risk Description

Operational excellence is essential to ensure an uninterrupted end-to-end supply chain, from sourcing to reliable delivery of both fuel and non-fuel products, while maintaining a superior customer experience. In 2024, operational risks remain a key concern, as supply chain disruptions and sudden demand shifts can significantly affect PDB's value chain.

Challenges include optimising efficiency, maintaining a competitive cost-to-serve, managing demand fluctuations during peak festive seasons and extended holiday periods and ensuring asset integrity and reliability across our supply network.

### Implication

- Business and operational disruption
- Financial loss
- Inability to sustain growth and capture opportunity
- HSE incidents
- Litigation/penalty

### Mitigation Strategies

- Conducting a long-term business case study on supply chain capability to support growth
- Enhancing and ensuring comprehensive supply chain business continuity plan
- Developing maintenance strategies with minimal operation disruptions

### Opportunities

- Capturing growth opportunities with improved customer experience

**Link to**

**Strategic Pillars**

**Material Matters**

**Capitals**

**Stakeholders**

**Sustainability**

For more information on Supply and Distribution – Key Initiatives, refer to Business Review on page 84.  
For more information on BCP Testing, refer to SORMIC on page 253.  
For more information on Sustainable & Ethical Supply Chain on page 107.

# Key Risks and Mitigation

Risk Movement ⊖ Stable ⊕ Increase

## TECHNOLOGY AND CYBERSECURITY RISK ⊖

### Risk Description

As PDB continues to embrace digitalisation, the risk of disruption to digital infrastructure and exposure to cyber threats remains significant, potentially impacting business operations and customer experience. In 2024, cybercriminals are becoming increasingly sophisticated, continuously innovating and industrialising their methods to evade and breach technology defenses, posing a substantial threat to our systems and operations.

The rapid advancement of technology has heightened the importance of PDB's IT systems to keep pace with digital adoption. Failure to stay at the technological forefront may compromise our competitive position and expose PDB to system vulnerabilities. Additionally, the emergence of AI tools has introduced new complexities, as these technologies can both be used to enhance cybersecurity measures or to develop more sophisticated cyberattacks.

### Implication

- Business disruptions
- Opportunity loss
- Inability to operate effectively
- Reputational damage
- Financial loss
- Penalty and fines

### Mitigation Strategies

- Strengthening cybersecurity framework to protect data integrity and ensure operational resilience
- Refreshing and modernising essential applications to meet evolving business and technology demands

### Opportunities

- Leveraging AI responsibly to further increase operational efficiency and improve customer engagement

**Link to**

**Strategic Pillars**

**Material Matters**

**Capitals**

**Stakeholders**

**Sustainability**

For more information on Digital – Key Initiatives, refer to Business Review on page 86.  
For more information on Data Privacy and Security, refer to Sustainability Report on page 104.

# Key Risks and Mitigation

**MARKET RISK** ⊖ Stable ⊕ Increase

**Risk Description**

The evolving market landscape, influenced by economic recovery and uncertainty, continues to present potential risks to our business profitability and financial resilience. In 2024, Malaysia's economy remained robust, driven by strong investment and consumption. However, policy changes, such as subsidy rationalisation and new tariffs, could affect our competitive standing. As we operate in a highly competitive and mature market, it is crucial to differentiate our products and services and consistently outperform competitors to sustain performance.

**Implication**

- Profit erosion
- Loss of market competitiveness
- Declining customer retention

**Mitigation Strategies**

- Enhancing customer experience and service offerings
- Expanding market presence and driving growth in relevant segments
- Retaining customer through loyalty programmes, marketing strategy and campaigns
- Developing a dynamic pricing framework and strategy to ensure competitiveness

**Opportunities**

- Innovative and differentiated products and services that enhance market position
- Outperforming competitors with sustained business performance

**Link to**

**Strategic Pillars**

**Material Matters**

**Capitals**

**Stakeholders**

**Sustainability**

For more information on Market Outlook, refer to Operating Environment and Market Outlook on page 42.  
For more information on Our Business Review, refer to page 70.  
For more information on Customer-centricity, refer to page 98.

**SUSTAINABILITY RISK** ⊖ Stable ⊕ Increase

**Risk Description**

As our business continues to grow, we face increasing challenges related to economic, environmental, social and governance issues within the energy sector. Understanding and addressing these issues is essential for delivering sustainable returns to our investors and shareholders, creating positive outcomes for local communities and reducing our environmental footprint.

Climate change presents both transition and physical risks to our businesses and assets in the medium- to long-term. Key transition risks include policy and regulatory changes, shifting market dynamics, changing consumer preferences, reputational impacts and technological advancements. Physical risks involve exposure to acute events such as severe floods and storms, as well as chronic issues such as rising sea levels and temperatures.

In 2024, sustainability risk remains a key concern, with heightened focus on advancements in sustainability practices. It includes increased regulatory scrutiny and the adoption of innovative technologies to mitigate environmental impacts.

**Implication**

- Environmental and social impact on surrounding communities
- Tarnished reputation
- Gradual loss of stakeholders' trust and ability to attract capital
- Opportunity loss

**Mitigation Strategies**

- Strengthening sustainability commitment through implementing PETRONAS' Sustainability Approach
- Identifying and managing climate-related risks and opportunities in line with TCFD guidance and recommendation
- Enhancing communications and capability building in sustainability initiatives

**Opportunities**

- Strengthening reputation by leading in sustainability initiatives
- Operations and assets resiliency against climate physical risk

**Link to**

**Strategic Pillars**

**Material Matters**

**Capitals**

**Stakeholders**

**Sustainability**

For more information on Sustainability, refer to Sustainability Report on page 90.

# Key Risks and Mitigation

**HSE RISK** ⊖ Stable ⊕ Increase

**Risk Description**

Our operations span multiple geographies and encompass diverse activities, each presenting various health, safety and environmental (HSE) risks. These risks include potential incidents at our facilities, hazards associated with flammable products and transportation-related dangers. Ensuring the safety of our employees and the public at our sites, surrounding areas and during transport is paramount to prevent incidents that could impact people, the environment, assets, finances and our reputation.

In 2024, HSE risk remains a key concern, emphasising the importance of robust safety measures and proactive risk management to safeguard our operations and stakeholders.

**Implication**

- Injuries and health issues to all stakeholders
- Asset damage
- Fuel spillage/explosion/fire
- Potential penalty, legal litigation and suspension of license to operate
- Reputational impact

**Mitigation Strategies**

- Continuously providing HSE awareness and trainings to relevant stakeholders
- Conducting HSE assurance activities and reinforcing compliance across all facilities
- Reinforcing HSE governance, enhancing HSE assurance and strengthening a proactive culture that continuously improves safety practices
- Regularly maintaining and upgrading assets through an asset refresh programme and new technologies
- Ensuring preparedness for emergency response and crisis management

**Opportunities**

- Strengthening community relations by ensuring public safety and environmental protection
- Competitive advantage through robust HSE practices

**Link to**

**Strategic Pillars**

**Material Matters**

**Capitals**

**Stakeholders**

**Sustainability**

For more information on Health and Well-being, refer to Sustainability Report on page 130.  
For more information on Customer-centricity, refer to Sustainability Report on page 98.  
For more information on Environmental Management, refer to Sustainability Report on page 124.

**FINANCIAL RISK** ⊖ Stable ⊕ Increase

**Risk Description**

**Credit Risk**  
PDB's businesses come with exposure of credit risk with potential financial loss arising from customers' or counterparties' failure to fulfil their financial and contractual obligations in accordance with the agreed terms.

**Liquidity Risk**  
PDB's liquidity risk refers to the potential difficulty in meeting short-term financial obligations due to cash flow restrictions. This could be due to mismatched cash flow or strained cash reserves caused by changing market conditions, unexpected expenses, or revenue shortfalls.

**Implication**

- Bad debt, impairment and/or write-off
- Decrease in profit margin
- Business disruption from insufficient cash flow

**Mitigation Strategies**

- Assessing the credit worthiness of potential counterparties and performing credit reviews on existing ones in accordance with the Credit Risk Framework and Guidelines
- Monitoring and reporting on Trade Accounts Receivables and taking necessary steps to ensure timely payments
- Ensuring the availability of financing to bridge any liquidity gaps due to late payment by debtors

**Opportunities**

- Enhancing financial stability with improved credit assessment processes
- Financial agility and optimised cash flow management

**Link to**

**Strategic Pillars**

**Material Matters**

**Capitals**

**Stakeholders**

**Sustainability**

For more information on Credit Risk Framework and Guidelines, refer to SORMIC on page 260.

**Case Study**

**Climate Risk Management Process**

Addressing climate change is crucial for us as the nation intensifies its efforts in energy transition and faces increasing frequency and severity of extreme weather events. The TCFD has provided an excellent framework and valuable guidance for improving our management of climate-related issues, although the process has not been seamless. We conducted an internal gap analysis to assess our current practices and identify areas for improvement in managing climate-related issues.

While managing climate-related issues is not new to PDB, there was previously no integrated approach that provided a comprehensive view of climate-related risks and opportunities across different functions within the organisation. Capability development is essential to understanding how climate change shapes our business operations and its associated risks and opportunities. Upskilling our knowledge of the TCFD framework and recommendations have helped us appreciate the importance of integrating climate-related considerations into our strategic planning and risk management processes. In identifying and assessing our climate-related risks, we applied our Enterprise Risk Management Framework together with TCFD recommendations and guidance, including making adjustments to address the unique characteristics of climate-related risks, which require considerations over different time horizons.

In 2024, we placed greater emphasis on climate-related issues in our annual strategic planning and risk profile review processes. As a result, we have made material progress in managing climate-related issues and are now better positioned to improve our TCFD-aligned disclosures. Moving forward, with the launch of the NSRF, PDB is committed to continually improve our climate-related disclosures and align our sustainability-related disclosures with ISSB standards.

**Outlook**

With the imminent implementation of the RON95 subsidy rationalisation in 2025, our Retail-Fuel business faces demand uncertainties as consumer behaviour shifts in response to the rising cost of living. Additionally, we anticipate challenges in managing operational costs and remain committed to optimising our operations.

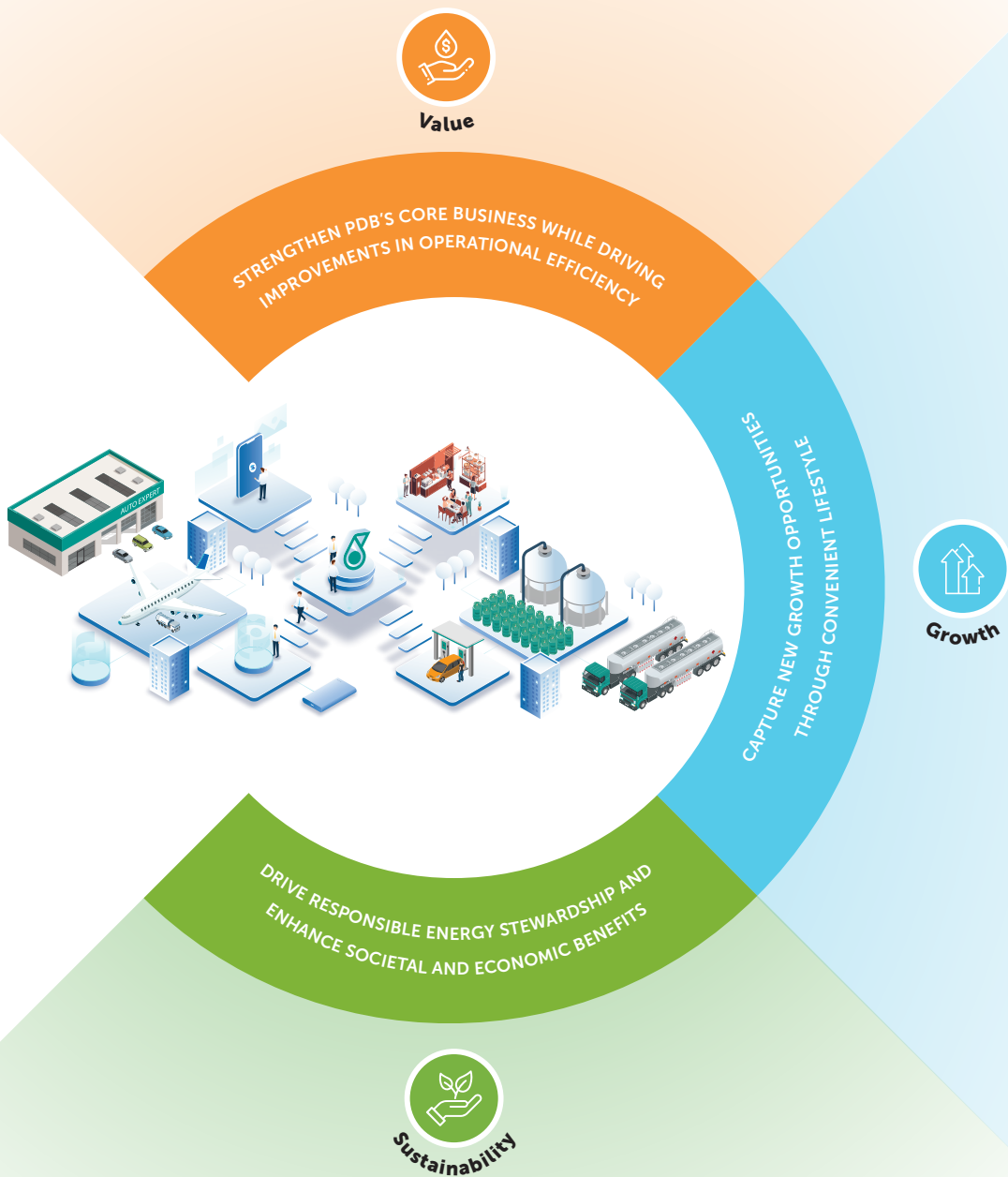
As the nation progresses towards energy transition, consumer trends are expected to evolve, emphasising the importance of our strategy to diversify through convenience and low-carbon mobility solutions. This strategic shift presents new challenges, including adapting to emerging business opportunities, competing with established players, developing capabilities and managing operational transformation.



# Our Strategy

PDB's 'Moving Forward Together' strategy focuses on adapting to changing consumer trends and the evolving energy market. Built on the principles of Value, Growth and Sustainability, this approach shifts PDB's focus beyond fuel retailing to prioritise customer needs and provide diverse, integrated retail solutions. This strategy aims to strengthen its core business while driving innovation.

A core element of this strategy is to maximise cash generation from our core businesses to future-proof the organisation through convenient offerings, while driving sustainable value creation. Looking ahead, PDB aims to expand its consumer offerings by leveraging MESRA and PETRONAS Shop, alongside enhancing the digital experience across all offerings via Setel. To foster long-term value creation, PDB continues to explore innovative solutions in low-carbon mobility, aligning with the future of sustainable practices in making customers' lives simpler and better.



# Our Strategy

## 2025 STRATEGIC PRIORITIES

### Retail-Fuel

- Drive competitive performance through strategic initiatives that adapt to evolving market conditions and regulatory changes
- Enhance customer acquisition efforts while defending brand strengths through targeted marketing efforts

### Commercial

- Strengthen returns from high-value segments while driving improvement in operational efficiency
- Expand cleaner energy solutions by leveraging existing customers and collaborating with key stakeholders

### MESRA

- Convenience Store**
- Optimise revenue streams and refine product offerings to align with evolving customer preferences

- Complementary Business**
- Develop new strategic partnerships to drive growth and unlock expanded market opportunities

### Setel

- Increase revenue through cross-selling fuel to maximise customer value, while ensuring cost optimisation

### Creating Sustainable Value

- Continued expansion of PETRONAS AutoExpert nationwide
- Promote entrepreneurship and SME expansion via strategic collaboration with local businesses

### Through Responsible Governance

- Strengthen sustainability deliberations and oversight through the Sustainability Advisory Committee and Board Sustainability and Risk Committee
- Enhance disclosures in alignment with GRI, TCFD and FTSE4Good standards

### LPG

- Strengthen the household segment in targeted areas to drive growth
- Improve operational efficiency and maximise growth potential to effectively support the execution of growth plans

### Lubricants

- Enhance network quality and expand penetration by delivering differentiated value propositions
- Prioritise high-value segments and sectors to drive growth and strengthen market presence

- Café Mesra**
- Enhance operational efficiency by focusing on strategic market expansion while tailoring outlet formats to maximise impact and optimise performance

- PETRONAS Shop**
- Strengthen PRYSM as our in-house active lifestyle brand
  - Enhance offerings for all PETRONAS products through the e-commerce platform

- Unlock new growth channels to amplify enterprise value and expand revenue streams.

### Delivering Net Zero

- Continued decarbonisation efforts via additional solar installation at PETRONAS stations and Biodiesel project
- Lay the foundation and strengthen green mobility initiatives by expanding EV charging infrastructures and battery swap stations while progressing the Sustainable Aviation Fuel (SAF) supply frameworks through strategic partnerships

### Thriving with Nature

- Enhance environmental management by improving waste management practices and conserving water usage

### Fostering a Just Transition

- Establish UCO collection as a social impact flagship programme
- Enhance human rights practices across the supply chain

## LINK TO

### Material Matters

M1 M2

### Capitals

F M I

### Stakeholders

### Material Matters

M1 M4

### Capitals

F H

### Stakeholders

### Material Matters

M2 M6 M7

M8 M9 M10

M11

### Capitals

H SR N

### Stakeholders

## OUTLOOK

### SHORT-TERM

2025	Driving Strategic Growth Amid Policy Changes and Shifting Consumer Preferences
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PDB will maximise value by addressing evolving consumer demands, remaining agile in response to regulatory and policy shifts. Capitalising on the positive domestic economic outlook, PDB will execute its 2025 strategic priorities with precision and focus. The company will strengthen its core operations by enhancing its market presence and meeting customer needs. PDB will target high-growth areas, such as the growing aviation sector within its Commercial segment, intensify growth in the Highstreet segment for lubricants and focus on driving growth in untapped LPG markets. PDB will also innovate customer experiences by expanding *Kedai Mesra's* offerings and boosting *Café Mesra's* presence in high-traffic locations. As hybrid retailing evolves, PETRONAS Shop and Setel will enhance the customer journey across both physical outlets and digital platforms. As PDB adapts to national policy shifts, including the revision of subsidy rationalisation measures and future sustainability policy changes, the company will reinforce its commitment to operational excellence, health, safety and environmental standards, ensuring sustainable growth and long-term success.

### MEDIUM-TERM

2026-2030	Advancing PDB's Offerings through Convenience and Low-Carbon Mobility
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PDB will sustain its core business, diversify through convenience and drive value creation via sustainability, laying the foundation for its medium-term strategy. The company will shift its focus from targeting 'motorists' to embracing a broader, customer-centric approach, underpinned by a commitment to low-carbon mobility solutions. Aligned with the National Energy Transition Roadmap (NETR), PDB will prioritise initiatives such as expanding battery swap stations, commercialising SAF supply and promoting biodiesel. The company will transform its forecourts into multifunctional hubs, moving from a vehicle-centric model to one that offers diverse services. This transformation will be supported by strategic partnerships for infrastructure development and retail collaboration. By leveraging collaborations, PDB will drive innovation and ensure the effective execution of its initiatives. The company will remain agile, continually assessing market and policy developments to refine its strategy and to ensure long-term success.

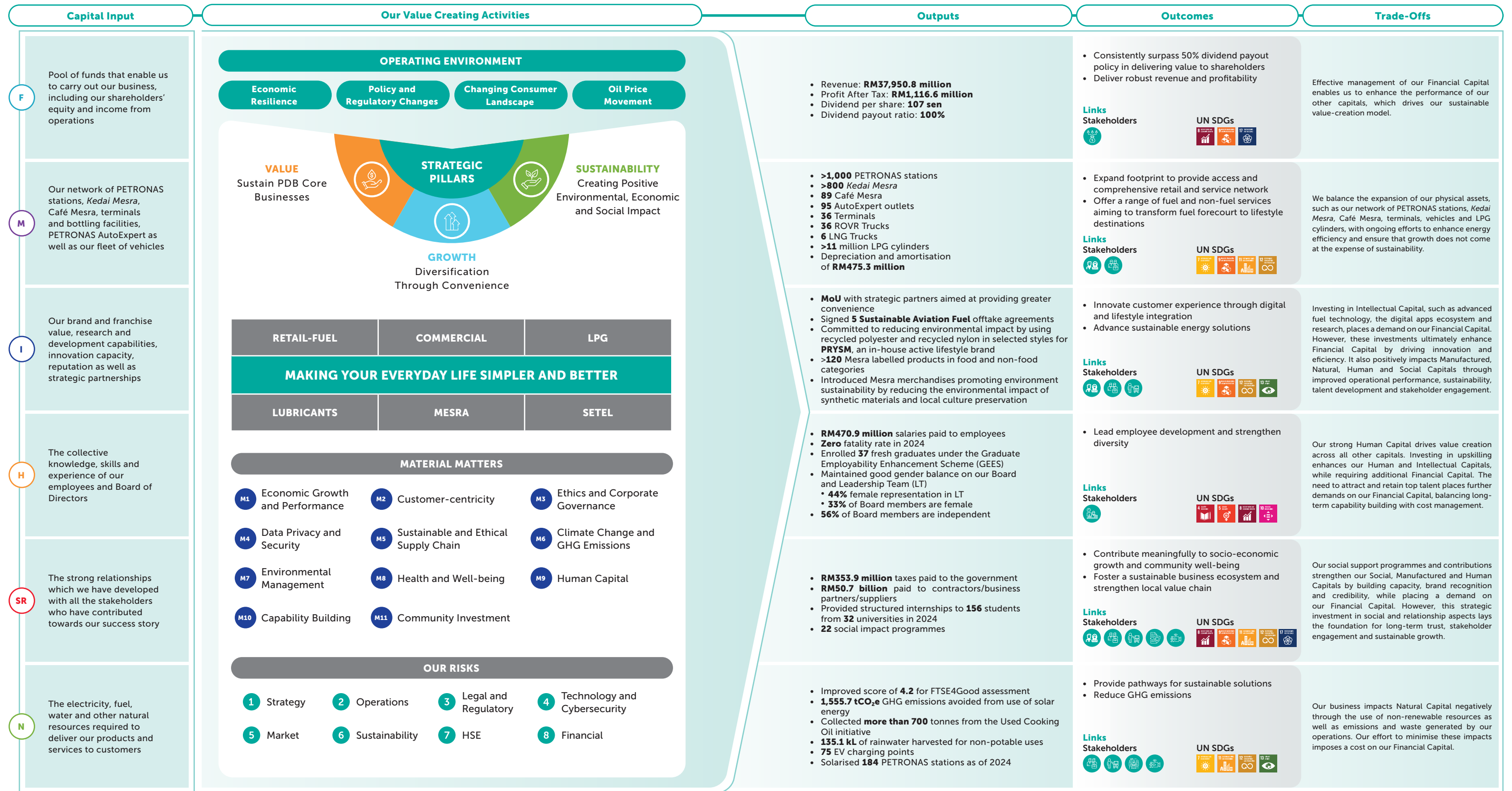
### LONG-TERM

Beyond 2030	Future-proofing PDB
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To future-proof its business and balance its approach between traditional and emerging energy sources beyond 2030, PDB envisions a transformative shift in its value creation strategy. The company will diversify beyond its fuel-centric model, expanding into non-fuel revenue streams and customer-centric solutions. As the energy landscape transforms, PDB will reinforce its resilience and relevance, placing a strong focus on advancing low-carbon mobility solutions. Recognising that its future success depends on staying ahead of evolving market demands, PDB is committed to staying at the forefront of these changes. With a strategic focus on diversifying its non-fuel offerings, PDB is set to leverage the future potential of its forecourts, transforming them into integrated retail hubs that will redefine convenience and service for customers. By refining its low-carbon mobility solutions and broadening non-fuel offerings, PDB will be well-positioned to meet emerging market needs. PDB aims to maintain operational continuity and achieve a balanced revenue model by staying responsive to shifting consumer preferences and industry dynamics. This positions PDB for long-term growth in an increasingly evolving energy landscape.

# Our Value-Creating Business Model

# Our Value-Creating Business Model



SUPPORTED BY ROBUST GOVERNANCE FRAMEWORK

CORPORATE GOVERNANCE AND BUSINESS ETHICS



# Retail-Fuel

# Retail-Fuel

## NORAZLAN SUBAHA

Head,  
Retail-Fuel Division



In 2024, we delivered exceptional results, achieving a record-breaking performance for the third consecutive year. Despite facing numerous challenges, we leveraged the strengths of our extensive network of over 1,000 stations, *Rakan Niaga*, our dedicated team, world-class fuel products, innovative digital solutions and strong ties to the community.

Our commitment to delivering the best customer experience centred around four principles, namely Station Cleanliness, Customer Service, Comfort and Compliance. By adhering to the highest safety and regulatory standards, we received prestigious industry recognition, reinforcing our commitment to excellence in occupational safety and health. These efforts led to us achieving our highest ever Net Promoter Score (NPS) in 2024.

On the sustainability front, we expanded our efforts by integrating initiatives such as electric vehicle (EV) charging and battery swapping facilities, solar panels and Used Cooking Oil (UCO) collection points at our stations. Furthermore, we reinforced our commitment to inclusivity by creating pathways for employment opportunities for Persons with Disabilities (PWD), fostering a more accessible and supportive workplace.

### WHO WE ARE AND WHAT WE DO

Retail-Fuel business offers a wide range of high-quality fuel products and services through a network of over 1,000 PETRONAS stations across Malaysia. These stations offer premium fuel solutions developed in partnership with the Mercedes-AMG PETRONAS Formula One™ team. These include:

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

### VALUE CREATED BY BUSINESS SEGMENT

- Quality**  
 Delivering world-class quality fuel solutions for our customers
- Innovate**  
 Providing seamless and frictionless experience to customers by leveraging digital technology
- Customer Experience**  
 Creating a superior look and feel to ensure the most desirable customer experience
- Capability**  
 Cultivating capabilities of our people and workforce, *Rakan Niaga* and *Krew* PETRONAS to drive excellence and growth



### KEY FOCUS AREAS

- Operational Excellence**  
 Continuously enhancing customer experiences at stations while upholding higher safety and regulatory standards
- Empowering Beliefs and Behaviours**  
 Nurturing talent for collective success and growth by fostering a high-performance culture
- Volume-focused and Customer Experience**  
 Providing best offerings, solutions and enhanced branding and marketing activities
- Growth and Resiliency**  
 Exploring new retail approaches with a focus on value-driven growth

	Key Initiatives	Achievements
<b>Value</b>	<ul style="list-style-type: none"> <li>• Enhance customer experience at stations with service improvement and operational excellence initiatives</li> <li>• Expand loyalty base through Cardless Mesra</li> </ul>	<ul style="list-style-type: none"> <li>• Achieved a record-breaking volume in 2024, surpassing the previous year's performance with a 4% increase</li> <li>• Received accolades for clean, well-maintained and improved facilities, reinforcing our commitment to maintaining Gold and Platinum station standards, as recognised by the National Council for Occupational Safety and Health (NCOSH) and the Department of Occupational Safety and Health (DOSH) Malaysia</li> <li>• Achieved record-breaking NPS, a testament to our continuous efforts in elevating customer experience and operational excellence</li> <li>• Increased active customer engagements through targeted communications and campaigns</li> </ul>
<b>Growth</b>	<ul style="list-style-type: none"> <li>• Expand Retail-Fuel network</li> </ul>	<ul style="list-style-type: none"> <li>• Operationalised seven new PETRONAS stations</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>• Provide pathways for inclusive employment and sustainable mobility solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Placement of 114 Persons with Disabilities (PWDs) at PETRONAS stations</li> <li>• Collected over 700 tonnes of cumulative Used Cooking Oil (UCO) from 54 stations, which will be used as a feedstock for Sustainability Aviation Fuel</li> <li>• Enabled EV charging facilities at a total of 41 PETRONAS stations to date</li> <li>• Facilitated the implementation of solarisation at 184 PETRONAS stations year-to-date</li> <li>• Designated 20 cumulative battery swapping facilities across PETRONAS stations</li> </ul>

### Challenges and Our Response

Challenge	Our Response
<ul style="list-style-type: none"> <li>• Adapting to the implementation of the Subsidised Diesel Control System (SKDS) 2.0</li> </ul>	<ul style="list-style-type: none"> <li>• Ensured seamless execution by implementing fleet card ready payment solutions, providing attractive offers and actively acquiring new diesel customers</li> </ul>
<ul style="list-style-type: none"> <li>• Sustaining market position in an intensely competitive and mature market</li> <li>• Increased frequency and severity of flood</li> </ul>	<ul style="list-style-type: none"> <li>• Leveraged targeted marketing campaigns such as 'Mesra Bonanza' to maintain customer loyalty</li> <li>• Implemented a Flood Dashboard Monitoring system for real-time monitoring and tracking</li> </ul>
<ul style="list-style-type: none"> <li>• Increased risk of illegal fuel sales</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthened controls by enhancing collaborations with authorities</li> </ul>

### OUTLOOK

We anticipate shifts in fuel demand with the rationalisation of the RON95 subsidy and the growing adoption of EVs. To address this, our focus will be on strengthening our product branding, providing differentiated offerings and enhancing customer experience at PETRONAS stations. We will ensure our facilities reliably serve both conventional and unconventional vehicles, supported by superior fuel products. Our efforts will focus on engaging customers through loyalty programme and collaboration with Setel on lifestyle-based offerings. These are part of our ongoing efforts to deliver on our promise of Making Your Everyday Life Simpler and Better.

# Commercial

# Commercial

## HARDEEP SINGH KIRPAL SINGH

Head,  
Commercial Business Division



We delivered a strong performance in 2024. This success, achieved despite challenging market conditions, demonstrates our commitment to thriving forward. Growth was driven by increased market demand across various industries and our strategic focus on maximising returns from high-value segments. Our enhanced pricing framework allowed us to optimise revenue and capitalise on these opportunities.

The introduction of the Subsidised Diesel Control System (SKDS) 2.0 caused a shift in the market, with retail diesel sales declining while commercial diesel sales surged. Commercial maintained healthy margins by leveraging strategic pricing and operational efficiencies. The revival of the tourism industry and increased air travel spurred demand for aviation fuel, alongside rising demand from the power sector, which further boosted our performance. We achieved strong profit growth by focusing on high-margin segments and effectively adjusting our portfolio.

### WHO WE ARE AND WHAT WE DO

Commercial business drives the sales and marketing of bulk fuel products to businesses across diverse industries. These industries include Aviation, Mining and Quarrying, Agriculture, Bunker, Manufacturing, Construction and the Services sector. We offer a wide range of products such as Diesel, Aviation Fuel, Fuel Oil, Bitumen, Petroleum Coke, Sulphur, Gasoline, Kerosene, Methanol and LNG as well as services such as SmartPay and ROVR.

By utilising our extensive nationwide distribution network, including fuel storage terminals, tankers and channel partners, we ensure reliable and efficient delivery to our valued customers.

### VALUE CREATED BY BUSINESS SEGMENT

- Strengthen Stakeholder Relationships**  
Unlock opportunities through strengthened relationships with key stakeholders
- Deliver Value**  
Elevate position as a premier fuel solutions provider by delivering exceptional products and services tailored to customer needs
- Empower Partners**  
Enhance the capabilities of business partners through mutually beneficial collaborations and knowledge exchange
- Optimise Digital Channels**  
Utilise digital technologies to facilitate cross-selling initiatives among PDB's operational units
- Support Transition to Lower Carbon Solution**  
Drive the shift to lower-carbon energy by offering Industrial customers cleaner energy solutions



### KEY FOCUS AREAS

- Market Expansion**  
Grow presence in key markets and expand income streams in high-value segments, focusing on enhancing customer reach and increasing market penetration
- Business Sustainability**  
Support the transition to lower-carbon energy by offering Industrial customers cleaner energy solutions, including Biodiesel and Sustainable Aviation Fuel (SAF), while promoting sustainable and environmentally responsible fuel options
- Operational Efficiency**  
Optimise operational performance and drive value through continuous improvement initiatives

	Key Initiatives	Achievements
<b>Value</b>	<ul style="list-style-type: none"> <li>Deliver comprehensive, value-added solutions to maximise long-term value.</li> <li>Leverage digitalisation to optimise operational processes and elevate customer experiences</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced competitive position by providing tailored solutions that increased customer conversion rate</li> <li>Strengthened market position by offering compelling sales packages to attract and retain key customers, resulting in an expanded customer base and increased brand loyalty despite a competitive landscape</li> <li>Positioned the brand as the industry's preferred partner through targeted marketing campaigns and exceptional customer experience</li> <li>Achieved significant improvements in operational efficiency and customer satisfaction with real-time updates and data-driven insights, driving sustainable business growth and strengthening market competitiveness</li> </ul>
<b>Growth</b>	<ul style="list-style-type: none"> <li>Expand market reach in the aviation sector by optimising sales strategies</li> <li>Optimise sales strategies to prioritise high-value segments and capture opportunities from the SKDS implementation</li> <li>Enhance strategic partnerships to increase customer retention and loyalty through cross-selling opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Capitalised on increased demand within the aviation sector, achieving strong growth in aviation fuel sales volume and value compared to 2023</li> <li>Provided competitive pricing, leading to a significant increase in diesel sales volumes and value</li> <li>Drove customer acquisition and expanded market share through strategic pricing and value-add incentives</li> <li>Strengthened customer relationships by providing customised solutions</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>Leverage strategic partnerships to drive adoption of cleaner energy solutions such as Biodiesel and SAF</li> </ul>	<ul style="list-style-type: none"> <li>Signed five SAF offtake agreements</li> <li>Collaborated with the Malaysian Palm Oil Board on a B20 Biodiesel pilot programme, supplying the B20 blend for select industrial equipment and vehicles, including two PDB hydrant dispenser vehicles at KLIA and for operations at three seaports</li> </ul>

### Challenges and Our Response

Challenge	Our Response
<ul style="list-style-type: none"> <li>Fluctuating product prices negatively impacting overall income and challenging margin sustainability</li> <li>Rising cost-to-serve placing pressure on operations, requiring efficiency improvements</li> <li>Operational bottlenecks in delivery processes underscoring the need for streamlining and optimisation</li> </ul>	<ul style="list-style-type: none"> <li>Maximised sales efforts in high-value market segments to drive revenue growth and enhance income</li> <li>Enhanced pricing framework to align with market dynamics and achieved cost efficiencies to boost profit margins</li> <li>Streamlined delivery processes by identifying and addressing bottlenecks through root cause analysis, process optimisation, automation, efficient resource allocation, real-time tracking, enhanced communication and fostering a culture of continuous improvement</li> </ul>

### OUTLOOK

The aviation industry is set to fully recover in 2025, with passenger traffic expected to surpass pre-pandemic levels. This will drive higher demand for aviation fuels and we are prepared to ensure a steady supply to meet the growing needs of this sector. To capitalise on this and other opportunities, we will leverage our strategic initiatives with a keen focus on capturing domestic growth opportunities and increasing returns from high-value segments. While navigating this dynamic operating environment, we remain committed to advancing cleaner energy solutions, aligning with the company's strategic priorities and sustainability goals. This approach will enable us to maximise value, optimise operational efficiencies and deliver sustained performance.



# LPG

# LPG

**ANTON SALLEH HASHIM**  
 Head,  
 LPG Business Division



The operating environment in 2024 was characterised by favourable macroeconomic conditions that enhanced household purchasing power and private consumption. These positive trends provided a solid foundation for growth across various sectors, including the LPG market.

Against this backdrop, the LPG business reaffirmed its leadership as the leading retailer and marketer of LPG products, strengthening its position as the preferred choice among consumers. The business focused on growth driven strategies, leveraging targeted promotions, strategic partnerships and innovative customer engagement efforts to expand its market reach.

A key highlight of 2024 was achieving the highest volume since 2016, which underscores the effectiveness of our strategic trade marketing initiatives in key regions. This milestone reflects the success of our focused trade marketing strategies in driving sustained demand and strengthening customer loyalty.

## WHO WE ARE AND WHAT WE DO

LPG business is the leader in domestic LPG market, serving the Household, Commercial and Industrial segments with a comprehensive range of products and services.

In the Household segment, we offer a subsidised product line available in 12kg and 14kg cylinder sizes for domestic consumption. For our commercial customers, we provide non-subsidised LPG alternatives in 14kg and 50kg cylinder sizes, catering to various industries. Our Industrial segment clients benefit from bulk LPG solutions, with storage tanks ranging from 200kg to 32,000kg in capacity, tailored to meet their specific needs.

We have established an extensive LPG supply and distribution network, comprising six terminals and bottling facilities. Our network includes over 290 channel partners nationwide, consisting of premier dealers, dealers and bulk dealers, all dedicated to delivering our quality products to consumers.

### VALUE CREATED BY BUSINESS SEGMENT

- Entrepreneurial**  
We drive success for our channel partners including small businesses such as sundry shops and sub-dealers, enabling them to expand their operations, enhance their service offerings and increase their profitability
- Accessibility**  
Our stable LPG supply ensures reliable access to cooking fuel, crucial for daily living and the well-being of our customers
- Availability**  
Ensure a seamless and consistent supply of products amid uncertainties and challenging environment
- Safety**  
We deliver high-quality and durable LPG products that adhere to stringent safety standards, giving our customers peace-of-mind and builds trust in our brand



## KEY FOCUS AREAS

**Strengthened Household Segment Leadership**  
 Reinforce our leadership position in the Household segment, expanding market share and enhancing customer engagement

**Commercial Expansion**  
 Enhance our presence in the Commercial segment, broadening our reach to a wider range of industries and businesses

**Boost Efficiency**  
 Improve operational efficiencies across all aspects of the business, streamlining processes and optimising our supply chain

	Key Initiatives	Achievements
<b>Value</b>	<ul style="list-style-type: none"> <li>Sustained value while driving growth in high-value market</li> <li>Implemented competitive pricing and executed dynamic marketing campaigns</li> </ul>	<ul style="list-style-type: none"> <li>Created value by optimising costs through careful expenditure management, strategic repositioning of assets and targeted use of marketing tools</li> <li>Concentrated efforts on underserved regions to protect market share with tailored marketing strategies, while maintaining flexibility in product and service offerings</li> <li>Appointed and mobilised new dealers to reinforce market position with a focus on high-value areas to sustain growth</li> <li>Successfully secured more than 50 new Commercial customers</li> </ul>
<b>Growth</b>	<ul style="list-style-type: none"> <li>Offered steadfast support and assistance to channel partners pursuing growth opportunities</li> <li>Improved and enhanced marketing strategy to be more targeted to meet customer preferences</li> </ul>	<ul style="list-style-type: none"> <li>Achieved the highest volume since 2016, with a 6% increase over 2023, driven by strategic trade marketing initiatives in key regions that strengthened market leadership</li> <li>Helped support business and job opportunities for channel partners and their employees as reflected in their fleet expansion with additional lorries</li> <li>Facilitated the progression of sub-dealers to dealers, enabling greater business growth within the network</li> <li>Upskilled channel partners to be more innovative and entrepreneurial, fostering a stronger sense of belonging and loyalty to the PETRONAS brand</li> <li>Increased household segment market share, particularly in the Southern and Northern regions</li> <li>Expanded presence in underserved areas and successfully defended existing market share through customised marketing strategies while adapting product and service offerings to meet evolving customer needs</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>Supported PETRONAS sustainability agenda by adopting and integrating sustainable practices and initiatives across operations</li> </ul>	<ul style="list-style-type: none"> <li>Conducted over 50 programmes nationwide to inculcate HSE Generative Culture among our channel partners and end users</li> <li>Collaborated with authorities in the Northern region to improve advocacy on Used Cooking Oil</li> </ul>

## Challenges and Our Response

Challenge	Our Response
Higher LPG demand requires us to manage volume support efficiently	Enhanced operational efficiency by optimising logistics and strengthening coordination with distributors to ensure consistent and reliable LPG supply
Increase in product cost due to volatility of global prices	Prioritised cost management and strategic resource allocation to maximise growth and optimise the bottom line
Saturated market with intense competition	Focused on underserved areas and defended existing market via customised marketing strategy and maintained agility in product and service offering
Labour-intensive business facing generational gap in succession	Appointed and mobilised new dealers to further defend existing market and focused on high value areas

## OUTLOOK

LPG demand is expected to remain on a positive trajectory, supported by the country's growing consumption and a positive market outlook for 2025. As we continue to thrive in an evolving landscape, we are determined to maintain our leadership position to drive the business forward and strengthen our role as the trusted and preferred LPG provider in the region. To reinforce this, we are enhancing operational efficiency, expanding our footprint in underserved areas and strengthening our engagement with local communities through targeted initiatives. These efforts are designed to ensure that we are well-positioned to meet the evolving needs of our customer base while addressing the challenges posed by a competitive market environment. By focusing on accessibility and customer-centric solutions, we are committed to delivering long-term value to our stakeholders and positioning ourselves for sustainable growth in the future.





# Lubricants

# Lubricants

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



Our operating environment in 2024 was characterised by heightened competition and cost pressures, which led to intensified price undercutting in the lubricant market. In response to these challenges, we leveraged our strong partnerships with key automotive manufacturers, reinforcing our market leadership. This approach facilitated remarkable growth, driven by the strength of these strategic partnerships.

Our commitment to innovation and customer service, which remain core to our operations, was further reinforced as we introduced the PETRONAS Urania Light Commercial Vehicle (LCV) lubricant and expanded our PETRONAS AutoExpert network. We secured major contracts with leading businesses and expanded our industrial distributor network through new agreements. Strategic partnerships further solidified our position in key sectors while our technical expertise was demonstrated by winning a critical tender for a major offshore project. Strong performance across both industrial and highstreet segments, driven by the growth of our power brands resulted in a volume increase that exceeded the industry average.

## WHO WE ARE AND WHAT WE DO

Lubricant business manages all sales, marketing, distribution and technical services for PETRONAS Lubricant products in Malaysia. Our portfolio includes Passenger Car Motor Oils, Motorcycle Oils, Commercial Vehicle Lubricants as well as Industrial and Marine Lubricants, catering to consumer, commercial and industrial needs. Technology is at the core of our offerings, driving innovation and delivering value to our customers across these market segments.

## VALUE CREATED BY BUSINESS SEGMENT

- Industrial Quick Wins**  
Implement systems and strategies that allow swift capitalisation on market opportunities, improving operational efficiency and driving measurable outcomes for business growth and industry development
- Strengthen OEM Partnerships**  
Reinforce strategic partnerships with key players, ensuring long-term market leadership and sustainable value for the business and its partners
- Fuel Highstreet Growth**  
Align offerings and pricing strategies to drive channel growth, enhance brand visibility and strengthen relationships with automotive workshops while diversifying into non-lubricant opportunities to expand market reach and deliver value to stakeholders



## KEY FOCUS AREAS

- Enhance Industrial Position**  
Strengthen brand advocacy, optimise market penetration with a focus on value propositions, improve distributor management and incentive structures and leverage the PETRONAS ecosystem to support sustainable practices and long-term industry growth
- Strengthen OEM Sustainability Efforts**  
Innovate low-carbon solutions to meet evolving customer needs, foster customer loyalty and enhance pipeline penetration for sustainable growth
- Elevate Highstreet Channel**  
Differentiate customer value propositions by leveraging branded channels and direct account strategies, fostering brand advocacy while strengthening the distributor network through an effective rewards system

Key Initiatives	Achievements
<b>Value</b> <ul style="list-style-type: none"> <li>Build Power Brand that showcases PETRONAS' product superiority</li> <li>Engage the automotive community through events to promote lubricant upgrades</li> </ul>	<ul style="list-style-type: none"> <li>Executed a range of compelling and distinctive trade programmes that enhanced our Power Brand's product visibility and met consumer demand, contributing to 12% of its growth in 2024</li> <li>Drove an uplift in customer preference and facilitated product upgrades from mineral to synthetic lubricants, reinforcing our market position and contributing to 32% volume increase and strong margin growth for fully synthetic products</li> </ul>
<b>Growth</b> <ul style="list-style-type: none"> <li>Expand mass market presence and enhance product visibility through unique value proposition and network growth to drive sustained volume increases</li> </ul>	<ul style="list-style-type: none"> <li>Achieved strong brand performance, driving a notable 8% volume increase that outpaced industry growth</li> <li>Experienced a 6% volume growth in the Industrial segment in 2024</li> <li>Recorded a 13% volume growth in OEM in 2024, further strengthening our market position with the addition of two major new customers</li> <li>Increased PETRONAS AutoExpert outlets by 15 to a total of 95, advancing towards 100 through accessible financing options and upskilling initiatives to provide premium products and high-quality car maintenance services across Malaysia</li> <li>Increased lubricant sales volume by 58% at PETRONAS AutoExpert, driven by its focus on top-tier products, particularly in synthetics, supported by expansion of its channels</li> </ul>
<b>Sustainability</b> <ul style="list-style-type: none"> <li>Empowering Women Entrepreneurs programme</li> <li>Strategic collaborations with key partners to enhance customer experience and foster sustainable growth for PETRONAS AutoExpert entrepreneurs</li> <li>Promote responsible oil waste management</li> </ul>	<ul style="list-style-type: none"> <li>Supported the development of new entrepreneurs and women entrepreneurs, with five of our PETRONAS AutoExpert outlets owned and operated by women in 2024, demonstrating our broader commitment to gender equality and empowering women in the business sector</li> <li>Provided added value through service vouchers for servicing at PETRONAS AutoExpert outlets, encouraging regular vehicle maintenance and generating income opportunities for PETRONAS AutoExpert entrepreneurs</li> <li>Streamlined the car service booking process and enhanced customer experience through the Setel Car Service Booking initiative, integrating services into a single app with promotions, discounts and targeted marketing campaigns, supporting business growth at PETRONAS AutoExpert outlets</li> <li>Collaborated in a strategic partnership with Cenviro to deliver sustainable circular solutions for customers</li> </ul>

## Challenges and Our Response

Challenge	Our Response
<ul style="list-style-type: none"> <li>Consumer demand for lubricants is expected to decrease with the anticipated increase in electric vehicle (EV) adoption by 2030</li> <li>OEM customers face ongoing margin compression, driven by their continued focus on structural cost reductions and a growing preference for Genuine Oil over Power Brands</li> <li>Price competition increasing with a saturated market of over 100 competing brands, compounded by modest growth prospects</li> </ul>	<ul style="list-style-type: none"> <li>Offering alternative products, PETRONAS IONA, designed to meet the lubricant needs of electric vehicles</li> <li>Focusing on the development of specialised fluids for the EV driveline and cooling systems to help capture new market segments</li> <li>Focusing on high-margin, premium-quality products that can deliver significant benefits by highlighting their value and advantages</li> <li>Enhancing the value proposition and benefits of PETRONAS Power Brands to validate its premium pricing for customer retention</li> <li>Introduced initiatives such as the Carsome and extended warranty collaboration programme with PETRONAS AutoExpert to further strengthen the appeal and credibility of the brand</li> <li>Ensuring differentiation through product innovation and enhancing value proposition of Power Brands, such as PETRONAS Syntium and PETRONAS Urania, which have shown substantial growth due to enhanced market penetration and targeted promotions</li> <li>Strengthening customer relationships and providing exceptional service to enhance customer loyalty and retention through value add initiatives such as premium workshops that offer a one-stop solution for customers</li> </ul>

## OUTLOOK

Looking ahead, we will continue to focus on delivering high-quality lubricants, expanding our service offerings and building strong customer relationships to navigate the market and maintain our position as a leader in the industry.

We aim to expand new accounts and partnerships by strategically targeting high-value Industrial segments such as agriculture, mining, construction, quarry, power, manufacturing, food and marine. Our focus remains on sectors with strong growth potential and high demand for our products and services. To ensure competitive pricing and superior product availability, we will implement cost optimisation strategies and enhance supply chain efficiency to deliver a differentiated value proposition.

Innovation drives our ability to offer tailored solutions that meet specific customer needs and increase share-of-wallet. We are improving product availability for workshops to grow the Highstreet penetration and increase volume share. This includes executing differentiated trade marketing programmes, aggressive brand activation across various consumer segments and enhancing distributor capabilities through development initiatives.



# Convenience: MESRA

## IAN MALCOLM CRUDDAS

Chief Executive Officer,  
Mesra Retail & Café Sdn. Bhd.



Mesra Retail and Café Sdn. Bhd. (MESRA) delivered solid performance in 2024, led by record-breaking sales at *Kedai Mesra* and increased income from the food and beverage (F&B) business segment. *Kedai Mesra* achieved its third consecutive year of record sales, driven by higher travel frequency, an expanded product range and robust demand for Mesra labelled products, now totalling over 120.

While geopolitical factors impacted key partners and income streams, MESRA adapted by forging new partnerships, supporting local brands and replacing affected sites. Café Mesra introduced hybrid standalone stores, expanded its product offerings and integrated its range into food delivery platforms, including its Café Mesra pick-up app powered by Setel. PETRONAS Shop doubled its revenue, driven by the growing popularity of its active lifestyle products. As part of a broader strategy to enhance retail offerings, PETRONAS Shop and MESRA aligned their efforts, setting the stage for further growth in 2025.

### WHO WE ARE AND WHAT WE DO

MESRA offers a diverse range of consumer products and services at over 800 *Kedai Mesra* locations nationwide, collaborating with over 50 strategic partners to deliver convenience to customers across the country. MESRA's expansion efforts include extending Café Mesra's presence beyond petrol station forecourts to locations throughout Peninsular Malaysia, with a focus on strengthening the brand and exploring new F&B verticals as part of its growth strategy.

The PETRONAS Shop operates a unified e-commerce platform, offering corporate merchandise and active lifestyle wear, while venturing into the offline retail space. The platform also serves as an e-marketplace to host tenants offering a wide range of goods online.

### VALUE CREATED BY BUSINESS SEGMENT

- Quality**  
Excellent quality products, including handcrafted beverages, Ready-to-Eat and Ready-to-Drink for our customers at both *Kedai Mesra* and Café Mesra
- Convenience**  
One-stop solution for our customers, providing them easy access to meet their daily needs and more, making their lives simpler and better every day
- Value**  
Offering immense value pricing with attractive promotional campaigns in a bright, modern retail environment



# Convenience: MESRA

### KEY FOCUS AREAS

- Mesra Convenience Store**  
Offers convenience, products and services to PETRONAS station customers through *Kedai Mesra*, featuring Mesra labelled products, with a focus on maximising value for the company and customers
- Mesra Complementary Business**  
Provides F&B and services that offers an alternative retail platform, catering to the changes in consumer behaviours with a strong emphasis on providing retail convenience for customers
- Mesra Food & Beverage**  
In its third year of operations, Café Mesra continues to expand its presence across Peninsular Malaysia, focusing on brand enhancement and exploring new F&B verticals. This includes rolling out standalone convenience stores as part of its growth strategy
- PETRONAS Shop Merchandise**  
Demonstrates continued commitment to delivering corporate and active lifestyle merchandise to customers. PETRONAS Shop has expanded its product and service offerings with the launch of its in-house brand, PRYSM and the addition of new tenants to the marketplace

	Key Initiatives	Achievements
<b>Value</b>	<ul style="list-style-type: none"> <li>Strengthen brand alliances and forge new partnerships</li> <li>Expand value-added services by strengthening partnerships with delivery platforms</li> <li>Refresh <i>Kedai Mesra</i> and convert <i>Mini Mesra</i> outlets, expand product offerings and enhance campaigns and promotions to drive customer purchases and elevate customer experience</li> </ul>	<ul style="list-style-type: none"> <li>Operationalised 16 new Complementary Business outlets in collaboration with both existing and new partners, featuring a mix of international and local brands</li> <li>Provided value-added food pre-order and delivery services through partnerships with Setel Pickup and Foodpanda, offering customers enhanced convenience</li> <li>Refitted <i>Kedai Mesra</i> to improve customer experience, elevate store image and drive sales performance. The continued expansion of Makan@Mesra further strengthened F&amp;B offerings, meeting growing demand for quick and accessible meals for customers on the go. This initiative successfully attracted and satisfied a broad customer base by offering a diverse range of affordable food options</li> </ul>
<b>Growth</b>	<ul style="list-style-type: none"> <li>Continuous expansion of numerous cost-efficient Café Mesra formats within and beyond PETRONAS stations</li> <li>Drive growth for <i>Kedai Mesra</i> through continuous promotions and enhanced visibility of Mesra labelled products</li> <li>Pursue new growth opportunities by offering convenient lifestyle offerings beyond forecourt</li> <li>Strengthen Café Mesra's brand presence in high profile events</li> <li>Diversify PETRONAS Shop's product and service offerings to broaden appeal and engage a wider customer base</li> </ul>	<ul style="list-style-type: none"> <li>Served quality and innovative range of handcrafted beverages, pastries, Ready-To-Eat and Ready-To-Drink at 89 Café Mesra outlets across Peninsular Malaysia</li> <li><i>Kedai Mesra</i> charted record-breaking sales and sales growth in chargeable sales</li> <li>Operationalised six innovative hybrid outlets, combining the best of <i>Kedai Mesra</i> and Café Mesra. These outlets provide handcrafted beverages and extensive convenience store items to customers beyond PETRONAS station, which are strategically located in office towers, hospitals and educational hubs</li> <li>Participated in key events such as Road To P50 Suria KLCC, PETRONAS Grand Prix 2024, MIPAC 2024 and others as part of expanding Café Mesra's branding and awareness</li> <li>Doubled revenue driven by PETRONAS Shop's in-house active lifestyle brand, PRYSM, designed to turn 'everyday active' wear from a popular trend into a sustainable lifestyle</li> <li>Expanded market presence and brand visibility by diversifying from online to offline channels, with the launch of seven new outlets as part of a focused retail initiative</li> <li>Aligned PETRONAS Shop with MESRA to strengthen and expand retail offerings and access</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>Nurturing SME growth and support PETRONAS sustainability agenda</li> </ul>	<p><b>Kedai Mesra:</b></p> <ul style="list-style-type: none"> <li>Supported SME companies in sustaining their business by sharing industry knowledge, providing training and offering operational support, which helped local businesses improve efficiency and scalability</li> </ul> <p><b>Café Mesra:</b></p> <ul style="list-style-type: none"> <li>Café Mesra introduced limited-time offer on Liberica Coffee Beans, promoting homegrown coffee beans from Kulai, Johor</li> <li>Introduced Mesra merchandise, including reusable thermal flasks, thermal mugs and bags such as Kapten Batik bags, promoting environmental sustainability by reducing the impact of synthetic materials while preserving local culture</li> </ul> <p><b>PETRONAS Shop</b></p> <ul style="list-style-type: none"> <li>Introduced P50 Momento merchandise which uses sustainable BCI cotton and Oeko-Tex ink, promoting a circular economy and aligning with PETRONAS' sustainability initiatives. BCI cotton reduces water usage, pesticides and improves soil health, while Oeko-Tex ink ensures safety for the environment and consumers</li> </ul>



## Convenience: MESRA

### Challenges and Our Response

Challenge	Our Response
<ul style="list-style-type: none"> <li>Suppliers faced operational challenges, including labour shortages, transportation delays and raw material shortages</li> <li>Inflation diminishing customers' purchasing power</li> <li>Geopolitical issues affected MESRA as major partners associated with negative sentiments faced significant lower income collection</li> <li>Intense competition from both established and new café businesses in Malaysia for prime locations and market share</li> <li>Competitive retail landscape with the emergence of multiple local and international brands in the apparel segment</li> </ul>	<ul style="list-style-type: none"> <li>Fostered strong relationships with established suppliers to ensure adequate stock allocation based on demand forecasts, particularly during peak and festive seasons</li> <li>Launched promotional activities, such as value buys and optimised the product mix with essential items</li> <li>Repositioned our offerings at some affected sites by introducing new brands such as Richeese Factory and bringing in popular brands, including Chagee, to meet customer demand. Additionally, MESRA expanded opportunities for local brands, among them, Uncle Bob Fried Chicken and Dao Desserts</li> <li>Implemented structured customer and trade initiatives to strengthen local brands' presence with a continued focus on opening new store and building the brand by capturing new strategic sites</li> <li>Established strong connections with customers through effective marketing and branding. Used social media to engage, gather feedback and stay informed about consumer preferences. Introduced community events to enhance accessibility via offline touchpoints</li> </ul>



## Convenience: MESRA

### OUTLOOK

In 2024, the retail industry faced rising operational costs, labour shortages and intense competition, posing a strain on operations. Looking ahead, these are expected to continue, coupled with shifting consumer behaviour, geopolitical tensions and anticipated regulatory changes. The updates to regulation include new acts and revision to minimum wage as well as implementation of the Tobacco Act 852.

MESRA has prepared to navigate these complexities by updating and streamlining its product offerings, working with new partners and exploring new business models and partnership to safeguard the business. Key initiatives include expanding Café Mesra outlets across Peninsular Malaysia with proven formats and a new business strategy aimed at reducing investment and operational costs. This strategy is designed to speed up business expansion, supported by targeted marketing and promotional activities to strengthen the brand and accelerate success. Café Mesra will continue to identify future F&B expansion opportunities, which are expected to further boost MESRA's profitability and long-term sustainability.

We will leverage the strengths of MESRA and PETRONAS Shop to drive the growth of its active lifestyle and apparel business across both online and offline platforms. This reinforces its position as a key retail and convenience lifestyle hub in line with PDB's strategic focus.





# Convenience: Setel

# Convenience: Setel

## ABDULLAH AYMAN AWALUDDIN

Chief Executive Officer,  
Setel Ventures Sdn. Bhd.



Setel's strategic evolution reached a significant point in 2024, culminating in the completion of our ecosystem play. We expanded our aspiration beyond fuel, cementing our position as a one-stop centre for motorists' needs. We successfully replicated and integrated the effective fuel business algorithms across other verticals, further enhancing the motorist experience.

Our non-fuel offerings elevated app utilisation and customer preference through the penetration of multiple customer segments. This has significantly increased open rates and user engagement, leading to higher average basket sizes and app spending growth.

Customer engagement, our utmost priority, drives us to create seamless and rewarding experiences in our new features and transactions, enhancing accessibility and strengthening customer loyalty.

The seamless integration of fuel services and non-fuel features has driven substantial growth, achieving an all-time high in Gross Merchandise Value (GMV) of RM3.15 billion. By the end of 2024, Setel boasts a customer base exceeding 8 million, with 1.13 million monthly active users. We retained our position among the top 10 e-Wallets in Malaysia.

Beyond integrations, Setel forged collaborations with Café Mesra and PETRONAS AutoExpert, which have already shown promising results in increased in-store sales and GMV. These partnerships successfully met our customer adoption targets and favourable Net Promoter Scores (NPS).

As we continue to grow and thrive forward, we are deeply committed to adhering to stringent e-Money handling compliance regulations. Our highly trained teams meticulously monitor the enforcement of these regulations, reinforcing our commitment to financial security and data privacy.

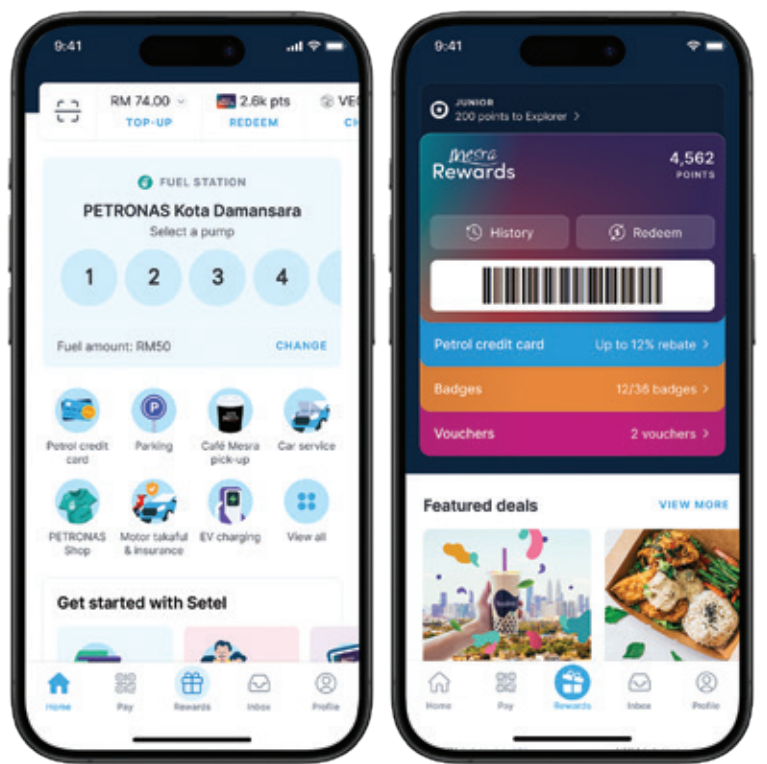
### WHO WE ARE AND WHAT WE DO

Setel is a next-generation mobility platform, designed to simplify life for motorists. It seamlessly integrates fuelling, parking and all essential on-the-go needs into a single app, an ideal companion for every journey. Serving millions of users across Malaysia, Setel goes beyond fuelling, offering retail payments at over 2 million stores, EV charging, motor takaful/insurance, 24/7 auto assistance and more. This comprehensive ecosystem elevates the user experience, fostering greater customer confidence and loyalty within the ecosystem.

Driven by innovation and a customer-first approach, Setel continues to revolutionise mobility by consolidating essential services into one smart, rewarding platform. Whether for daily commutes or long journeys, the platform empowers user with effortless vehicle and lifestyle management that is accessible anytime, anywhere.

### VALUE CREATED BY BUSINESS SEGMENT

- Seamless Fuelling and Payment Convenience**  
Enhanced digital payment experiences, mainly for fuel payments, by expanding from a single payment method - Setel Wallet - to multiple payment options, including Setel QR, DuitNow QR, debit card, petrol credit card and Cardless SmartPay. Introduced Family Wallet that enables e-Wallet sharing for household fuel expenses, streamlining spending and driving transaction growth
- Integrated Offerings and Mesra Rewards**  
Expanded access to PDB offerings through marketing collaborations and in-app integration, enhancing the Mesra Rewards loyalty programme. Introduced exclusive 3x points for Setel users and the Scan & Earn feature, allowing cash-paying customers to earn, check and redeem their points on Setel seamlessly



### KEY FOCUS AREAS

- Growing Topline**  
Increasing revenue by cross-selling fuel with other motorist-related solutions
- Scale Digital Convenience**  
Enhancing digital cashless payment features to deliver a seamless, efficient and convenient experience
- Enabling Growth**  
Amplifying enterprise value by unlocking new revenue channels for the PDB Group

	Key Initiatives	Achievements
<b>Value</b>	<ul style="list-style-type: none"> <li>Boost higher customer engagement and GMV through targeted growth initiatives and fuel cross-selling strategies</li> </ul>	<ul style="list-style-type: none"> <li>Achieved all-time high GMV, driven by fuel volume uplift through effective campaigns and integrated collaborations, joint marketing, analytics and on-ground activations</li> <li>Recorded over 200% and 100% growth in Mobility and e-Wallet features, compared to 2023</li> </ul>
<b>Growth</b>	<ul style="list-style-type: none"> <li>Expand integrated digital services to broaden accessibility, streamline on-the-go services, improve efficiency across retail, mobility and parking solutions and strengthen connectivity within the PDB ecosystem to support wider offerings</li> </ul>	<ul style="list-style-type: none"> <li>Launched a feature allowing customers to skip the queue, order ahead, and pick up at Café Mesra, enhancing the digital experience and enabling scalable, targeted customer life cycle engagement</li> <li>Introduced a pre-booking feature for car servicing at PETRONAS AutoExpert outlets, offering exclusive rewards for using PETRONAS Lubricants and driving greater adoption through Setel's customer base</li> <li>Expanded hassle-free parking payments to 27 retail malls, offices, hospitals and 19 street parking councils across multiple states, including Kuala Lumpur, Selangor, Terengganu, Kelantan and Johor</li> <li>Improved payment experiences by extending the DuitNow feature to peer-to-peer transactions, enhancing functionality</li> <li>Broadened merchant accessibility with a wider cashless payment network, increasing eligible merchants from approximately 122,000 in 2023 to 269,000 in 2024, a significant 120.6% year-on-year increase</li> <li>Introduced the Scan &amp; Earn feature which converts cash-paying customers to digital users, moving them up the value chain</li> </ul>

### Challenges and Our Response

Challenge	Our Response
<ul style="list-style-type: none"> <li>Constantly evolving customer needs and the drive to digitise the user experience</li> <li>Complexities in non-fuel business, including strict regulations for OpenWallet and DuitNow</li> </ul>	<ul style="list-style-type: none"> <li>Maintained agility by leveraging customer feedback and market research to anticipate needs and delivered innovative solutions and features that aligned with our vision</li> <li>Adapted business strategy by forging commercial partnerships, maintaining strong customer traction and driving cross-sell rate to fuel for integrated value creation</li> </ul>

### OUTLOOK

The digital economy in Malaysia is set for sustained growth in 2025. This vision is driven by the rapid expansion of digital transactions, advanced fintech integration and evolving consumer expectations for seamless, secure and rewarding digital experiences. This drive is also fuelled by the government's initiative for a cashless society, further shaping the digital payment landscape.

In building a solid foundation and establishing a loyal customer base, we aim to elevate our customer value propositions and concurrently unlock PDB's digital potential. Setel will continue expanding beyond fuel-related transactions, reinforcing the ecosystem to drive greater engagement and higher transaction volumes. We will scale digital payment solutions, strengthen loyalty integrations and introduce new value-added features that deliver both efficiency and financial returns.



# Enablers: Supply and Distribution

## NORMAH BASRI

Head, Supply and Distribution Division



As order fulfilment demands continued to rise across the nation, the Supply and Distribution (SDD) division successfully navigated daily operations by leveraging robust and adaptive strategies. In 2024, SDD remained committed to enhancing customer value through continuous improvements, key initiatives and a steadfast focus on safe operations while ensuring cost efficiency. With resilience and determination, the division continues to thrive forward to seize opportunities for greater efficiency and performance.

### WHO WE ARE AND WHAT WE DO

SDD is responsible for the comprehensive management of the end-to-end supply network, covering the journey from refineries through primary and secondary distribution channels to end users, with a strong focus on safety at every stage. This role includes key areas such as product sourcing, distribution, infrastructure planning, terminal operations, asset management and product delivery.

With a network spanning 36 terminals across Malaysia, SDD ensures a reliable and seamless product supply while optimising efficiency and maintaining a competitive cost-to-serve.

SDD is committed to fostering a robust HSSE culture, prioritising operational excellence, advancing sustainability efforts and upholding strict regulatory compliance at all times.

### VALUE CREATED BY BUSINESS SEGMENT

- Operational Excellence**  
Ensure safe and reliable operations that consistently surpass customer expectations and drive volume growth
- Cost Optimisation**  
Adopt a structured approach to cost management, optimising processes to maximise profitability
- Workforce Empowerment**  
Foster high levels of expertise and cultivate a supportive work environment for employees and contractors
- Digital Solutions**  
Leverage digital solutions to enhance and add value to the customer experience



# Enablers: Supply and Distribution

### KEY FOCUS AREAS

#### Maximising Value through Operational Optimisation

SDD continuously enhances its operations by strategically refining processes and strengthening its position as a reliable solution provider with a strong network that consistently meets and exceeds customer expectations

#### Enhancing Reliability with Operational Excellence

Focus on ensuring order fulfilment, addressing issues related to asset integrity, maintaining a reliable supply chain, elevating customer satisfaction, prioritising HSE assurance and achieving operational excellence to strengthen our competitive edge, all with the goal of simplifying and enriching people's lives

	Key Initiatives	Achievements
<b>Value</b>	<ul style="list-style-type: none"> <li>• Readiness strategy for Subsidised Diesel Control System (SKDS) 2.0 Implementation</li> <li>• SDD Aviation Fleet Enhancement Programme</li> </ul>	<ul style="list-style-type: none"> <li>• Integrated execution strategy among stakeholders, ensured readiness of terminal and product availability which resulted in zero Out-Of-Stock at PETRONAS stations post SKDS 2.0</li> <li>• Accelerated the SDD Aviation Fleet Enhancement Programme, reducing operational downtime and improving supply efficiency to meet the growing demand for Jet A-1</li> </ul>
<b>Growth</b>	<ul style="list-style-type: none"> <li>• Multi-Product Pipeline (MPP) Process Optimisation</li> <li>• Bridging Operations from Melaka Fuel Terminal to Kuala Lumpur Aviation Fueling System (KAFS)</li> </ul>	<ul style="list-style-type: none"> <li>• Achieved a 4.2% increase in MPP volume through strategic coordination with joint venture counterpart and other oil companies, strengthening stock inventory levels at the Klang Valley Distribution Terminal, enhancing MPP utilisation and driving overall operational efficiency</li> <li>• Rezoning of delivery envelope for KAFS successfully addressed a 23% increase in Jet A-1 demand</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>• Business Continuity Plan (BCP) Activation for Supply Security</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of a detailed process flow for Supply Security BCP has significantly reduced the response time of strategic decision-making during critical situations. This approach ensures agility and maintains clear and concise communication with stakeholders</li> </ul>

### Challenges and Our Response

Challenge	Our Response
<ul style="list-style-type: none"> <li>• Managing shift of volume from Retail to Commercial sector post SKDS 2.0</li> </ul>	<ul style="list-style-type: none"> <li>• Following the implementation of SKDS 2.0, Secondary Distribution Cost (SDC) increased due to lower road tanker utilisation caused by a shift in volume. However, through rezoning and bridging operations, road tanker utilisation improved, enabling higher volumes to be transported from Melaka to Central, effectively optimising the SDC</li> </ul>
<ul style="list-style-type: none"> <li>• Optimising competitive cost-to-serve while sustaining high operational efficiency across the value chain</li> </ul>	<ul style="list-style-type: none"> <li>• Optimised distribution channels, including term charter vessels and fleet scheduling to ensure safe and timely product delivery</li> </ul>
<ul style="list-style-type: none"> <li>• Strengthening workforce capabilities and talent development</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced digital capabilities and customer engagement, identified skill gaps and implemented training, mentorship and talent development programmes to build a more skilled workforce for future success</li> </ul>

### OUTLOOK

Malaysia's economic growth in 2025 is expected to remain strong, driven by private consumption, infrastructure expansion and a recovering aviation sector. Rising energy demand, coupled with ongoing public and commercial projects, reinforces the need for a resilient and cost-efficient supply network.

Against this backdrop, SDD is fully committed to driving sustained growth while ensuring a competitive cost-to-serve by exploring alternative supply sources with a focus on cost efficiency. This commitment involves improving customer experience through the implementation of optimisation strategies and promoting collaboration to ensure a reliable and efficient supply chain.





# Enablers: Digital

**SAZLINA AHMAD**  
Chief Technology Officer



The digital landscape in 2024 was shaped by evolving customer expectations, regulatory advancements and increasing adoption of AI-driven technologies. As businesses and consumers embraced more seamless, data-driven experiences, digital transformation became a critical enabler of growth and resilience. In Malaysia, the push for automation, compliance with new regulatory frameworks such as e-invoicing and heightened cybersecurity requirements further reinforced the need for agility and innovation in the digital space.

In line with Thriving Forward, PDB prioritised operational excellence to enhance performance and reliability. Strategic investments in marketing automation and personalised engagement tools significantly improved customer interactions, driving growth and retention. To strengthen our digital capabilities, we launched new platforms and applications to optimise customer experience. Our SmartPay system was further enhanced to support the Subsidised Diesel Control System (SKDS) while ensuring seamless e-invoice compliance, aligning with evolving government regulations.

We reinforced our commitment to cybersecurity by implementing robust measures to protect data integrity and strengthen operational resilience. This approach not only ensures regulatory compliance, but also enhances customer-facing digital assets while safeguarding the broader digital ecosystem.

Beyond these advancements, we remain focused on employee development, data analytics and sustainability to strengthen our digital capabilities and support long-term growth. By continuously improving our technological foundation, we aim to enhance operational efficiency, improve customer experiences and adapt to the evolving digital landscape.

## WHO WE ARE AND WHAT WE DO

Digital plays a central role in PDB's transformation by enhancing capabilities across all business functions. The transformation aims to elevate customer experience, improve operational efficiency, strengthen resilience and advance sustainability efforts. With a strong emphasis on innovation and excellence, we are committed to maximising the potential of digital platforms to address our customers' evolving needs and expectations.

At the same time, cybersecurity remains a key priority, with robust measures in place to safeguard the integrity and security of sensitive data and critical systems. These efforts are vital to building a secure and resilient digital foundation for sustainable growth.

## VALUE CREATED BY BUSINESS SEGMENT

**Operational and Customer Excellence**  
Driving Operational Excellence to ensure optimal performance, reliability and resilience across all business functions. Enhanced customer engagement through marketing automation and personalised, targeted campaigns, strengthening relationships, fostering loyalty and driving growth with innovative, data-driven approaches.

**Technology Refresh and Modernisation**  
Maintaining a competitive edge and addressing technology debt by refreshing and modernising essential applications. Key legacy systems critical to operations were prioritised for upgrades to meet evolving business and technological demands. These efforts ensure technology leadership while enhancing system efficiency, scalability and resilience.

**Minimising Risk Through Enhanced Cybersecurity**  
Strengthening the cybersecurity framework to protect critical systems and ensure business integrity. Key initiatives included Real-Time Operational Technology safeguards with active asset monitoring and onboarding Identity and Access Management to mitigate risks, safeguard data and ensure operational resilience.

# Enablers: Digital

## KEY FOCUS AREAS

- Driving Operational Excellence**
  - Modernising core applications and upgrading legacy systems to enhance efficiency, scalability and long-term technology resilience, with system enhancements and hardware upgrades that improve operational reliability
  - Relaunching system and application to support dealers and suppliers by streamlining ordering and receiving processes, with continuous improvements to enhance integration and operational efficiency across the non-fuel value chain
- Enhancing Customer Experience**
  - Expanding customer interaction platforms to enhance engagement, accessibility and service efficiency through multi-channel integration and digital onboarding solutions
  - Strengthening customer intelligence by leveraging AI-driven insights and data analytics to enable proactive decision-making, risk mitigation and optimised operational performance
- Reinforcing Cybersecurity and Compliance**
  - Strengthening cyber defence through a comprehensive cybersecurity framework to manage risks, address control gaps and enhance data governance
  - Enhancing payment security and regulatory compliance by safeguarding digital infrastructure, automating security updates and ensuring adherence to industry best practices

	Key Initiatives	Achievements
<b>Value</b>	<ul style="list-style-type: none"> <li>Prioritising operational excellence to ensure reliability and resilience across all operational layers</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced SmartPay system to support the Subsidised Diesel Control System (SKDS) 2.0, introducing new vehicle categories, a tiered pricing structure and a Cash Card for small-volume customers. The rollout saw strong new customer uptake and higher average monthly sales, reinforcing SmartPay's role in efficient subsidised diesel transactions</li> <li>First in Malaysia to implement restriction on purchases using foreign credit cards at pumps and over-the-counter</li> <li>Introduced Identity Access Management for <i>Rakan Niaga</i> and <i>Krew</i> PETRONAS and supported contractors, aligning with data governance policies to strengthen data integrity</li> <li>Maintained robust system health and availability rate for critical systems, showing strong reliability and resilience to support PDB's operations</li> <li>Established single source of truth for management of licenses, certificates and other essential business documents via live data tracker</li> <li>Enhanced haulier transport safety with <i>Rakan Khidmat Penghantar</i> dashboard to enable compliance with HSSE transport safety requirements</li> </ul>
<b>Growth</b>	<ul style="list-style-type: none"> <li>Introduced customer-centric solutions through digital platforms and mobile applications to improve customer satisfaction and retention</li> </ul>	<ul style="list-style-type: none"> <li>Implemented PETRONAS 360, a cloud-based platform that enhances customer relationships, streamlines processes and drives profitability. Effective lead management enabled seamless cross-selling and upselling, strengthening customer engagement across operations</li> <li>Introduced official marketing channel for Mesra Rewards, resulting in improved engagement and campaign effectiveness</li> <li>Migrated over 1,000 PETRONAS stations to the Payment Orchestration Platform (POP), in line with the latest PCI DSS certification to enhance payment gateway security in accordance with industry standard</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>Support PETRONAS sustainability agenda by adopting and integrating sustainable practices and initiatives across operations</li> </ul>	<ul style="list-style-type: none"> <li>Facilitated Scope 1 and Scope 2 data collection and automating emissions calculation at over 20 terminals</li> <li>Developed the <i>Rakan Khidmat Penghantar</i> dashboard, strengthening compliance with HSSE transport safety requirements while enhancing sustainability in logistics operations</li> <li>Achieved high automation in stock ordering for <i>Kedai Mesra</i> through Sentinel and Supplier to reduce waste, optimise inventory and enhance efficiency for a more sustainable retail ecosystem</li> </ul>

Enablers: Digital

Enablers: Digital

Challenges and Our Response

Challenge	Our Response
<ul style="list-style-type: none"> <li>Strengthening data governance to ensure data quality, security and compliance</li> </ul>	<ul style="list-style-type: none"> <li>Implemented a comprehensive framework to support transparent decision-making, manage risks effectively and uphold regulatory compliance, ensuring alignment with industry standards for IT governance and security</li> <li>Embedded sound compliance measures within ICT governance to enhance accountability and ensure adherence to crisis and compliance management frameworks</li> <li>Enhanced data protection by strengthening privacy controls, conducting regular audits and enforcing security measures to safeguard sensitive information in an evolving digital landscape</li> </ul>
<ul style="list-style-type: none"> <li>Meeting evolving cybersecurity requirements while maintaining business continuity</li> </ul>	<ul style="list-style-type: none"> <li>Conducted cybersecurity awareness programmes through ongoing education, leadership engagement and structured training to implement secure digital practices organisation-wide</li> <li>Collaborated with digital partners to reinforce cybersecurity measures and integrate security requirements into vendor agreements to enhance data protection</li> </ul>
<ul style="list-style-type: none"> <li>Adopt and integrate Artificial Intelligence (AI) and Generative AI</li> </ul>	<ul style="list-style-type: none"> <li>Exploring AI and Generative AI to drive efficiency, unlock new growth opportunities and enhance customer experiences while ensuring responsible and ethical adoption</li> </ul>



**OUTLOOK**

As businesses navigate an increasingly interconnected and data-driven world, digital capabilities will play a critical role in improving efficiency, strengthening resilience and unlocking new growth opportunities. In Malaysia, evolving regulations, rising cybersecurity threats and the rapid adoption of AI and automation are reshaping how organisations operate and engage with customers. Companies must strike a balance between innovation and cost optimisation while ensuring seamless, secure and value-driven digital experiences.

Against this backdrop, PDB's digital strategy in 2025 will focus on deepening collaboration with the businesses to uncover value opportunities and drive strategic partnerships aligned with organisational goals. Efforts will be directed at optimising existing products and applications to meet evolving business needs while improving cost-to-serve through process improvements, automation and efficiency initiatives.

Key priorities include enhancing service performance by streamlining workflows and ensuring reliable, responsive digital services. We will continue to implement advanced cybersecurity measures and data protection protocols to safeguard PDB's data and assets, supporting long-term growth and delivering value-driven digital experiences for our customers and stakeholders.

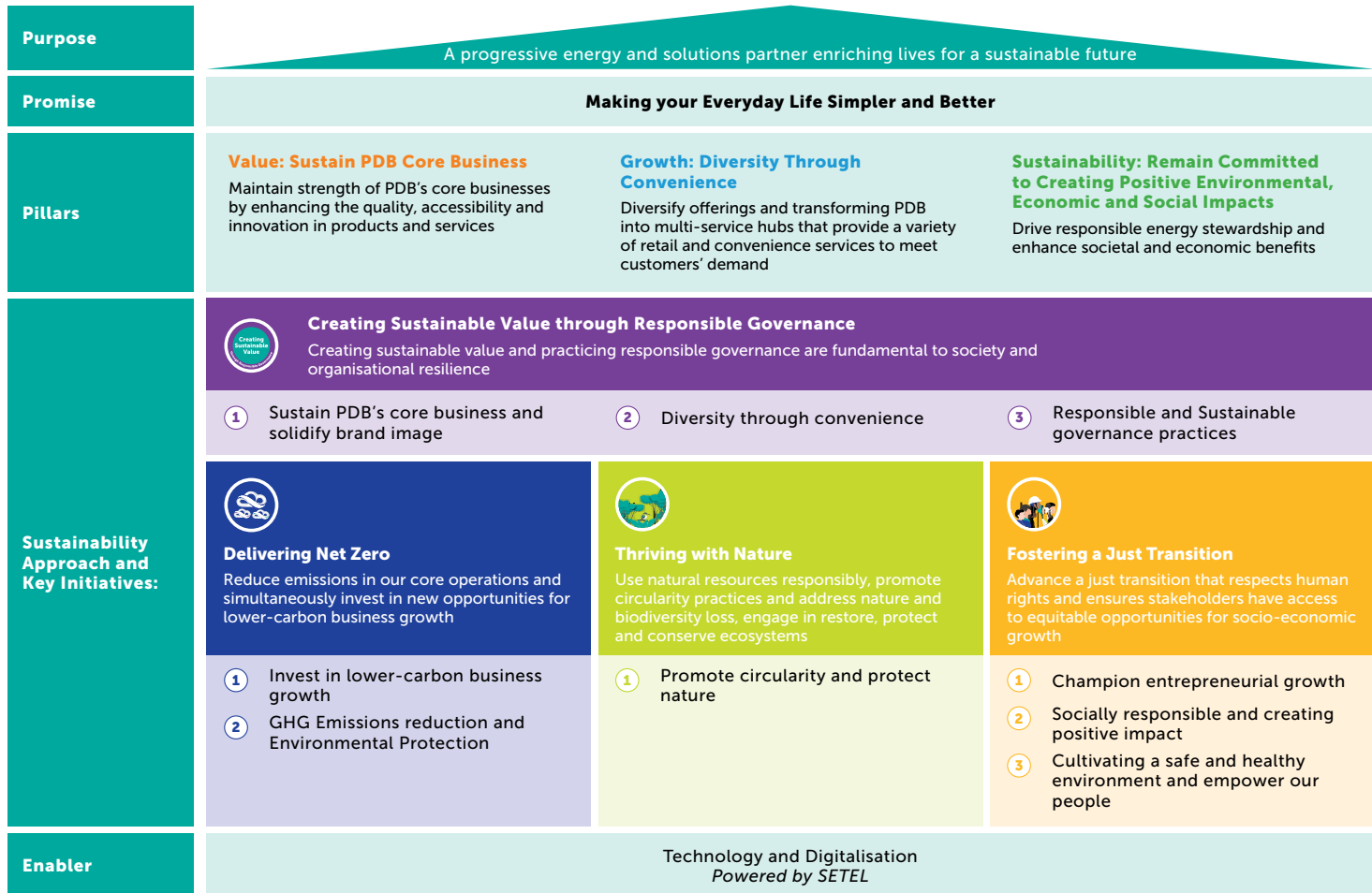


# Sustainability Review

At PETRONAS Dagangan Berhad (PDB), sustainability is central to our approach to long-term value creation. We aim to grow our business while being mindful of our environmental responsibilities, social contributions and strong governance. Beyond meeting regulatory standards, we actively work to minimise our environmental impact, protect data privacy and security and uphold ethical business practices.

With our wide network of stations and facilities, we focus on implementing sustainable practices that benefit our customers, employees, business partners and local communities. We set high standards for supply chain management, partnering with those who share our commitment to responsible practices. Through initiatives like *Kedai Mesra* and PETRONAS AutoExpert, we support local entrepreneurs and small businesses, driving inclusive economic growth.

Following our initial step towards developing a strategic Sustainability Roadmap—guided by PETRONAS' Sustainability Lenses in 2021—we revisited our approach to sustainability when PETRONAS Group launched the PETRONAS Sustainability Approach. Anchored to PETRONAS' purpose and PDB's promise, the PDB Enhanced Sustainability Framework strengthens our commitment by supporting decision-making and resource allocation through alignment with the company's overall objectives. It also provides clear targets that enhance transparency, define roles across business units and integrate sustainability into operations, ensuring consistent and measurable progress.



# Sustainability Review

**Creating Sustainable Value**

**Highlights:**

- Engaged over 1,000 suppliers on labour-related laws in collaboration with Department of Labour Peninsular Malaysia (JTKSM)
- 98.6% of our dealers, contractors and suppliers are locally registered companies

**Through Responsible Governance**

**Highlights:**

- Sustainability-related matters are discussed regularly at the Board and management level via the Board Sustainability and Risk Committee (BSRC) and Sustainability Action Council (SAC)
- 100% of operations assessed for risks related to corruption

**Delivering Net Zero**

**Highlights:**

- Solarised 184 sites at PETRONAS stations with strategic partners as of 2024
- Signed offtake agreement with Malaysia Aviation Group for the supply of Sustainable Aviation Fuel (SAF) from 2027 until 2035
- Collaborated with Blueshark to validate the electric motorcycle and battery swap business at PETRONAS stations

**Thriving with Nature**

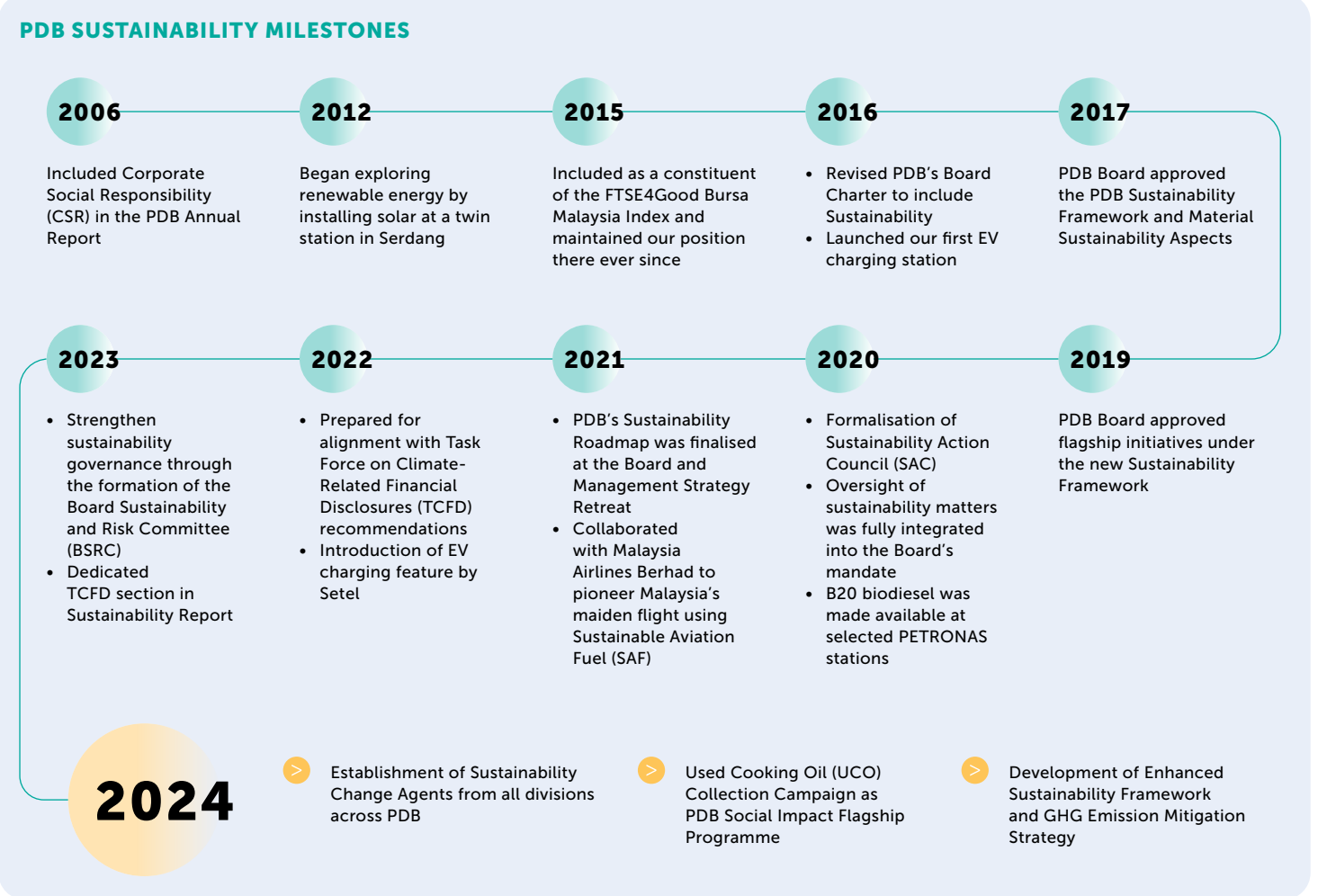
**Highlights:**

- No incidences of non-compliance with Malaysian wastewater quality standards and regulations
- Prohibited single-use plastics at all company-organised meetings and events
- Installed rainwater harvesting systems at 52 stations and 11 terminals

**Fostering a Just Transition**

**Highlights:**

- Invested RM 1.92 million which impacted over 33,000 individuals through our various community-related initiatives
- Around 500 employees delivered more than 2,000 volunteering hours via multiple internal and external programme
- More than 700 tonnes of used cooking oil (UCO) collected nationwide







# CREATING SUSTAINABLE VALUE THROUGH RESPONSIBLE GOVERNANCE

As a progressive energy and solutions partner, we believe that creating sustainable value and practicing responsible governance are fundamental to society and organisational resilience. This approach helps us to fulfil our Energy Transition Strategy, aligning with PETRONAS' commitment to achieve net zero carbon emissions, thriving with nature and fostering a just transition.



## MATERIAL MATTERS

- > **Economic Growth and Performance**  
• Page 93
- > **Ethics and Corporate Governance**  
• Page 102
- > **Sustainable and Ethical Supply Chain**  
• Page 107
- > **Customer-centricity**  
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- > **Data Privacy and Security**  
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# Economic Growth and Performance

## OUR APPROACH

Following PDB's new Sustainability Framework, we remain guided by the goal of strengthening the PETRONAS brand, including Mesra and Setel, among both customers and the community. This approach deepens connections and builds trust. We are also focused on diversification through convenience, optimising product offerings at *Kedai Mesra* and expanding the PETRONAS Shop network. This strategy enhanced accessibility, effectively meets customer needs while reinforcing our commitment and community engagement.

Additionally, we prioritise local economic development by engaging Malaysian-owned suppliers and vendors across our core and convenience businesses. Over the years, we have supported the growth of local entrepreneurs and SMEs through our *Kedai Mesra* network and PETRONAS AutoExpert. 98.6% of our dealers, contractors and suppliers are locally registered companies with proper PETRONAS accreditation and operating licences.

We have nurtured a thriving ecosystem of local entrepreneurs and SMEs, leveraging our extensive network of *Kedai Mesra* and PETRONAS AutoExpert. Our support encompasses business operations management, upskilling initiatives and market expansion opportunities. We also facilitate product promotion across food and lubricant sectors, expanding customer reach for our partners.

Additionally, we foster collaboration with key government agencies, including:

- Ministry of Domestic Trade and Cost of Living (KPDN)
- Ministry of Plantation and Commodities (KPK)
- Ministry of Agriculture and Food Security (MAFS)
- National Farmers Organisation (NAFAS)
- *Majlis Amanah Rakyat* (MARA)
- *Perbadanan Usahawan Nasional Berhad* (PUNB)
- SME Corporation Malaysia

## WHY IT MATTERS

We are committed in building a resilient ecosystem that drives strong profitability, ensuring support for PDB's agenda while meeting our financial commitments to investors, the government, employees, contractors, suppliers and business partners.

Our objective is to achieve sustainable profitability, allowing us to fulfill our financial commitments while reinvesting in innovative solutions that drive shared value.

By delivering a strong economic performance and remaining agile, we enhance our ability to continuously evolve our business, optimising both economic and social value creation.

Dividend Paid to Investors  
**RM884.2 million**

Payment to Contractors/  
Suppliers/Business Partners  
**RM50.7 billion**

Employee Wages and Benefits  
**RM470.9 million**

Tax Paid to Government  
**RM353.9 million**

Percentage of Local Suppliers/  
Contractors  
**98.6%**





# Economic Growth and Performance



PETRONAS keeps Malaysians on the move with ROVR, the first mobile refuelling service offered by PDB in Southeast Asia. ROVR's innovative service allows for a seamless and safe refuelling experience for both commercial and everyday drivers, beyond conventional petrol stations.

Since its inception in 2018, ROVR has safely delivered a substantial volume of fuel nationwide under various segments such as B2B, B2C and the Rural Development Programme, championing convenience and improving mobility for our customers and stakeholders.

In Sabah and Sarawak, ROVR continues to make strides in enhancing fuel accessibility in remote areas under our Rural Development Programme. To date, ROVR has a total of seven operational sites across Sabah and Sarawak.

With ROVR, we have successfully improved mobility and ensured fuel security for the community and empowered local entrepreneurship by encouraging the establishment of community based economic hubs in underserved regions of East Malaysia.

Furthermore, ROVR proudly introduces Southeast Asia's first B2C mobile fuel stations, revolutionising fuel purchase with unmatched convenience, accessibility and cashless payment options. This innovative service eliminates the need for detours or long trips to refuel, offering a tailored solution to meet today's refueling needs.

Through partnerships with KPND and township developers, ROVR ensures a seamless, efficient experience for local communities. Looking ahead, ROVR plans to expand this service to provide Malaysians with greater peace of mind and continuous access to fuel.

# Economic Growth and Performance

## OUR VALUE CREATION

Key Areas	Our Progress
<b>Promoting local businesses and providing them with opportunities to expand their reach</b>	<ul style="list-style-type: none"> <li>Offered continuous guidance to SMEs on product standards, packaging, retail standards and marketing through collaborations with <i>Kedai Mesra</i>. This includes featuring SMEs products on various marketing campaign such as "Kempen Beli Barangan Malaysia" and "Love Local" in Mesra's bi-monthly promotion</li> <li>Participated in 12 business matching sessions with government agencies and ministries to enhance market access for SME suppliers within the MESRA ecosystem, with a focus on <i>Kedai Mesra</i></li> <li>Collaborated with government agencies to showcase opportunities within the <i>Kedai Mesra</i> ecosystem to SME suppliers</li> </ul>
<b>Supported automotive entrepreneurs via PETRONAS AutoExpert</b>	<ul style="list-style-type: none"> <li>Continued to grow the Lubricant business with existing customers, supporting expansion plans and engaging new partners who are willing and capable</li> <li>Maintained access to financing and development programmes through ongoing collaboration with MARA, <i>Perbadanan Usahawan Nasional Berhad</i> (PUNB) and SME Bank</li> <li>Increased the visibility of PETRONAS AutoExpert by offering consistent training to further empower entrepreneurs and expanding marketing collaborations to drive consumer traffic. For instance, partnerships with Carsome, which recognises PETRONAS AutoExpert as an official panel of workshops, play a pivotal role in these efforts</li> <li>Collaborated with digital payment platforms such as Setel to enhance customer convenience by offering e-wallet payment options at more PETRONAS AutoExpert locations nationwide</li> </ul>
<b>Strengthened LPG Channel Members' Capabilities</b>	<ul style="list-style-type: none"> <li>Enhanced dealer performance through 23 nationwide Channel Members Capability Programme focused on Health, Safety and Environment initiatives</li> <li>Achieved a significant improvement in Channel Members compliance with Department of Occupational Safety and Health (DOSH) standards, with 39% attaining Grade A (Cemerlang) in 2024—up from 16% in 2023 through the <i>Baiduri</i> Program in partnership with DOSH Putrajaya</li> <li>Established new industry benchmarks as the first to receive DOSH endorsement for the Channel Member's Operation Manual, further strengthening operational excellence and compliance</li> <li>Conducted comprehensive fire drill exercises at our Channel Members facility in Juru, Penang, collaborating with key agencies including Fire and Rescue Department of Malaysia (BOMBA), DOSH, The Royal Malaysia Police (PDRM), Ministry of Health (KKM) and <i>Majlis Bandaraya Seberang Perai</i> (MBSP) to evaluate emergency response capabilities and ensure compliance with the Control of Industrial Major Accident Hazards (CIMA) Regulation 1996</li> <li>Organised extensive engagement seminars in collaboration with DOSH Putrajaya for Channel Members across all regions, covering critical topics such as the CIMA Regulation, OSHA Amendment 2022, PSMA Audit and OSH Management Systems to ensure robust compliance and foster continuous improvement in safety management practices</li> </ul>

## OUR VALUE CREATION (CONT'D)

Key Areas	Our Progress
<b>Expanded presence of ROVR's PCS in Sabah and Sarawak</b>	<ul style="list-style-type: none"> <li>In 2024, we deployed a total of 12 Portable Container System (PCS) units in Sabah and Sarawak, with 11 units already operational</li> <li>These systems were introduced to improve the accessibility of petrol supply in remote regions in Sabah and Sarawak where constructing full-fledged stations is not viable due to high investment costs</li> <li>The PCS initiative plays a pivotal role in ensuring equitable and sustainable energy distribution to underserved areas, fostering economic growth and providing communities with affordable and reliable access to energy</li> <li>By addressing the issue of illegal fuel sales, this initiative has contributed to creating socio-economic opportunities for small-scale businesses and local cooperatives, such as <i>Persatuan Nelayan Kawasan</i> (PNK) and <i>Koperasi SALCRA</i>, as well as for individuals</li> </ul>
	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>Sarawak</b></p> <ul style="list-style-type: none"> <li>1 Bapom 2 PCS</li> <li>2 Sebuyau 3 PCS</li> <li>3 Julau 2 PCS</li> <li>4 Pulau Buit 1 PCS</li> <li>5 Kuala Tatau 1 PCS</li> <li>6 Long Tebila 1 PCS</li> </ul> </div> <div style="width: 45%;"> <p><b>Sabah</b></p> <ul style="list-style-type: none"> <li>1 Kampung Limbawang 1 PCS</li> <li>2 Kuala Abai 1 PCS (currently under construction)</li> </ul> </div> </div>

Retail-Fuel	Commercial	LPG	Lubricants	Convenience
<b>Reach and Initiatives</b>				
<ul style="list-style-type: none"> <li>1 <b>&gt;900</b> Rakan Niaga</li> <li>2 <b>&gt;9,000</b> Krew PETRONAS</li> <li>3 <b>&gt;300</b> women Rakan Niaga</li> </ul>	<ul style="list-style-type: none"> <li>1 <b>&gt;200</b> business partners across the nation</li> <li>2 Focus on entrepreneurship, governance, HSE and business skills development</li> <li>3 <b>&gt;4,000</b> employees of channel partners</li> </ul>	<ul style="list-style-type: none"> <li>1 <b>&gt;300</b> channel members</li> <li>2 <b>&gt;1,000</b> employees of channel members</li> <li>3 <b>&gt;40</b> women channel members</li> <li>4 <b>12</b> young channel members, below 40 years old</li> </ul>	<ul style="list-style-type: none"> <li>1 <b>43</b> market executive partners</li> <li>2 <b>95</b> PETRONAS AutoExpert</li> <li>3 <b>5</b> PETRONAS AutoExpert owned and managed by women</li> <li>4 PETRONAS AutoExpert sales growth Y-o-Y <b>58%</b></li> </ul>	<ul style="list-style-type: none"> <li>1 <b>&gt;1,800</b> MESRA Partnership with local SME food suppliers</li> <li>2 <b>&gt;50</b> F&amp;B and services partners</li> <li>3 <b>&gt;120</b> Mesra labelled products</li> <li>4 <b>&gt;300</b> Café Mesra crew members employed</li> </ul>



## Economic Growth and Performance

### From Small Beginnings to Big Impact: Inspiring Growth Stories with PDB

#### From 80 to 40,000 cylinders: Norbibah's PETRONAS LPG Story



Meet Norbibah Binti Ahmad, who began her journey in the LPG business in 1994 in Segamat, Johor. After taking over the dealership following the passing of the previous dealer, she started with just 80 cylinders and achieved monthly sales of 100 units. At the time, many households were still relying on kerosene and charcoal for cooking, but Norbibah recognised a promising opportunity in the market.

"I recognised the long-term potential of this business, even though the market was dominated by a major oil and gas company at the time," Norbibah shares. In the early days, she personally managed LPG deliveries with the support of her husband and one staff member. Through hard work and dedication, she gradually built strong connections within the community, highlighting the benefits of Gas PETRONAS to local households.

Her consistent efforts paid off. By 1995, the business had grown significantly, allowing her to purchase a shop house and a one-tonne lorry in Jementah. The business continued to thrive and in 2003, she achieved the status of Premier Dealer. Two years later, she acquired land in Batu Badak, Segamat, where she built an LPG storage facility that now serves as her operations hub.

For Norbibah, leadership is about listening and guiding others. Her partnership with PDB has been instrumental in her growth, as the company has provided valuable support through coaching, guidance and cylinder loans. This support extends beyond day-to-day operations, offering essential assistance during challenging times, such as the monsoon season.

From the initial 80 cylinders, her distribution network has grown to handle 40,000 cylinders monthly. "It is about showing up every day and understanding what our community needs when it comes to Gas PETRONAS," Norbibah explains.

At 60, she continues to look ahead with ambitious plans. Her goals include expanding beyond Segamat and onboarding more dealers to enhance the availability of Gas PETRONAS. Passionate about empowering others, she enjoys sharing her experiences with fellow women entrepreneurs, demonstrating that there's room for everyone in the industry, regardless of traditional expectations.

"Dare to take up the challenge," she encourages others, dedicating her time to mentoring women in her community. Through her partnership with PETRONAS, what started as a small local operation has grown into a thriving enterprise, serving as a testament to what can be achieved with dedication and the right support.

#### Driving Change: Highway Café's Journey with ROVR



Meet Dora Clement, a resourceful entrepreneur who transformed her family farm in Sg Asap, Belaga, into a thriving community hub. What started as a farm she established with her late husband 20 years ago has evolved into Highway Café—a one-stop support hub catering to the growing needs of the rural community.

Growing up in a rural area meant facing limited access to information, technology and infrastructure," Dora reflects. "However, these limitations motivated us to seek opportunities where others might see obstacles."

Living in an area two hours away from the nearest town of Bintulu, Dora noticed how residents struggled with fuel access for their daily transportation needs. When the opportunity arose to become a ROVR Portable Container Station operator in 2022, she seized it despite having no prior experience in fuel retail.

"Before ROVR, we tried selling fuel using drums and manual pumping", Dora shares. "While there was demand due to local shortages, we faced constant challenges with supply and safety concerns". The introduction of ROVR brought welcome changes, providing systematic controls and advanced safety features for fuel handling.

The partnership has enabled Dora to expand beyond her initial farming and retail activities. "ROVR has taught us so much about organised management and operations," she explains. The impact has been significant where her income has increased by more than 20%, enabling her to reinvest in her business, improve her family's quality of life and contribute more effectively to her community's economic growth.

Taking advantage of Highway Café's strategic location, Dora has diversified her services to meet local needs. Her site now includes a simple workshop, grocery store and catfish farm, providing essential services to longhouse communities in the area.

"Through our partnership with ROVR, we're ensuring consistent fuel supply to the rural communities of Belaga, Bakun and Sungai Asap", says Dora. The positive feedback from customers, grateful for having a nearby fuel station, reinforces the value of her work.

To aspiring rural entrepreneurs, Dora offers encouragement: "Don't be afraid to take the leap and start something meaningful. Look for ideas that can positively contribute to our community". Through her collaboration with PETRONAS, what started as a family farm has become an essential service hub, demonstrating how local businesses can help develop rural communities.

## Economic Growth and Performance

### Dwangi Freshener Sdn Bhd: Growth Through Strategic Partnership with PDB



Founded in 2013, Dwangi Freshener Sdn Bhd has established itself as a prominent manufacturer and supplier of vehicle fragrance oils in Selangor, Malaysia. Over the years, the company has built a strong reputation for delivering high-quality products to meet the needs of its customers.

Dwangi's journey reached a turning point in April 2023 through a strategic partnership with PDB. This collaboration allowed Dwangi to offer its products at *Kedai Mesra* nationwide, leveraging PDB's extensive network and customer base. The partnership proved transformative, driving sales to exceed RM2 million within the first few months and significantly contributing to Dwangi's growth. The visibility and market reach provided by PDB, combined with the dedication and innovation of Dwangi's team, were critical in achieving this remarkable milestone and accessing new market opportunities.

Through the collaboration, Dwangi has seen its customer base and market presence expand significantly, with estimated monthly sales of 18,000 to 20,000 units. Beyond local markets, the partnership has opened doors to international opportunities, helping Dwangi tap into new demographics and market segments. PDB's support has been instrumental, offering guidance on product placement and leveraging *Kedai Mesra's* platform to enhance Dwangi's visibility and credibility.

Since the partnership began, Dwangi has experienced substantial growth not only in sales but also in operational capacity. The company has expanded its workforce from 50 to over 100 employees, creating valuable job opportunities within the local community. This growth aligns with Dwangi's commitment to contributing positively to the economy while maintaining its adherence to Halal-certified standards. Looking forward, Dwangi plans to diversify its product offerings and further its global expansion efforts.

The collaboration between Dwangi and PDB exemplifies the power of strategic partnerships in driving SME success. By enhancing brand visibility, increasing sales and opening doors to long-term business opportunities, this partnership highlights how collaborations can deliver mutual benefits and foster sustainable growth.

### OUTLOOK

We aim to build a strong ecosystem of suppliers, dealers and service providers that support PDB's expanding business, recognising that this approach also generates multiple spillover effects that stimulate the economy. Moving forward, we will seek additional avenues to foster local capabilities and inspire an entrepreneurial spirit among youth, while creating meaningful employment opportunities that will uplift under-represented communities.



# Customer-centricity

# Customer-centricity

## WHY IT MATTERS

At PDB, we recognise that every part of our retail ecosystem play an essential role in powering our customers' daily lives. Our success depends on delivering exceptional customer experience across our network of stations, online platforms and other retail store formats where customers rely on us for both their mobility needs and everyday conveniences.

We deliver upon our promise of making everyday life simpler and better by upholding customer experience excellence with high quality products, stringent safety standards, staff upskilling and training and operational efficiencies - all of which underpins PDB's market leadership.

We remain dedicated in our efforts to enhance the customer experience by addressing several key priorities, including:

- Placing a paramount importance on customer health and safety
- Safeguarding the environment in our operating locations
- Protecting customers' personal data and privacy strictly via rigorous protocols
- Creating, enhancing and delivering products, services and solutions tailored to customers' unique needs
- Engaging with customers and conducting regular market surveys to understand their perspective better and refine our go-to-market strategies for more effective outreach
- Providing ongoing training and development for our retail and customer service teams

Throughout 2024, we reported zero incidents of non-compliance regarding our product information, labelling regulations or marketing communications.

We operate multiple open channels that serve to address and resolve customer complaints. In 2024, we introduced Mesralink WhatsApp Chatbot aimed to provide swift and automated customer support on common issues. The Mesralink WhatsApp Chatbot reduced first call resolutions, thereby effectively optimising the Mesralink agent talk time by half the average talk time, providing faster and better customer experience.



### OUR APPROACH

Our customers are central to every solution we create and every choice we make. We constantly and consistently refine our solutions and services to champion our customers' interests and strengthen their trust. Every touchpoint offers us an opportunity to improve their interaction and transactions with us.

Our approach centres on two principles: maintaining a deep understanding of customer pain points and objectives, whilst simplifying their experience to help achieve daily goals.

### Mesralink WhatsApp Chatbot

- Customer Experience**  
Enhance customer experience by offering a new convenient communication for customers seeking connection
- Accessibility**  
Customer can access information on promotions, register their interest in PETRONAS offerings, address service-related queries and much more
- Increase Station Performance**  
Gather insights to identify areas for improvement and address concerns promptly, enhancing overall service quality
- Efficient Issue Resolution**  
Improve customer service response times and resolution rates by delivering more efficient and effective support through the integration of the WhatsApp channel

- Mesralink Customer Resolution Helpline**
- Customer Experience Centre (located at PETRONAS station Jalan Kolam Ayer Lama, Ampang)**
- MEVA webchat (via mymesra.com)**
- PETRONAS Brands social media accounts**

These ongoing interactions and feedback mechanisms result in regular refinements in our service delivery, ensuring we remain attuned to evolving customer expectations and market trends.

### OUR VALUE CREATION

Key Areas	Our Progress
<b>Mesra Rewards Programme</b>	<ul style="list-style-type: none"> <li>• Implemented a digital process for Mesra Reward point collection and redemptions via mobile number entry at outdoor payment terminals (OPT) and Customer Display Screens (CDS) before fueling or purchasing at <i>Kedai Mesra</i></li> <li>• The programme also enables social impact, as members can direct their points towards electrifying <i>Orang Asli</i> houses in areas with limited power access</li> </ul>
<b>Customer Health and Safety Related Initiatives</b>	<p><b>Retail-Fuel Business</b></p> <ul style="list-style-type: none"> <li>• Maintained 538 Gold and 25 Platinum stations as recognised by the DOSH Malaysia</li> <li>• Strengthened the refresher training on the Go-to-Safety-Point (GTSP) programme through a collaboration with the PDRM for all <i>Krew</i> PETRONAS. This initiative ensures that employees are well-prepared to assist the public and provide guidance during emergencies</li> <li>• The training enables PETRONAS stations to serve as secure refuges where the public can seek assistance during emergencies</li> <li>• Ensured the maintenance of signage at PETRONAS stations to effectively communicate safe behaviours before, during and after refueling</li> </ul> <p><b>Commercial Business</b></p> <ul style="list-style-type: none"> <li>• Ensured the ongoing implementation of site safety assessments prior to commencing operations</li> <li>• Conducted regular training sessions on product handling and industry standards for partners and customers</li> <li>• Held engagement sessions with authorities to enhance understanding of regulatory compliance</li> </ul> <p><b>LPG Business</b></p> <ul style="list-style-type: none"> <li>• Conducted comprehensive terminal inspections to ensure product safety and reliability before delivery to customers</li> <li>• Offered complimentary LPG cylinder safety checks during gas cylinder deliveries through the Gas PETRONAS Home Delivery hotline</li> <li>• Carried out regular cylinder maintenance to ensure compliance with required safety standards</li> <li>• Collaborated with local authorities to implement Gas Safety Programmes focused on LPG cylinder safety, aiming to raise awareness within local communities</li> <li>• Organised safety talks and inspections on proper cylinder usage and handling, facilitated by dealers and area managers</li> <li>• Enhanced safety outreach by promoting proper LPG handling practices through PETRONAS Brand's social media channels</li> </ul>

# Customer-centricity

# Customer-centricity

## Other Initiatives

- Launched CBD4Sustainability in 2024 to embed PETRONAS' Sustainability Approach into the operations of the Commercial Business Division (CBD). This initiative aims to create value for both the business and its stakeholders while promoting a positive environmental impact
- CBD expanded its sustainability efforts beyond hydrocarbons through internal initiatives and by fostering cross-collaboration with commercial customers via programmes aligned with the PETRONAS' Sustainability Approach

### Customer Appreciation Day 2024 was held in conjunction with PETRONAS 50 years to celebrate milestones with PDB Commercial Direct Customers

- The Commercial Business Division hosted a memorable Customer Appreciation Day as part of the CBD4Sustainability initiatives, in celebration of PETRONAS' 50<sup>th</sup> Anniversary. The event also served as a platform to share PDB's Sustainability Approach with key CBD customers
- The event brought together customers from various sectors, showcasing the strong partnerships that have contributed to PDB's success over the past 30 years



### CBD Elevate Health: A Journey to Wellness Collaboration with Hospital Kuala Lumpur (HKL)

- The collaboration with HKL for the wellness event, "Elevate Health: A Journey to Wellness," was a highly successful. The event actively engaged all 80 invited PDB employees, with 30 participants receiving personalised dietary consultations, fostering greater awareness of health and wellness
- HKL's expertise enhanced the initiative's credibility, while structured follow-ups secured long-term impact. Despite challenges such as scheduling and tailoring communications, the event underscored the importance of wellness and provided valuable lessons



### Customer Relationship Management with Ministry of Defence (MINDEF)

- This initiative aims to reconnect with our customers and enhance their knowledge of the end-to-end customer journey process, with a particular focus on product offloading procedure training integrated with sustainability elements
- Apart from MINDEF, CBD focuses on customer relationship management and engagement with other clients to build strong relationships. This approach fosters loyalty, encourages repeat business and promotes long-term engagement

### CBD4Sustainability Pre-loved Donation Drive

- As part of an internal initiative by CBD4Sustainability, 872kg of used clothing and textiles were collected from PDB members and donated to an ISO-certified fabric recycling facility. This programme aligns with the PETRONAS Social Impact Management Framework (PSIMF) under the 'Planting Tomorrow' focus area, reflecting our commitment to sustainable and impactful social practices

### CBD4Sustainability Book Donation to MINDEF ATM Kementah

- This book donation drive demonstrated an exemplary model of cross-collaboration with CBD Direct Customers, creating lasting positive impacts on communities and the environment while aligning with the PETRONAS' Sustainability Approach
- Books were donated to the ATM Kementah library to ensure that military personnel have access to resources that empower them through knowledge and lifelong learning
- This initiative contributes to a culture of sustainability and responsibility, reinforcing the idea that small, collaborative efforts can lead to significant change

## Key Outcomes

**20% YoY**  
increase on a volume basis in total fuel purchases by Mesra Rewards members at PETRONAS stations

**24% YoY**  
growth in digital channel adoption, with more members using Setel or mobile numbers to earn and redeem Mesra Rewards points

**83%**  
of cases resolved on first contact via our automated WhatsApp solution, with customer satisfaction averaging **4 out of 5**, highlighting fast service and positive experience

Provided electricity to **8 Orang Asli** houses via points redeemed by our members

Achieved the following metrics in 2024 for the Resolution Helpline & Customer Experience Centre:

**Service Level Agreement (SLA):**  
**87.35%**  
of cases resolve within the service level

**First Call Resolution (FCR):**  
**70.71%**  
of cases resolved at first contact

**Customer Satisfaction Score (CSaT):**  
is **4.72 out of 5** for our hotlines

## OUTLOOK

In a rapidly evolving market, delivering an exceptional customer experience remains a top priority. We are committed to advancing our digital capabilities and introducing innovative services while upholding the highest standards of safety and reliability. This approach is rooted in our deep understanding of customer needs and our strong, trusted relationships with them.



# Ethics and Corporate Governance

# Ethics and Corporate Governance

## WHY IT MATTERS

Sound ethics and corporate governance form the foundation of sustainable business operations in the energy sector. As a leading energy solutions provider, our position demands effective oversight and a clear tone from the top in establishing exemplary standards of business conduct. To maintain the confidence of our shareholders, employees, business partners and the communities we serve, we prioritise transparent decision-making and clear accountability within our governance structure.

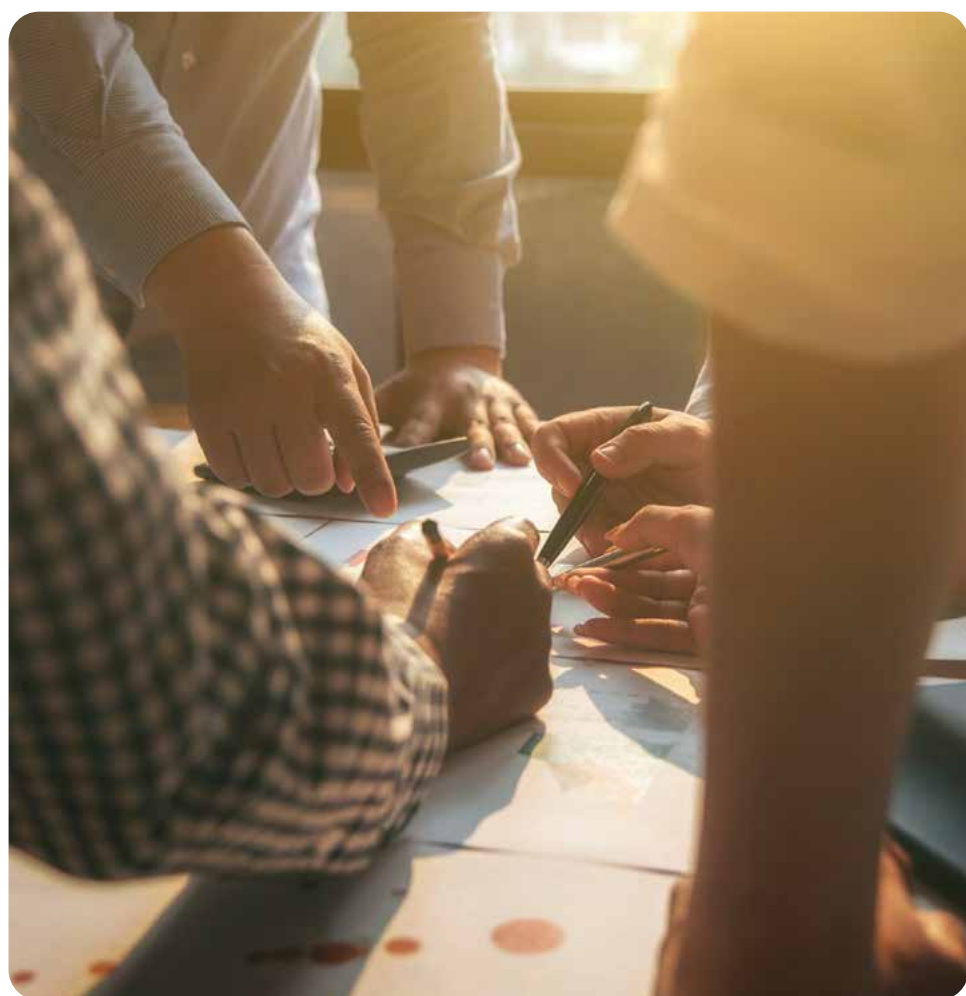
### OUR APPROACH

PDB functions within a robust governance framework that adheres to the Bursa Malaysia Main Market Listing Requirements (MMLR) and the Malaysian Code on Corporate Governance. Our operations are guided by the PETRONAS Code of Conduct and Business Ethics (CoBE), underpinned by a strong commitment to the Group's Shared Values of Loyalty, Integrity, Professionalism and Cohesiveness.

To reinforce our commitment to anti-corruption, we integrate the PETRONAS Anti-Bribery and Corruption Manual (ABC Manual) into all aspects of our business operations. New employees are required to undergo mandatory e-learning modules via myLearningX platform, ensuring they gain a deeper understanding of fundamental ABC principles and how to apply them in their daily work.

PDB had adopted the Whistleblowing (WB) Policy which provides a platform for all PETRONAS employees and members of the public to disclose any improper conduct within PETRONAS. The whistleblowers are protected for reporting such allegations without fear of repercussion.

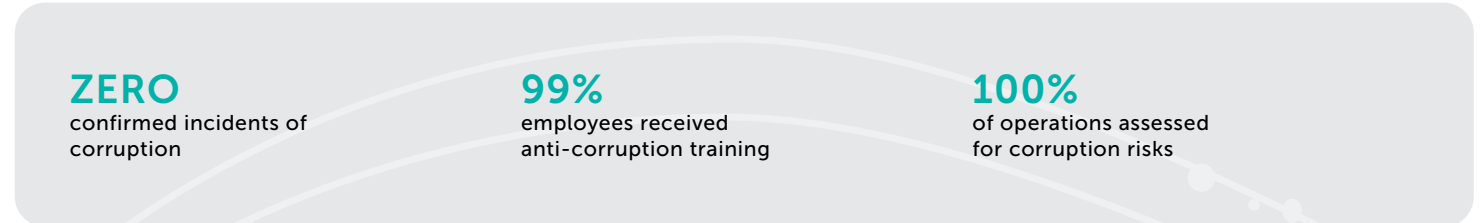
[For more information on PDB's Corporate Governance, Ethics and Integrity, refer to the Corporate Governance Overview Statement on page 200.](#)



### OUR VALUE CREATION

Key Areas	Our Progress
<b>Integrity Reflection Sessions</b>	<ul style="list-style-type: none"> <li>Facilitated a total of 27 sessions by Heads of all PDB's Divisions and Subsidiaries, including:                             <ul style="list-style-type: none"> <li>16 sessions for PDB Group Employees</li> <li>11 sessions for PDB Group Counterparties</li> </ul> </li> <li>Covered the following key focus areas during the Integrity Reflection Sessions:                             <ul style="list-style-type: none"> <li>PETRONAS Shared Values and Cultural Beliefs</li> <li>PETRONAS Anti-Bribery and Corruption Manual</li> <li>PETRONAS Code of Conduct and Business Ethics</li> <li>PETRONAS Whistleblowing Policy and Procedures</li> <li>Corporate Liability under Section 17A of MACC Act 2009</li> </ul> </li> <li>Further reinforced the Integrity Reflection Sessions for PDB Employees by including the following group activities:                             <ul style="list-style-type: none"> <li>Integrity Conversation with Staff</li> <li>Integrity Action Plans</li> <li>Integrity Pledging</li> </ul> </li> </ul>

### Key Outcomes



### OUTLOOK

To further amplify our Ethics & Integrity practices, PDB implements its Integrity Management Standards (IMS), which ensure compliance with the minimum requirements of the Guidelines on Adequate Procedures issued by the Prime Minister's Office.

The IMS is structured in line with the ISO 37001:2016 ABMS and is being supported by underlying management system, guidelines and procedures that exist at PETRONAS' Corporate Division and other PDB Divisions. Being one of the PETRONAS Shared Values, Integrity is critical to the efforts and success of the organisation whilst pursuing its objectives.

The IMS provides guidance to prevent, detect and respond to Integrity Risks which includes both corruption and non-corruption risk. This further amplifies PDB's commitment towards Integrity by reflecting the practices into a management system, solidifying the continuous improvement of our compliance programme.

# Data Privacy and Security

# Data Privacy and Security

## WHY IT MATTERS

As we advance our digital capabilities, particularly through the Setel platform, PDB continues to improve its operational efficiency. This digital transformation, whilst creating new business models and revenue streams, brings heightened responsibility for data protection.

Our stakeholders increasingly value their privacy rights, making data security fundamental to maintaining their trust. Any breach could result in operational disruptions, financial implications, regulatory consequences and reputational impact.

As data protection remains a top priority for our business, we continue to uphold the principles of responsible data management, with a strong emphasis on preventing data breaches and maintaining data integrity. By implementing these measures, we aim to reduce the risk of IT system failures and cybersecurity incidents, further strengthening trust with our customers and stakeholders.

### OUR APPROACH

At PDB, we prioritise data privacy by adopting the PETRONAS Corporate Privacy Policy (PCPP) and the PETRONAS Master Guidelines to the PCPP (MGCPP). These policies ensure compliance with relevant data protection laws, including the Personal Data Protection Act 2010 (PDPA 2010) and the Bank Negara Secrecy Provisions Act 2013.

The PCPP applies across all PDB operations, extending to our suppliers, with compliance clauses embedded in all supplier agreements. In line with Paragraph 19.4 of the PETRONAS' CoBE, individuals who violate the provisions of the PCPP or applicable personal data protection laws and regulations are subject to disciplinary actions.

To further safeguard personal data, we implement a Data Privacy Manual (DPM) to guide the secure processing of personal data entered into our systems. Additionally, the Data Secrecy Manual (DSM) establishes measures for handling SmartPay customer data throughout its lifecycle, in alignment with the Management of Customer Information and Permitted Disclosures (MCIPD) requirements.

Our commitment to cybersecurity is reflected in adherence to the PETRONAS Enterprise Cyber Security Governance Framework, which ensures that our infrastructure and applications are configured to protect all information, including customers' personal data. This framework involves regular updates to our security solutions to maintain optimal protection. PDB also has in place a data privacy manager and executive within the established Data Privacy Office (DPO), which operates under the Compliance Department of the Finance Division, ensuring robust oversight.



Furthermore, our Security Operations Centre proactively monitors cybersecurity threats and continuously enhances our cyber defence strategy. During decision-making, privacy risks are assessed and appropriate controls are implemented to mitigate any potential impacts, ensuring compliance with applicable privacy regulations.

PDB also completes an annual Legal Functional Checklist on Critical Legal Areas, including data protection and privacy, to evaluate our compliance with legal and regulatory obligations. This checklist covers a comprehensive range of topics such as governance, risk assessment, training, awareness, due diligence, contractual obligations, business practices and monitoring and assurance.

In the event of a data breach, PDB has established incidents response plan managed through Cybersecurity Incident Management and PDB Breach Protocol. This ensures minimal disruption and a timely resolution.



### OUR VALUE CREATION

Key Areas	Our Progress
<b>Data Protection Impact Assessment (DPIA)</b>	<ul style="list-style-type: none"> <li>Continue to serve as a tool to evaluate the potential data risk impact on individuals, including any harm or damage that may arise from the processing of their personal data and the corresponding impact on their rights as data subjects</li> <li>Outlined descriptions on personal data processes and assesses its necessity and proportionality to manage its risks</li> <li>Incorporated essential data privacy controls in the identified personal data processing activities</li> </ul>
<b>Personal Data Mapping Record (Inventory)</b>	<ul style="list-style-type: none"> <li>A comprehensive record of personal data processing activities, in accordance with regulatory requirements under PDPA 2010 and Policy Document on Management of Customer Information and Permitted Disclosures</li> <li>A mechanism to mitigate risks related to data privacy</li> </ul>
<b>PDB Data Privacy Manual</b>	<ul style="list-style-type: none"> <li>Achieved full adoption and implementation of the Data Privacy Manual across all PDB subsidiaries</li> </ul>
<b>Privacy Compliance Review</b>	<ul style="list-style-type: none"> <li>Evaluation on third parties' data handling practices were conducted which included reviewing their privacy policies, data security measures and compliance with relevant regulations</li> <li>Key areas of review include data encryption, access controls, incident response plans and employee training programs</li> </ul>
<b>PDB Data Transfer Agreement</b>	<ul style="list-style-type: none"> <li>Established to oversee the legal obligations associated with the transfer and sharing of personal data across the PDB Group of Companies</li> <li>It continues to address the evolving requirements outlined in the PDPA 2010</li> </ul>



# Data Privacy and Security

## OUR VALUE CREATION (CONT'D)

Key Areas	Our Progress
<b>Cookie Preference Tool</b>	<ul style="list-style-type: none"> <li>Currently implemented on the MyMesra website to:                             <ul style="list-style-type: none"> <li>(i) inform users about personal data processing practices;</li> <li>(ii) obtain user's (data subject) consent for the processing of their personal data; and</li> <li>(iii) empower users with the right to withdraw consent at any time and to stop the processing of their data</li> </ul> </li> </ul>
<b>PDB's Privacy Statement</b>	<ul style="list-style-type: none"> <li>Provided a comprehensive notification to data subjects regarding the processing of their personal data</li> <li>It ensures that data subjects have a clear understanding of how PDB manages their submitted personal data, along with the available options for managing their data</li> </ul>
<b>Capability Building</b>	<ul style="list-style-type: none"> <li>The Head of Data Privacy at PDB is a Certified Information Privacy Manager (CIPM) by the International Association of Privacy Professionals</li> <li>Throughout 2024, 247 employees joined 4 communication and awareness sessions</li> </ul>

## Key Outcomes

**ZERO** substantiated complaints from external parties, including customers and regulatory bodies regarding privacy concerns, identified leaks, thefts or losses of customer data during 2024

*\* All complaints are received through Mesralink.*

**98.9%** employees completed comprehensive data privacy training programmes throughout 2024

## OUTLOOK

Looking ahead, we will strengthen our data privacy and cybersecurity capabilities through targeted initiatives. This includes enhancing our threat detection systems, expanding employee training programmes and updating privacy protocols to address emerging digital risks. We remain focused on protecting customer data whilst supporting business growth through secure digital solutions.

Key focus areas include:

- Governance & Risk Assessment:** Conducting privacy risk assessments on all new processing activities via the Data Protection Impact Assessment (DPIA)
- Monitoring & Assurance:** Key activities includes reviewing outsourced service providers on PDPA requirements via Privacy Compliance Review

These measures will support our digital transformation whilst maintaining compliance with the Personal Data Protection Act 2010 (PDPA 2010) and Bank Negara Secrecy Provisions. Through these initiatives, we aim to uphold PDB's position as a trusted retail partner whilst enabling secure digital innovation across our network.

# WHY IT MATTERS

The growing sophistication of today's consumers shapes our approach to supply chain management. Beyond seeking high-quality products, our customers increasingly value transparency in how these products reach them, from sourcing to delivery. This increased awareness drives PDB's methodical evaluation of environmental and social considerations throughout our supply chain network.

Through a sustainable and ethical supply chain, we can enhance product quality, drive efficiency, lower costs and build resilience in our business. This commitment further strengthens our competitive position and increases stakeholder confidence, as we ensure full compliance with legal requirements and ethical business practices.

# Sustainable and Ethical Supply Chain

## OUR APPROACH

We recognise that excellent supply chain ethics deliver tangible benefits for our businesses. By prioritising sustainability, we improve product quality, streamline operations and use resources efficiently. This approach solidifies our position in the industry and ensures we meet long-term environmental objectives.

As a member of the PETRONAS Group, our sustainable development aspirations and commitment are underpinned by PETRONAS' CoBE. Among others, CoBE instructs us to "create lasting social benefits; safeguard the health and safety of employees, contractors and neighbours; minimise disruptions to the community; lower emissions; minimise impact on ecosystems and biodiversity; and use energy, water and other resources more efficiently."

In 2024, following the adoption of PETRONAS' Human Rights Policy, we reaffirmed our commitment to human rights by aligning our initiatives with its principles. The policy sets the tone and direction from the Management in respecting human rights into our business and operations.

The PDB Human Rights Policy serves as the primary document guiding our human rights strategy and approach across all operations. In the context of our supply chain, this policy is reinforced by the PETRONAS, CoBE and enhanced PETRONAS, Contractor Code of Conduct on Human Rights (CoCHR), which now identifies six key material risks. These risks provide a framework to address potential human rights concerns, ensuring responsible practices and compliance throughout the supply chain.

While upholding these principles, we also require our partners, contractors and suppliers to observe similar standards of conducts and integrity to ensure sustainable development across our value chain.



## Sustainable and Ethical Supply Chain

### HEALTH, SAFETY AND ENVIRONMENT (HSE) IN SUPPLY CHAIN

We communicate HSE Policy requirements to all our suppliers and contractors through documentation and kick-off, encompassing comprehensive agreements and arrangements with contractors, dealers and business partners. Additionally, we continue monitoring our suppliers, contractors and business partners to identify and address negative environmental and social impacts in the supply chain. To ensure HSE is upheld in our supply chain, we implement the following initiatives:

**Ensuring Compliance**

- Ensure that suppliers, contractors and partners consistently adhere to the Minimum Technical Requirements outlined in the PETRONAS Licensing and Registration Requirements (Malaysia)
- Maintain a clear focus on the delineation of practices, procedures and control measures to ensure alignment with local HSE-related requirements

**Fostering Capability Building for Suppliers, Contractors and Partners**

- Conducted training and engagement sessions throughout 2024 to integrate relevant policies, laws and regulations into suppliers' value chains
- Established effective channels to enhance two-way communication on HSE within PDB's supply chain
- Initiated culture conversations with contractors to promote best practices and strengthen safety culture

**Institute Robust Risk Assessments and Audits**

- Conducted risk assessment programmes, including environmental risk assessments, for suppliers, contractors and partners—both existing and new—based on the scope and nature of their work. This process involves detailed due diligence for new suppliers and ensures that key risks related to people, the environment, assets and reputation are identified, controlled and mitigated
- Communicated the results of audit exercises to management, incorporating performance evaluations upon contract completion and identifying opportunities for future improvement. During the year under review, specific actions for non-compliance included re-engaging with respective suppliers and contractors, providing refresher training on waste management and planning a comprehensive waste audit programme for 2025. Relevant suppliers and contractors are required to report on their waste management practices to ensure compliance and minimise environmental impacts
- Evaluated supplier performance to identify gaps for continuous improvement and implemented consequence management for severe non-compliance cases

In 2024, we conducted HSE Contractor Assurance evaluations, including physical inspections, document reviews and interviews, with a focus on HSE and Human Rights. These efforts were aimed at monitoring supplier compliance and tracking performance improvements across our operations. This approach is implemented in alignment with PETRONAS' CoBE requirements and international standards.

### HUMAN RIGHTS IN SUPPLY CHAIN

We are committed to ensuring that human rights are respected throughout our supply chain. Following the adoption of the PDB Human Rights Policy and the enhanced CoCHR, the application of human rights principles has been extended across our value chain. Clear expectations are set for partners, contractors and suppliers to uphold equivalent standards.

By collaborating closely with partners and sharing responsibilities, we ensure the adoption of sustainable practices across all operations, reinforcing our commitment to ethical and responsible business conduct.

## Sustainable and Ethical Supply Chain

In 2024, PDB adopted PETRONAS' enhanced CoCHR, which listed six material risks as per local laws into its supply chain. The CoCHR serves as a key framework, detailing our commitment and specifying the requirements in supply chain on the following elements:

✓

**Accessible via**  
Online and translated into Bahasa Melayu

✓

**Aligned with**  
PDB Human Rights Policy

✓

**Adheres to**  
PETRONAS Code of Conduct and Business Ethics (CoBE)

### PETRONAS CONTRACTOR CODE OF CONDUCT ON HUMAN RIGHTS (CoCHR)

**Forced Labour**

by not engaging or employing people, under any circumstances, against their own free will or engaging in bonded labour/debt slavery

**Freedom of Association**

by respecting the legal rights of employees, workers and contract personnel to become members of a labour union or otherwise

**Child Labour**

by not employing children below the legal minimum working age requirement of any country

**Humane Treatment**

by respecting rights of employees, workers and contract personnel and ensuring no harsh and inhumane treatment, including any form of mental or physical coercion, or verbal abuse of employees, workers and contract personnel

**Labour Rights**

by upholding the rights and welfare of their employees, workers and contract personnel (both local and foreign) through compliance with all applicable laws and agreements related to compensation and working conditions. This includes adherence to minimum wage, overtime pay, legally mandated benefits and the maximum number of working hours. Contractors must also respect local laws or collective agreements that govern overtime work and holiday work, ensuring that their operations do not exploit employees, workers and contract personnel and provide them with fair compensation for their labour

**Non-discrimination**

by not engaging in any form of unlawful discrimination based on race, ethnicity, colour, age, gender, gender identity or expression, sexual orientation, political beliefs, citizenship, national origin, religion, disability, parental status, economic/class status, or unrelated characteristic in hiring and employment practices

We also performed human rights due diligence for both potential and existing suppliers to assess social issues related to human rights and mitigate negative social impacts in our value chain.



## Sustainable and Ethical Supply Chain

Our due diligence includes the following categories of suppliers:

**Potential New Suppliers**

- Conduct screening processes through PETRONAS' Third Party Risk Management framework, which includes the Know-Your-Counterparty (KYC) procedure
- Integrated the Social Supply Chain policy into contracts as part of the five Critical Legal Areas, which include Ethics and Integrity

**Existing Suppliers**

**Existing Operations**

- Social Risk Assessment (SRA) has been incorporated into PDB's core business process (Enterprise Risk Management – ERM) to:
  - Identify potential and actual social-related risk
  - Manage both the positive and adverse actual or potential impacts
  - Engage with counterparties in addressing the identified

**Projects**

- Developed the Environmental and Social Impact Assessment (ESIA), which outlines the environmental and social requirements for planning development projects within PDB. This includes respecting Indigenous Peoples, addressing involuntary resettlement and preserving cultural heritage through effective stakeholder management
- Conducted risk assessments and engaged with neighbouring communities where this process refers to the rights of local communities, primarily Indigenous Peoples, to participate in decision making about issues affecting them. This procedure chooses the approach of ensuring free, prior and informed consultation. It covers every project lifecycle including new projects or activities expansion or upgrading of existing facilities, as well as decommissioning or abandonment of existing facilities

### PDB GRIEVANCE MECHANISM

At PDB, we are committed to fostering a respectful and accountable workplace, ensuring that any concerns related to human rights are addressed in a timely and transparent manner. Our Grievance Mechanism is a key element in this commitment, offering a formal and structured process for contract personnel and service providers to report any perceived or experienced human rights violations.

This mechanism facilitates open dialogue, enables thorough investigations and provides the necessary remedial actions when issues arise.

The Mesralink contact system served as our official reporting channel, accessible to individuals and communities through information points at MyMesra, stations, road tankers and all PDB facilities. This mechanism explicitly addressed human rights concerns including labour conditions, community well-being and product safety and health. All cases reported through this channel received confidential treatment, with regular updates provided until resolution.

Our Leadership Team, employees, Mesralink agents, contract owners and regional teams received regular briefings on resolution channels, with clearly defined roles and responsibilities. All grievances were promptly addressed, with feedback documented for transparency.

Through the PDB Grievance Mechanism, remedies were provided to affected parties via direct actions, including engagement and consultation with the aggrieved parties and relevant counterparties.

Additionally, contractors are encouraged to utilise the PDB Grievance Mechanism, which encompasses the three key human rights areas relevant to our operations: Labour and Working Conditions, Community Well-being and Product Safety and Health. Six cases reported via the PDB Grievance Mechanism, of which all is identified as minor cases and 5 of them have been resolved. However, in 2024, the inclusion of grievances focused on two specific categories: Labour & Working Conditions and Community Well-Being.

In 2024, we conducted a pilot Grievance Mechanism Functional Assessment to evaluate the alignment of the grievance mechanism processes with PDB's procedure and workflow. Going forward, we will conduct a structured and comprehensive functional assessment for our grievance focals.

### ENSURING RESPONSIBLE SOURCING

PDB consistently works to strengthen sustainability practices throughout our supply chain by actively engaging with suppliers and implementing structured assessment frameworks.

In our significant operational locations - headquarters, major offices, manufacturing sites, service areas and strategic regions critical to our goals, we spent 98.6% of our procurement budget to Malaysian-registered and operated businesses. A Sendirian Berhad (Sdn Bhd) company is recognised as a local entity if it is incorporated or primarily operates in Malaysia. Additionally, our definition of local suppliers extends to companies that provide products and services within the same geographic market as PDB. This includes businesses that operate in and around PDB's areas of operation, ensuring that the supply chain remains closely connected to the local economy and business ecosystem.

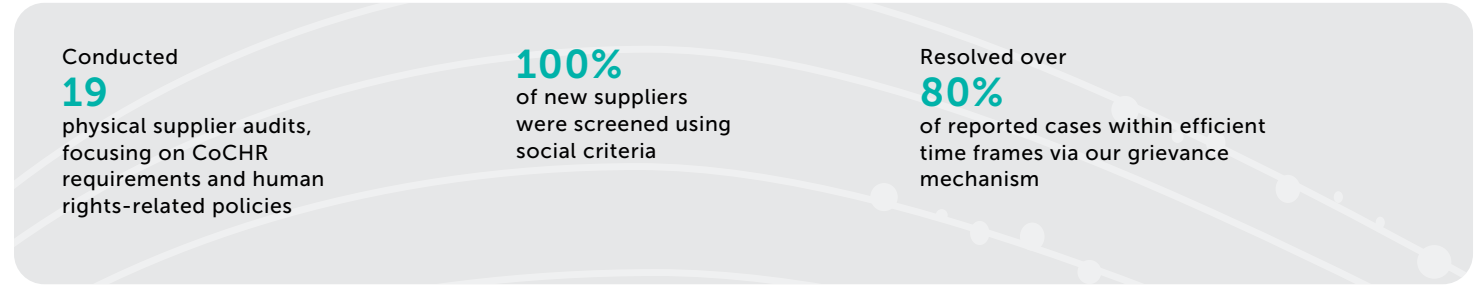
## Sustainable and Ethical Supply Chain

Given the environmental sensitivities surrounding the palm oil industry, we maintained stringent standards in our palm methyl ester (PME) sourcing practices. We partner with suppliers holding current certifications from the Roundtable on Sustainable Palm Oil (RSPO), Malaysian Sustainable Palm Oil (MSPO) and International Sustainability and Carbon Certification (ISCC). These certifications validated our suppliers' adherence to environmentally and socially responsible production practices, from cultivation through to processing.

### OUR VALUE CREATION

Key Areas	Our Progress
<b>Responsible Sourcing</b>	<ul style="list-style-type: none"> <li>Operationalised human rights criteria as per MESRA supplier agreements, ensuring suppliers' compliance with established standards</li> </ul>
<b>Human Rights</b>	<ul style="list-style-type: none"> <li>Collaborated with world-leading experts to develop internationally recognised human rights practices for the oil, gas and renewable industries as part of PETRONAS' active membership in International Petroleum Industry Environmental Conservation Association (IPIECA)</li> <li>Attended IPIECA Week, an annual gathering aimed at fostering knowledge-sharing and collaboration among members and stakeholders to accelerate the sustainable energy transition</li> <li>Conducted SRA for both PETRONAS stations and PDB terminals to develop a generic social risk profile. This enabled PDB to identify social risks and formulate mitigation plans to ensure social compliance in our operations</li> </ul>
<b>Capability Building for Suppliers</b>	<ul style="list-style-type: none"> <li>Shared best practices and addressed social issues during retail dealer engagement sessions and haulier forums by highlighting actions taken by respective issue owners and providing guidance to suppliers on avoiding non-compliance</li> <li>Developed an e-learning platform to enhance the monitoring and evaluation of social requirements</li> </ul>
<b>Dealer Engagements</b>	<ul style="list-style-type: none"> <li>Executed quarterly Retail Dealer Engagement sessions focused on labor conditions and community well-being</li> <li>Deployed an e-learning platform to enhance the monitoring and evaluation of social requirements</li> </ul>

### Key Outcomes



### OUTLOOK

As we move forward, our commitment to supply chain sustainability is strengthened through continued adherence to the CoBE, HSE Policy and CoCHR material risks. We will maintain strict compliance with local laws and regulations while expanding our supplier capability-building initiatives. Our focus on responsible sourcing practices remains a priority as we strive to create additional value across our supply chain network.

To support this expansion, we are developing an enhanced supplier development programme that incorporates targeted mentorship for high-risk contractors and digital platforms to improve monitoring and evaluation processes. Through these advancements in supply chain management, we aim to foster stronger partnerships while upholding the highest standards of sustainability and ethical practices.





# DELIVERING NET ZERO

The evolving energy landscape demands action, driven by the urgent and expansive climate challenge. Aspiring to align with PETRONAS' Net Zero Carbon Emissions (NZCE) by 2050, we will mitigate emissions in our operations and simultaneously invest in new opportunities for lower-carbon business growth.



## MATERIAL MATTERS

### > Climate Change and GHG Emissions

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## Climate Change and GHG Emissions

### OUR APPROACH

Being an influential entity in the oil and gas sector, we recognise our pivotal role in the global effort to transition to a low-carbon economy. Our climate strategy is anchored in PETRONAS' Climate Change Position and the PETRONAS Carbon Commitments (PCC), with a firm aspiration to achieve Net Zero Carbon Emissions (NZCE) by 2050.

We are making progress in integrating climate-related risk management into our operations through the PETRONAS' Enterprise Risk Management Framework (ERMF), enabling us to assess, mitigate and adapt to evolving challenges. This framework drives our continued commitment to energy transition, reducing greenhouse gas (GHG) emissions and driving innovation. By enhancing value across our operations and strengthening strategic partnerships, we aim to accelerate the transition to a sustainable low-carbon future.

Collaboration is at the heart of our approach. As part of the PETRONAS Group, we engage with a wide range of stakeholders at both global and local levels. PETRONAS contributes to international forums, including the Climate Change Working Group of the International Petroleum Industry Environmental Conservation Association (IPIECA) and the International Gas Union. Domestically, we maintain an active dialogue with regulatory authorities, such as the Ministry of Natural Resources and Environmental Sustainability, to align with national sustainability goals.



## WHY IT MATTERS

Rising temperatures, shifting weather patterns and more frequent natural disasters are direct consequences of excessive carbon accumulation in the atmosphere. These disruptions affect ecosystems, communities and industries, posing significant risks to livelihoods and economic stability.

Malaysia, in its commitment at the 2015 United Nations Climate Change Conference, has set a target to reduce carbon intensity per Gross Domestic Product (GDP) by 45% below 2005 levels by the end of this decade. This ambitious target highlights the importance of mitigating the impact of climate change, not only to protect the environment, but to also foster a resilient, low-carbon economy.

As a responsible corporate entity, we recognise that managing GHG emissions is central to both our long-term sustainability and the broader effort to combat climate change. In alignment with Malaysia's climate goals and the global push towards a net-zero future, we are committed to reducing our carbon footprint and contributing to a global solution. This commitment is further reinforced by the pledge of 50 oil and gas companies, including PETRONAS, to decarbonise their operations by 2050, as endorsed at COP28 in Dubai in December 2023.

By actively managing our emissions and mitigating climate-related risks, we not only safeguard the environment, but also unlock opportunities to enhance resilience and thrive in an evolving low-carbon economy. Our efforts are integral to ensuring a sustainable future for all.



# Climate Change and GHG Emissions

## TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

As part of our commitment to robust and forward-thinking sustainability practices, PDB has aligned its climate-related disclosures with TCFD recommendations since 2022. This progressive adoption prepares us to comply with the International Financial Reporting Standards (IFRS) issued by the International Sustainability Standards Board (ISSB) within the required timeframe set by Bursa Malaysia.

Aligning our climate disclosures against the TCFD pillars — Governance, Strategy, Risk Management and Metrics and Targets — allows us to provide a holistic view of our climate strategy. This comprehensive approach enables stakeholders to assess our climate-related actions and make well-informed decisions about our climate strategy.

- Governance
- Risk Management
- Strategy
- Metrics and Targets



### Governance

PDB's sustainability governance is anchored on robust oversight and effective management of climate-related issues. Our Board of Directors holds overarching responsibility for PDB's sustainability efforts, including climate-related matters, ensuring alignment with PETRONAS' Net Zero Emissions 2050 pathway. The Board approves the annual strategy, financial planning and Corporate Risk Profile (CRP), where climate-related issues are carefully considered and integrated. To maintain alignment, the Board receives quarterly updates on climate-related issues and performance.

The Board Sustainability and Risk Committee (BSRC) plays a critical role in assisting the Board by overseeing sustainability efforts across the Environmental, Social and Governance (ESG) pillars. The BSRC evaluates and monitors sustainability elements, reviewing processes to identify, manage and mitigate principal risks. It ensures the implementation of robust systems and risk assessment processes across PDB and its subsidiaries. Through quarterly seating, BSRC provides recommendations to the Board for decision-making on climate-related matters.

The Sustainability Action Council (SAC) serves as an advisory body for sustainability management, overseeing the progress and performance of sustainability initiatives while endorsing plans for deliberation at the BSRC. Additionally, it provides strategic direction on sustainability-related matters and ensures the availability and alignment of capital in supporting the ongoing commitments to responsible and sustainable practices.

Both the Board and management committees receive quarterly updates on sustainability performance, the CRP and other sustainability-related matters. These updates include climate-related targets and issues, ensuring consistent oversight and alignment with strategic objectives. Climate-related matters are regularly discussed at both the Board and management levels to ensure comprehensive oversight and strategic alignment. Key topics of discussion include diversification strategies through the convenience segment and low-carbon mobility solutions, monitoring the outlook for conventional fuel demand, addressing policy and regulatory changes — such as subsidy rationalisation and the National Energy Transition Roadmap (NETR) — and GHG emissions reduction plans. The Board also monitors performance objectives related to climate issues, such as the progress of diversification and sustainability strategies.

By maintaining a structured governance framework and continuous oversight, PDB ensures a clear and focused approach to addressing climate-related challenges, while advancing its sustainability commitments.

For a detailed governance scope, refer to Our Sustainability Governance on pages 202 - 203.

### Strategy

At PDB, we assessed climate-related risks based on the TCFD's recommendations and guidance, categorising them into transition risks and physical risks. Transition risks are associated with the shift to a low-carbon economy, while physical risks relate to the physical impacts of climate change.

Recognising that climate-related risks may materialise with varying exposures over different time horizons, we have identified and assessed these risks over short-, medium- and long-term horizons. The short-term horizon is defined as a one-year period to align with the annual financial planning cycle. The medium-term horizon is set to 2030, in line with Malaysia's target to reduce carbon intensity relative to GDP by 45% of 2005 levels. The long-term horizon is defined as 2050, aligning with Malaysia's target year for achieving

net-zero GHG emissions. Aligning PDB's climate-related risk assessment time horizons with Malaysia's climate targets is logical, as our operations are primarily domestic and these target years are expected to drive significant changes in Malaysia's energy sector and broader economy.

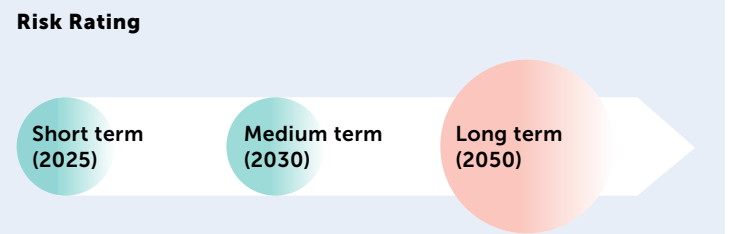
Since physical risks tend to manifest over longer periods, we focus on the long-term horizon (2050), as it is more relevant where the cumulative effects of climate change become more pronounced and can be better evaluated. With climate-related risks identified, we ensure our mitigations and adaptation are assessed, taking into account various factors, including the remaining lifespan of impacted assets. The following are PDB's identified climate-related risks:



### Risk: Market and Technology Risk Type: Transition

- Description**
- Declining market demand for fossil fuel due to growing emphasis on reducing carbon emissions to combat climate change with technological advances such as Electric Vehicles (EVs), government incentives, consumer demand for more sustainable transportation and changing policies and regulatory frameworks to promote efficient and alternative energy, such as subsidy rationalisation, public transportation, shared mobility, biofuels, hydrogen, electrification and others
  - Unsuccessful investment in new business ventures to diversify from fossil fuel due to the challenges of new market dynamics, understanding customer needs, the competitive landscape, requiring expertise and resources to effectively manage the new ventures, adopting or integrating necessary technologies for the new businesses and entering the new market at the right timing

- Implication**
- Declining individual car ownership and fuel consumption
  - Shift in market demand from conventional fuel to alternative fuel, such as biofuels, hydrogen, electrification and others
  - Misaligned products or services that fail to meet market demand, resulting in poor sales and financial losses
  - Operational inefficiencies, higher costs and potential project failures
  - Lagging behind competitors and failing to deliver innovative solutions
  - Missing the optimal window for capturing market share and establishing a strong presence
  - Loss of customer trust and brand loyalty



# Climate Change and GHG Emissions

# Climate Change and GHG Emissions

**Risk: Reputation** Risk Type: Transition

**Description**

- Growing stakeholders concern and public awareness towards climate change and the importance of energy transition
- New regulations and standards on climate change disclosures, with investors increasingly considering climate change factors in their investment decisions and financial institutions imposing stricter lending criteria or higher interest rates on companies selling conventional fuel
- Increasing media coverage and social media campaigns highlighting the negative impacts of fossil fuels and promoting sustainable practices, coupled with influence from global trends, peer pressure and social norm driving consumers to adopt more sustainable practices
- Government policies providing financial incentives, subsidies or tax breaks for using cleaner fuels and technologies and changing consumer behaviour towards sustainable alternative fuels with technological advancement and innovations that reduce the cost of adopting cleaner fuels

**Implication**

- Failure to meet stakeholders' expectations, damaging PDB's reputation
- Increased cost of capital, higher borrowing cost or difficulty in attracting investment
- Increased operating expenditure for compliance
- Consumers becoming more environmentally conscious and preferring sustainable alternatives, leading to reduced demand for conventional fuel
- Loss of consumer trust on companies that continue to sell conventional fuel and fail to adopt sustainable practices
- More accessible and affordable sustainable alternatives, reducing the reliance on conventional fuels

**Risk Rating**

**Risk: Policy and Legal** Risk Type: Transition

**Description**

- Regulatory mandates to support the implementation of NETR key initiatives to drive and support Malaysia's net zero emissions target by 2050 for biofuels
  - Targets up to 47% of SAF blending by 2050
  - B30 biodiesel plan by 2030
- Carbon tax implementation by 2026 and gradually increasing tax coverage and rate to support and drive Malaysia's net zero target

**Implication**

- Higher demand and regulatory requirement for biofuels, impacting core businesses' profitability
- Challenges and higher costs in product sourcing
- Investment in new or upgraded facilities and challenges in the biofuels transition
- Increased compliance costs in emitting greenhouse gases, directly impacting operational expenses

**Risk Rating**

**Risk: Operations** Risk Type: Physical

**Description**

- Increasing global temperatures and changing weather patterns due to climate change, resulting in more frequent and severe storms and floods
- Worsening impact of climate change due to:
  - rapid urbanisation and inadequate drainage systems which increases the risk of flooding in urban areas
  - deforestation and land-use changes that reduce natural barriers to flooding

**Implication**

- Physical damage to assets, including stations and terminals' facilities, resulting in high repair and replacement costs
- Operational interruptions due to damaged facilities and supply chain disruptions
- Increased safety risks to employees and customers during extreme weather events
- Higher insurance premiums and potential difficulty in obtaining coverage

**Risk Rating**

The transition and physical risks were identified based on all PDB's businesses, operations and assets in both Peninsular and East Malaysia.

We leverage PETRONAS' ERMF to identify our climate-related risks, where the potential loss from each identified risk is determined. Potential loss is defined as the losses the company could incur in the event of the risk occurring. A risk rating is then established for each risk to objectively position risks that could have a material financial impact, assisting in decision-making and resource allocation to manage the identified risks. Risk rating for each risk considers the risk likelihood, risk impact and existing mitigation in place. Various factors are considered in assessing the risk likelihood and risk impact and once both have been thoroughly assessed, each risk is then portrayed on a 5x5 risk matrix to determine the risk rating.

Climate change not only presents risks to PDB, but also offers opportunities. We conducted a situational analysis, known as the Integrated Portfolio Management Exercise, to assess the impact of identified threats and opportunities, including climate change, the demand, costs and margins of our core portfolios and products, by leveraging various publications and studies. By acknowledging the

risks climate change poses to the demand for our core business, we strategise to diversify our revenue mix into the non-fuel sector. This includes focusing on convenience and advancing low-carbon mobility solutions (EVs charging facilities, biodiesel and SAF), while leveraging our digital solution, Setel, to enhance customer loyalty despite changing energy needs. We leverage these opportunities presented by climate change to mitigate and adapt to our climate-related risks to future-proof the organisations, as these opportunities are expected to have material financial impact in the long term.

These identified climate-related risks and opportunities have a considerable impact on our business strategy and financial planning. Transition risks have been the key factors in building our Growth and Sustainability strategies, where Growth focuses on diversifying through convenience, while one of our Sustainability Approach of Delivering Net Zero focuses on low-carbon mobility solutions, as well as commitment in reducing our GHG emissions. As for our strategy on Value to sustain core businesses, we meticulously evaluate any new investments in our core business supply chain to avoid the risk of stranded assets while also aligning with the NETR.

[For more information, refer to Our Strategy on pages 66 – 67.](#)

Climate-Related Opportunities	
<b>Markets, Products and Services</b>	<ul style="list-style-type: none"> <li>Diversifying through convenience by growing the convenience store business, complementary business, F&amp;B business, e-commerce platform and digital solutions</li> <li>Expanding cleaner energy solutions, such as SAF and biodiesel</li> <li>Supporting EV adoptions by installing EV charge points and battery swapping stations for two-wheelers EV through strategic partnership</li> </ul>
<b>Energy Source</b>	<ul style="list-style-type: none"> <li>Expanding the use of lower-emission energy sources with solar installations</li> </ul>

During our annual business planning and budgeting, we integrate climate-related issues into our market outlook, ensuring our strategies are aligned with the evolving environmental landscape.

One key example is our analysis of the medium- to long-term demand for conventional fuel. We leverage various publications and studies to understand the demand for our core businesses, ensuring that our scenario planning aligns with relevant and reliable energy transition targets or benchmarks.

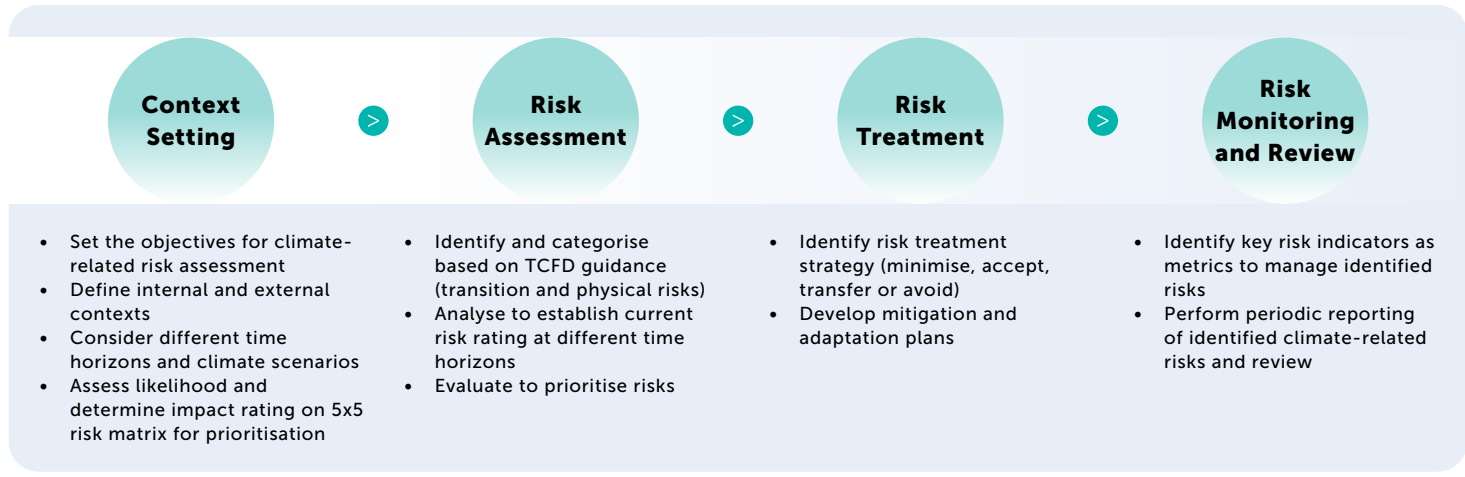
We continuously monitor and report our GHG emissions, enhancing our processes over time. Although the short-term financial impact of climate-related issues is minimal, we anticipate a gradual increase in impact as we approach the medium- to long-term horizons, as highlighted by our identified climate-related risks. To mitigate these risks, we are progressively focusing on asset investments to diversify our product portfolio risks. Consequently, we are progressively increasing our focus on asset investments to diversify our product portfolio.



# Climate Change and GHG Emissions

## Risk Management

PDB adheres to the PETRONAS' ERMF for a structured and holistic approach to identify, assess, treat and monitor risks, including climate-related risks. Please refer to the Statement on Risk Management and Internal Control (SORMIC) for more detailed information on the ERMF.



We apply the ERMF and TCFD recommendations and guidance to assess and manage climate-related risks, with adjustments made to account for their unique characteristics, including considering different time horizons when assessing these risks and categorising them into transition and physical risks, as recommended by the TCFD. For climate-related physical risks, the assessment was conducted across PDB's entire asset portfolio using the scenario from the Shared Socio-economic Pathway 2-4.5 climate models from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report.

One of the key elements of the ERMF is context setting, which articulates the objectives and defines the internal and external contexts to be considered when scoping the risk assessment. The internal context includes an overview of the organisation's strategic direction, main operations and targets. Understanding the internal context ensures that the management of risk is at the appropriate level and coherent with our objectives and strategies. The external context involves a review of all external factors that may affect the achievement of our objectives. A key aspect of the external context in assessing climate-related risks is the consideration of existing and emerging regulatory requirements related to climate change.

[For more information, refer to climate-related risk on pages 115-116.](#)

In risk identification, risk category and type are assigned as an approach to summarise the identified risks, which are beneficial for analysis and concise reporting. For our identified climate-related risks, we have integrated our internal risk library with TCFD recommendations and guidance, resulting in the following risk type terminologies and definitions.

Transition Risk	Definition
<b>Market</b>	Risk of financial loss or failure to meet business objectives due to uncertainty in market environments, changing consumer behaviour or external economic conditions, driven by climate change.
<b>Technology</b>	Potential threats, vulnerabilities and uncertainties associated with technological advancements that support the transition to a lower-carbon, energy-efficient economy.
<b>Reputation</b>	Potential adverse impact on brand image, credibility and public/stakeholder trust due to climate change-driven shifts in consumer preferences, as well as stigmatisation or negative perceptions of the brand, its products, services, operations or conduct.
<b>Policy and Legal</b>	Potential exposure due to failure to comply with applicable laws, regulations and standards governing our operations which arises from the complex and evolving legal and regulatory environment around climate change.
Physical Risk	Definition
<b>Operations</b>	Potential hazards related to the engineering design, construction, operation and maintenance of physical assets due to extreme weather events (acute) or longer-term shifts in climate patterns (chronic) resulting from climate change.

As PDB uses the same ERMF for all risk assessments, including climate-related risks, the same risk criteria are used in rating the identified climate-related risks to ensure a consistent positioning of all identified risks in the company. Each risk is rated by considering the risk likelihood, risk impact and existing mitigation in place. Various factors are considered in assessing the risk likelihood and risk impact and once both have been thoroughly assessed, each risk is then portrayed on a 5x5 risk matrix to determine the risk rating. As we assessed climate-related risks in the short-, medium- and long-term horizon, a risk rating is established for each time horizons accordingly. An established risk rating for each identified climate-related risk at different time horizons provides an objective positioning of the climate-related risks that could have a material financial impact to assist with prioritising the risks for effective decision-making and resource allocation.

The prioritised risks will assist in the decision on risk treatment by selecting appropriate treatment strategies to mitigate and adapt to our climate-related risks. According to the ERMF, there are generally four risk treatment strategies, namely to minimise risk, accept risk, transfer risk and avoid risk. Selecting the most appropriate strategy involves balancing the costs and efforts of implementation against the benefits. When choosing a risk treatment strategy, we also consider our values and the interests of our stakeholders.

PDB's climate-related risk treatment strategies, along with mitigation and adaptation plans, are embedded into our overall strategy. One of our Strategy focuses on Growth. Diversifying through convenience is a key risk treatment strategy for managing most of our transition risks, namely market, technology, reputation and policy and legal climate-related risks.

Our Strategy on Sustainability focuses on delivering net zero, which includes energy transition and initiatives for low-carbon mobility solutions, such as increasing the availability of EV charging and battery swapping infrastructure, solarising our PETRONAS stations, providing SAF offerings and expanding biodiesel implementation programmes. These initiatives are part of our mitigation and adaptation plans to manage transition risks.

[For more information, refer to Our Strategy section.](#)

For climate-related physical risks, assets prioritised based on their exposure to climate physical hazards undergo site assessment and validation to understand their resilience and to subsequently determine the required adaptation plan.

At PDB, we continue to integrate the management of climate-related risks into our overall Risk Management. Our efforts include raising awareness and understanding of climate change and climate-related issues. We integrate climate-related risks into our existing ERMF by identifying processes that require adjustments to cater to the unique characteristics of climate-related risks and applying those adjustments in identifying, assessing, managing and monitoring those climate-related risks. We also consider both our existing risk library and TCFD recommendations and guidance to categorise our climate-related risks. Our identified climate-related risks are then taken into consideration in our strategy, financial planning and annual Corporate Risk Profile review.

[For more information, refer to Key Risks and Mitigation on pages 61-65.](#)

## Metrics and Targets

In assessing and managing our climate-related risks and opportunities, the key metrics used include the demand outlook of fuel products, progress of our Strategy in diversifying through convenience and low-carbon mobility solutions, GHG emissions and other considerations, such as changes in consumer behaviour as well as policies adoptions and changes on climate-related issues, including EVs, shared mobility, biofuels, alternative fuels and carbon tax.

Where relevant, some of the key metrics are included as performance metrics for our management to ensure that our climate-related risks are being monitored and managed effectively. One example is the progress of our Strategy to diversify through convenience and low-carbon mobility solutions. This is in line with the government's effort to transition towards a low-carbon ecosystem, including policies to encourage EV adoption and the implementation of carbon tax by 2026. In anticipation of the carbon tax, we have set a target to reduce our GHG emissions. Other key targets set to ensure that the organisation is on the right trajectory in adapting to climate change is the earnings ratio of our diversification through convenience against our core businesses.

In the year under review, we maintained our efforts to measure, track and disclose key energy and GHG emissions metrics, using the operational control and equity share consolidation approaches. In 2023, in addition to monitoring Scope 1 and Scope 2 GHG emissions, we established a baseline for Scope 3 emissions across all 15 categories, with a focused approach on Categories 1, 6, 7 and 11.

# Climate Change and GHG Emissions

# Climate Change and GHG Emissions

GHG Emissions (Operational Control) <sup>(a)(b)</sup>	Unit	2019 <sup>(c)</sup>	2022	2023	2024
<b>Total Direct (Scope 1) and Indirect (Scope 2)</b>	<b>Thousand tonnes CO<sub>2</sub>e</b>	<b>115.5</b>	<b>106.3</b>	<b>102.4</b>	<b>95.5</b>
• PDB Group	Thousand tonnes CO <sub>2</sub> e	102.3	100.7	97.4	92.1
• PNGV <sup>(d)</sup>	Thousand tonnes CO <sub>2</sub> e	13.2	5.5	5.0	3.4
<b>Scope 1 emissions <sup>(e)</sup></b>	<b>Thousand tonnes CO<sub>2</sub>e</b>	<b>11.8</b>	<b>10.4</b>	<b>11.2</b>	<b>10.0</b>
• PDB Group	Thousand tonnes CO <sub>2</sub> e	7.6	8.7	9.2	9.1
• PNGV <sup>(d)</sup>	Thousand tonnes CO <sub>2</sub> e	4.1	1.8	2.0	1.0
<b>Scope 2 emissions (location-based) <sup>(f)(g)</sup></b>	<b>Thousand tonnes CO<sub>2</sub>e</b>	<b>103.8</b>	<b>96.0</b>	<b>91.2</b>	<b>85.5</b>
• PDB Group	Thousand tonnes CO <sub>2</sub> e	94.7	92.1	88.2	83.0
• PNGV <sup>(d)</sup>	Thousand tonnes CO <sub>2</sub> e	9.1	3.7	3.0	2.5
<b>GHG emissions reductions <sup>(h)</sup></b>	<b>Tonnes CO<sub>2</sub>e</b>	<b>73.5</b>	<b>148.6</b>	<b>840.6</b>	<b>1,555.7</b>
• Solar (Scope 2)	Tonnes CO <sub>2</sub> e	73.5	148.6	840.6	1,555.7

**Notes:**  
<sup>(a)</sup> Greenhouse gas GHG emissions comprise carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride. The data is calculated using the 2021 API Compendium for the Oil & Gas sector, which is also referenced by the GHG Protocol Corporate Accounting and Reporting Standard. GHG emissions were calculated using global warming potential (GWP) factors from the IPCC's Fourth Assessment Report.  
<sup>(b)</sup> Split by scope may not add up to the total due to rounding.  
<sup>(c)</sup> Base year is 2019.  
<sup>(d)</sup> Under operational control approach, emissions from PETRONAS NGV (PNGV) were also included as PDB operates and maintains these NGV stations on behalf of PNGV.  
<sup>(e)</sup> In 2024, we no longer report emissions from our outsourced transportation (i.e. from road tanker operations) under Scope 1 – Direct Emissions, due to changes in contractual mode and terms, which no longer meet the definition of "Scope 1 Direct Emissions – emissions from sources that are owned or controlled". Data from prior years, including base year 2019, were recalculated and re-baselined. These emissions from outsourced road tanker transportation, calculated to be 48.1 thousand tonnes CO<sub>2</sub>e for 2024, are now reclassified under Scope 3 Category 4 – Upstream Transportation.  
<sup>(f)</sup> For individually insignificant sources of 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 available actual data.  
<sup>(g)</sup> Lower Scope 2 emissions from Retail stations were recorded in 2023 onwards due to improvements in data collection efforts resulting in higher available actual data set compared to previous years.  
<sup>(h)</sup> GHG emissions reductions result from actions or interventions that have led to ongoing reductions in Scope 1 and Scope 2 emissions such that GHG emissions would have been higher in the reporting year if the actions or intervention had not taken place.

GHG Emissions (Operational Control)	Unit	2019	2022	2023	2024
<b>Scope 3 emissions <sup>(a)</sup></b>					
• Purchased Goods and Services (Category 1) <sup>(b)</sup>	Million tonnes CO <sub>2</sub> e	8.3	8.5	9.3	9.6
• Business Travel (Category 6) <sup>(c)</sup>	Tonnes CO <sub>2</sub> e	-	-	-	1,637.9
• Employee Commuting (Category 7) <sup>(d)</sup>	Tonnes CO <sub>2</sub> e	-	-	-	745.1
• Use of Sold Products (Category 11) <sup>(e)</sup>	Million tonnes CO <sub>2</sub> e	38.3	38.3	40.8	42.7

**Notes:**  
<sup>(a)</sup> Scope 3 - Emissions from sources that are not owned or directly controlled, but are related to our activities. The simplified Intergovernmental Panel on Climate Change (IPCC) Tier 1 method using default emission factors was used to estimate our emissions. We currently disclose four categories: Categories 1 and 11 account for approximately more than 90% of the total, while Categories 6 and 7 were disclosed for the first time in 2024, per Bursa Malaysia Sustainability Reporting requirements. GHG emissions were calculated using global warming potential (GWP) factors from the IPCC's Fourth Assessment Report.  
<sup>(b)</sup> This category includes estimated well-to-tank emissions from refined oil products, LPG, LNG, NGV, biofuels, lubricants, bitumen and petcoke purchased.  
<sup>(c)</sup> This category includes estimated emissions from transportation of employees for 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).  
<sup>(d)</sup> This category includes estimated emissions from transportation of employees between their homes and their worksites in vehicles not owned or operated by the company.  
<sup>(e)</sup> This category includes estimated emissions from direct use-phase of our fuel such as products mogas, diesel and biodiesel, jet fuel, fuel oil, petcoke, LPG and LNG.

GHG Emissions – Equity Boundary <sup>(a)(b)(c)</sup>	Unit	2019	2022	2023	2024
<b>Total Scope 1 and Scope 2 emissions</b>	<b>Thousand tonnes CO<sub>2</sub>e</b>	<b>114.7</b>	<b>109.0</b>	<b>107.9</b>	<b>101.9</b>
• Scope 1 emissions	Thousand tonnes CO <sub>2</sub> e	8.0	9.0	9.6	9.2
• Scope 2 emissions (location-based)	Thousand tonnes CO <sub>2</sub> e	106.7	100.1	98.3	92.7

**Notes:**  
<sup>(a)</sup> Equity Boundary includes the percentage of emissions equivalent to our share of joint arrangements and associates such as PS Pipeline Sdn Bhd, PS Terminal Sdn Bhd, IOTM and TMOTM.  
<sup>(b)</sup> Emissions from PETRONAS NGV (PNGV) are excluded.  
<sup>(c)</sup> Split by scope may not add up to the total due to rounding.

Energy Use (Operational Control)	Unit	2019	2022	2023	2024
<b>Total Energy Use</b>					
<b>PDB Group</b>	<b>Thousand Gigajoules</b>	<b>1,172.2</b>	<b>1,369.7</b>	<b>1,448.0</b>	<b>1,327.6</b>
• Fuel <sup>(b)</sup>	Thousand Gigajoules	42.0	49.3	51.2	51.4
• Imported electricity <sup>(c)</sup>	Thousand Gigajoules	1,129.8	1,319.5	1,391.9	1,267.9
• Renewable (Solar)	Thousand Gigajoules	0.4	0.8	4.9	8.3
<b>PNGV <sup>(a)</sup></b>	<b>Thousand Gigajoules</b>	<b>184.7</b>	<b>76.7</b>	<b>62.0</b>	<b>47.7</b>
• Fuel <sup>(b)</sup>	Thousand Gigajoules	58.9	23.7	18.8	12.5
• Imported electricity	Thousand Gigajoules	125.8	53.0	43.2	35.2

**Notes:**  
<sup>(a)</sup> Under operational control approach, emissions from PETRONAS NGV (PNGV) were also included as PDB operates and maintains these NGV stations on behalf of PNGV.  
<sup>(b)</sup> In 2024, we no longer report emissions from our outsourced 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". Data from prior years were recalculated and re-baselined.  
<sup>(c)</sup> 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 actual data.

In 2024, PDB did not achieve its GHG emissions reduction target of 2,288 tCO<sub>2</sub>e. This shortfall was primarily due to insufficient consideration of weather conditions and sunlight density, leading to reduced solar efficiency at several stations, prolonged repair times for component failures and delayed installations beyond initial estimates. A critical lesson learned from this experience is the importance of integrating comprehensive environmental analysis and robust contingency planning into our operations. With these insights, PDB is committed to enhancing its decarbonisation strategy to achieve our short- and medium-term goals for GHG emissions avoidance.

## Targets

**DECARBONISATION STRATEGY**  
 In pursuit of our short- and medium-term GHG emissions reduction targets, with a focus on Scope 2, we are leveraging solar energy as a key renewable source to enhance our sustainability efforts and reduce our carbon footprint.

**Short Term (2025)**  
 Avoid GHG emissions of **2,031 tCO<sub>2</sub>e**

**Medium Term (2026–2030)**  
 Avoid GHG emissions of **21,520 tCO<sub>2</sub>e**



### PDB's Biodiesel Pilot Programme

As part of our Low Carbon Solution (LCS) programme, we are committed to creating meaningful value while facilitating the transition to sustainable energy. In addition to ongoing initiatives, such as EVs, SAF and used cooking oil recycling, we launched a pilot programme for a higher mix of biodiesel, supplying B20 biodiesel to selected commercial customers.

The pilot was conducted in collaboration with key stakeholders, including the Malaysian Palm Oil Board, an agency under the KPK, along with port operators, such as Northport, Port Tanjung Pelepas and Johor Port, as well as Malaysia Airports Holdings Berhad, for technical and usage data collection.

Through the pilot, we tested B20 biodiesel across a diverse range of equipment, including a pilot boat, Prime Movers, Rubber Tyred Gantry cranes at seaports and off-road vehicles at the Kuala Lumpur International Airport (KLIA). Additionally, the pilot included the installation of ROVR's Portable Container System (PCS) at KLIA.



## Climate Change and GHG Emissions

### OUR VALUE CREATION

Key Areas	Our Progress
<b>Solar</b>	<ul style="list-style-type: none"> <li>In 2024, PDB successfully completed the solarisation of an additional 116 sites at PETRONAS stations, bringing the total number of solarised sites to 184. This achievement is part of PDB's ongoing commitment to sustainability and reducing its environmental footprint</li> <li>Looking ahead, PDB plans to expand this effort, with the goal of solarising more than 450 sites by 2030. Through this initiative, we anticipate an estimated emissions reduction of more than 20 ktCO<sub>2</sub>e, contributing significantly to our medium-term target while supporting the transition to cleaner and sustainable energy sources across our operations</li> </ul>
<b>Electric Vehicle (EV)</b>	<p><b>Two-wheelers</b></p> <ul style="list-style-type: none"> <li>PDB, in collaboration with Blueshark Ecosystem Sdn Bhd (BESB), scaled up the installation of Battery Swap Stations, bringing the total to 20 at PETRONAS stations</li> </ul> <p><b>EV Charger</b></p> <ul style="list-style-type: none"> <li>PDB further enhanced its EV charging infrastructure at PETRONAS stations in collaboration with Gentari, adding 26 new charge points in 2024. This expansion brings the total to 75 charge points across 41 PETRONAS stations, reinforcing PDB's commitment to sustainable mobility solutions in collaboration with Gentari</li> </ul>
<b>Sustainable Aviation Fuel (SAF)</b>	<ul style="list-style-type: none"> <li>Since 2021, PDB has been shaping the future of sustainable air travel in Malaysia through its active involvement in the development of SAF. Leveraging its position as a leading jet fuel supplier, PDB has spearheaded efforts to integrate SAF into the aviation industry by forging strategic collaborations and championing innovations that pave the way for a greener aviation landscape</li> <li>PDB aims to achieve readiness for SAF supply by 2027, aligning with the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) mandate to meet Malaysia's future demand</li> <li>In 2024, PDB served as the Platinum Partner for the International Air Transport Association (IATA) and co-hosted the IATA Gala Dinner, a remarkable success, that attracted over 800 attendees. We have demonstrated our capability to influence the policy for SAF adoption in Malaysia, while strengthening our position as a trusted partner in the aviation industry's decarbonisation efforts</li> <li>PDB has also signed five offtake agreements, including three with PT Pertamina, SK Energy and AEG Fuels during the IATA event and two additional agreements with Subang Skypark Fixed-Based Operation (FBO) Malaysia and Jet Fuel International at the Selangor Aviation Show (SAS) in September 2024</li> </ul>

### Key Outcomes

Reduced GHG emissions by **1,555.7 tCO<sub>2</sub>e** through **184** solar-powered stations

Added **26** new EV charge points

### OUTLOOK

Committed to sustainability, we have aligned our growth with NETR and Malaysia's low-carbon ambitions. This includes optimising fleet operations, reclassifying Scope 1 to Scope 3 GHG emissions, setting reduction targets and integrating climate impact assessments into our business strategies.

Since 2022, PDB has also aligned its climate-related disclosures with TCFD recommendations, positioning us ahead in meeting IFRS requirements set by ISSB within Bursa Malaysia's time frame. This reflects our commitment to sustainability leadership and climate transparency.



# THRIVING WITH NATURE

Nature and biodiversity are essential for sustaining life on Earth and we recognise the impact and dependency of our operations on them. Therefore, we are committed to using natural resources responsibly, promoting circular practices and addressing nature and biodiversity loss. We will engage in practices that restore, protect and conserve ecosystems in Malaysia.



### MATERIAL MATTERS

- Environmental Management**
  - Page 124



# Environmental Management

## WHY IT MATTERS

The world is confronted with escalating natural resources depletion and growing pollution. The overuse of natural resources and worsening contamination of air, water and soil threaten not only the environment, but also public health, economic stability and the well-being of communities.

Without effective solutions, these issues could lead to irreversible damage, impacting ecosystems and the finite resources we depend on.

At PDB, we recognise that managing these challenges is critical for maintaining a balanced and sustainable future. Through responsible resource management, waste reduction and sustainable practices, we aim to preserve resources, safeguard ecosystems and secure a sustainable future for generations to come.

### OUR APPROACH

Environmental stewardship at PDB is guided by our Sustainability Roadmap and HSE Policy, which outline our commitment to protecting the environment and using natural resources sustainably. This includes preventing and responsibly mitigating pollution, such as accidental spills and discharges, enhancing energy efficiency to lower GHG emissions, minimising waste and reducing water and material consumption across our operations and products. Our HSE Policy is communicated to all employees, suppliers and contractors, who are expected to adhere to it.

To ensure compliance, we conduct regular evaluations and monitoring programmes. We have tools and controls to assess and manage the risks of environmental pollution from our operations. Controls were identified and imbedded at various stages of our operations, starting from project proposal to site closure. Gaps in performance are immediately rectified. During the year under review, we did not receive any environmental fines or penalties.

### STRENGTHENING ENVIRONMENTAL SAFEGUARDS

#### Managing Oil Spills

We acknowledge our operational environmental impact and strive to prevent and reduce pollution resulting from our activities. To ensure operational integrity and avoid spills on land and water, we have instituted systems. For instance, all our fuel storage and dispensing systems are equipped with secondary containment, as well as leak detection and monitoring systems to detect spills early, providing an added layer of defence.

Recognising the importance of asset integrity, we ensure that all our equipment undergoes regular maintenance. Simultaneously, we replace ageing assets through asset refresh and rejuvenation programmes.

Going beyond regulatory requirements to reduce and avoid pollution from spills, we embarked on a programme in 2021 to install Automatic Tank Gauging (ATG) at our stations, upgrading to ATG with Electronic Leak Detectors (ELDs) over the years.

In 2024, we successfully installed ATG with ELDs at 130 stations, exceeding our target of 100 stations. As of December 2024, we achieved ATG with ELDs coverage at 34% of the identified sites. Moving forward, we will continue our efforts by installing ATG with ELDs at 50% of our total network by 2025 and 100% of our network by 2029.

During the year under review, we recorded one hydrocarbon spill (above one barrel) in our operations. The spill was immediately contained and rectified, with all recommended corrective actions implemented for closure. We will continue to implement comprehensive monitoring and preventive measures to ensure the integrity of our systems.



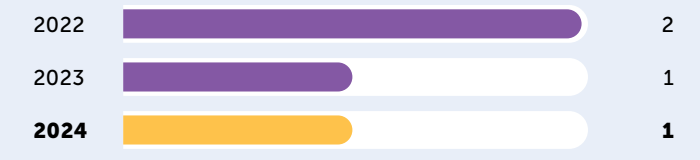
# Environmental Management

### Emergency Preparedness

Emergency oil spill response exercises are carried out as part of our emergency preparedness and crisis management programme. We leverage strategic partnerships with relevant authorities and organisations, such as the Petroleum Industry of Malaysia Mutual Aid Group, to enhance our vigilance and ensure faster response in the event of an oil spill. In 2024, we collaborated with the Department of Environment and Marine Department to conduct the Spill Impact Assessment in the vicinity of PDB's Langkawi Terminal.



### Number of Spills to the Environment (>1 barrel)



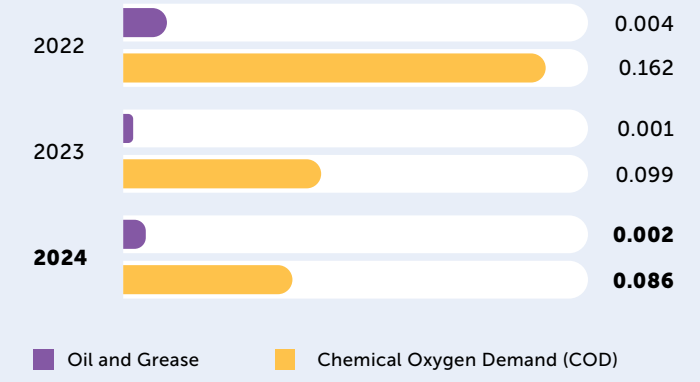
Note: 1 barrel is equivalent to 159 litres.

### Water (Effluent) Discharge

Wastewater from our LPG terminals is treated prior to discharge and monitored regularly to ensure compliance with environmental regulations. Key parameters analysed are oil and grease and chemical oxygen demand (COD). Treated wastewater is discharged into drains, which eventually directed into the nearby sea.

During the year under review, there were no incidences of non-compliance with Malaysian wastewater quality standards and regulations. All our facilities are equipped with oil interceptor systems to prevent any unplanned or uncontrolled discharges from entering public drains. In line with best environmental practices, we monitor the storm water discharge of oil interceptors at our terminals and stations every month.

### Treated Wastewater Discharge (tonnes)



### OPTIMISING RESOURCE USE SUSTAINABLY

#### Minimising Resource Use and Reducing Waste Generation

Guided by our HSE Policy, we work to reduce the consumption of resources and materials in our operations, while prioritising waste reduction through recycling and recovery programmes.

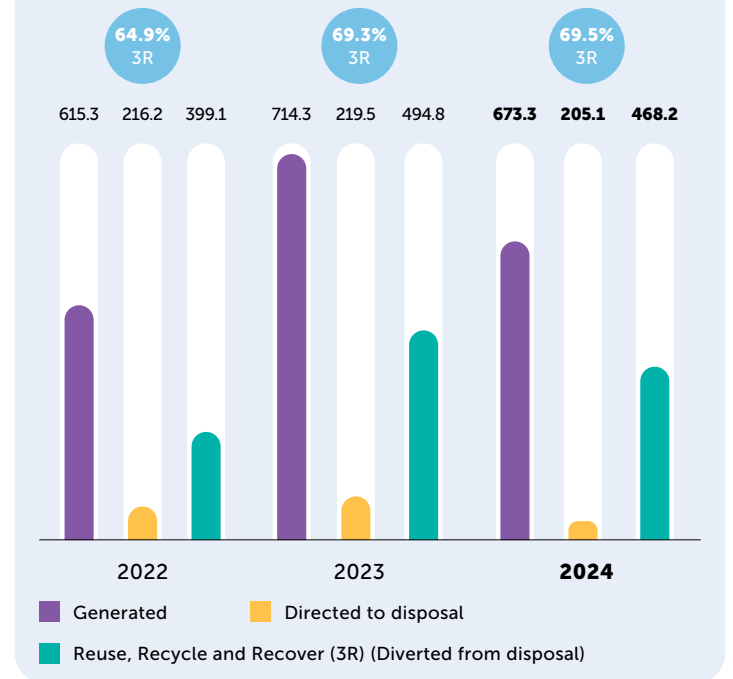
#### Hazardous Waste

In 2024, we increased our 3R percentage from 69.3% to 69.5% through continuous efforts to reuse, recycle or recover (3R) our hazardous waste.

#### Non-Hazardous Waste

In 2024, we also continued our efforts to prohibit single-use plastics at all company-organised meetings and events, and have started to segregate and inventorise non-hazardous waste generated at all our facilities.

### Hazardous Waste (tonnes) and 3R (%)





# Environmental Management

## Integrating Sustainability at Our Kedai Mesra and Café Mesra

We are committed to continuously improving our offerings to deliver enriching experiences that align with the needs and interests of our customers. Additionally, we aim to explore opportunities to further integrate sustainable practices across our business operations, particularly in our *Kedai Mesra* and *Café Mesra*.

In 2024, we implemented further initiatives described below across our *Kedai Mesra* and *Café Mesra*:

### Café Mesra x Kapten Batik Upcycled Bag

- Café Mesra partnered with Kapten Batik, a homegrown Malaysian brand, to develop upcycled materials aimed at reducing waste
- These materials were repurposed from leftover fabrics, transforming waste into sustainable products
- Each bag is unique, crafted based on available upcycled materials. This initiative was launched in June 2024



### Limited Edition Liberica Beans

- From October to November 2024, we introduced limited edition Liberica coffee beans, locally grown at 20 metres above sea level in Kulai, Johor
- These beans were processed using the pulped natural method to enhance their flavour and body
- This initiative highlights our commitment to environmental responsibility, as the Liberica farmers used coffee waste to create organic fertiliser, enriching the soil naturally
- We celebrate and commit to Malaysia's unique coffee by promoting locally sourced, sustainable premium beans



### Zero-Plastic Bag Usage

- Over 50 *Kedai Mesra* outlets participated in the Zero-Plastic Bag Usage initiative throughout 2024. This initiative supports the broader environmental effort to reduce plastic pollution and promote eco-friendly shopping practices. Shoppers were encouraged to bring their own shopping bags to avoid using single-use plastics

### Recycle Bag

- We introduced the *Kedai Mesra* Recycle Bag to help customers reduce their dependence on single-use plastic bags, while promoting sustainability. The *Kedai Mesra* Recycle Bag is foldable, lightweight and easy to carry, offering convenience for shopping



# Environmental Management

## Conserving Water Use

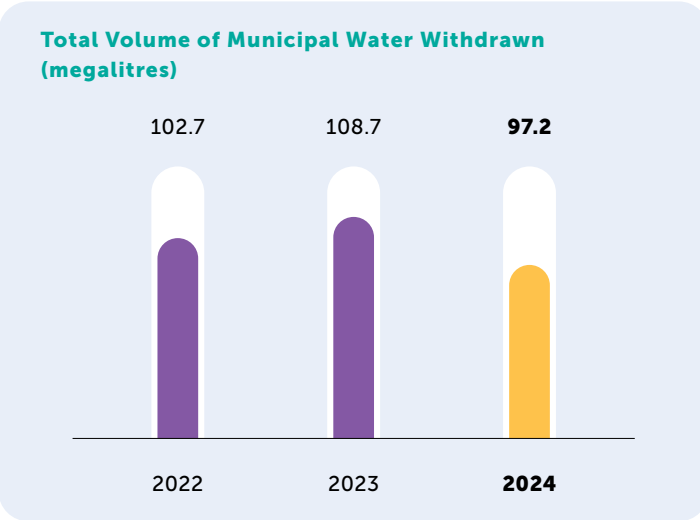
Water supply disruptions are becoming increasingly common in Malaysia, especially in the Klang Valley due to pollution of water bodies and, occasionally, low levels of water in major dams. We are committed to using water efficiently and minimising our impact on water resources, as reflected in our HSE Policy.

For our terminal operations, water is essential for cylinder washing, tank cleaning, maintenance and conveyor chain lubrication, as well as for general purposes. For stations, water is largely used for public toilet facilities and general-purpose washing.

We have conducted an assessment<sup>1</sup> to identify water-stressed regions in areas where we operate. None of our terminals, stations or offices are currently located in water-stressed areas. However, by 2040, at least six terminals were identified as being likely to experience high to extremely high risk for water stress. Our water withdrawal at these terminals in 2024 recorded at 36 megalitres and we will closely monitor water usage in these terminals and strive to reduce our water footprint in the coming years.

<sup>1</sup> Reference: World Resource Institute's (WRI) *Aqueduct Water Stress Atlas*

Some of the water-saving initiatives we implemented include:



Note: Total water consumption in 2024 is approximately 1.03 megalitres.

- Reusing water for LPG cylinder washing at selected LPG Terminals
- Installation of water saving taps in selected PETRONAS stations' and terminal washrooms
- Installation of rainwater harvesting systems for general cleaning and gardening

\*Note: New PETRONAS stations will incorporate water saving taps in their design.



Rainwater harvesting system at the Sibiu Aviation Terminal



Section 6 Sustainability Report

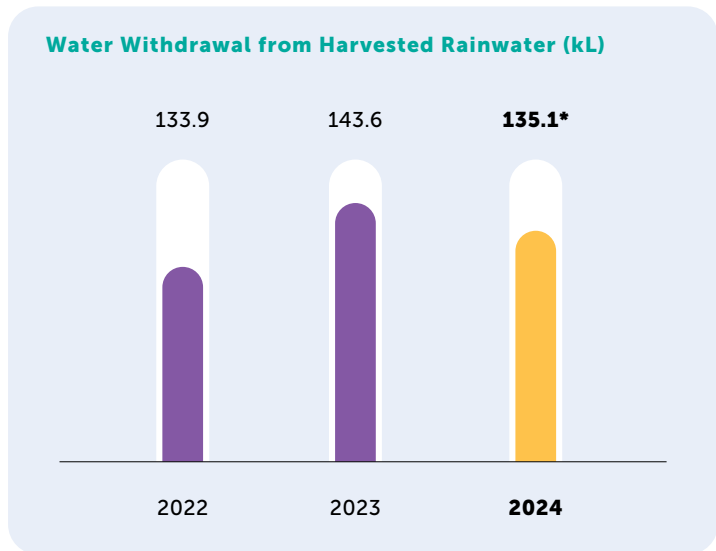
# Environmental Management

We have taken a more holistic approach by establishing our company-wide Water Management Plan in 2022. We conducted a situational assessment at nine of our terminals to understand water withdrawal patterns, challenges and opportunities for water savings and an inspection and review of existing rainwater harvesting systems at 32 stations.

As of the end of 2024, we have 52 stations with rainwater harvesting systems and utilised 135.1 kL of rainwater for general cleaning purposes.

We expanded our rainwater harvesting systems to three additional terminals, bringing the total number of terminals with rainwater harvesting systems to 11.

We are currently exploring practical ways from both behavioural and engineering perspectives to reduce water withdrawal at specific sites and expanding our existing rainwater harvesting initiatives.



\*Note: Equivalent to the quantity of water used for 901 commercial vehicle washes.

## Key Outcomes

<p><b>Launched</b> of PDB's digital platform for environmental data collection and reporting across PDB and KAFS, including tracking key metrics such as freshwater withdrawal, rainwater harvesting, effluent discharge and electricity and diesel consumption</p>	<p>Maintained our record of <b>no incidences</b> of non-compliance at our facilities</p>	<p>Maintained close to <b>69.5%</b> of hazardous waste diverted from disposal</p>
<p><b>MESRA</b> has phased out <b>R22 refrigerant</b> in line with global environmental efforts due to its ozone-depleting impacts</p>	<p>Expanded rainwater harvesting to an additional <b>3</b> terminals</p>	<p>Achieved target of installing ATG with ELD at <b>100</b> stations</p>

## OUTLOOK

We will continue to promote the circular economy by increasing our efforts in 3R initiatives for hazardous and non-hazardous waste. In light of the amendments to the Environmental Quality Act, which introduced stricter fines and penalties, we will continue to ensure full regulatory compliance across all our operations. Furthermore, our *Kedai Mesra* and *Café Mesra* are progressing towards a zero-plastic goal by adopting eco-friendly alternatives, such as paper bags, reusable bags and cloth bags, while promoting sustainable packaging practices.



# FOSTERING A JUST TRANSITION

As a leading domestic retailer and marketer, we are committed to advancing a just transition that respects human rights and ensures that stakeholders - especially our employees, suppliers and communities - have access to equitable opportunities for socio-economic growth.



## MATERIAL MATTERS

- > **Health and Well-being** • Page 130
- > **Human Capital** • Page 135
- > **Capability Building** • Page 145
- > **Community Investment** • Page 148



# Health and Well-being

## WHY IT MATTERS

At PDB, the safety and well-being of our employees and partners are our top priorities. We are unwavering in our commitment to safeguarding our people and continuously elevating safety standards across all aspects of our operations.

Fostering a secure workplace promotes a strong and healthy workforce, boosting productivity, reducing risks and reinforcing our reputation as a caring and responsible employer. By regularly evaluating our operating environment, we ensure that our policies and processes are sufficient to meet challenges arising from new technologies and changing work conditions.

### OUR APPROACH

We remain steadfast in our commitment to protecting our People, Environment, Assets and Reputation (PEAR), as outlined in the PDB Health, Safety and Environment Management System (HSEMS). The HSEMS serves as our guiding framework for identifying, addressing and mitigating risks and hazards associated with our operations.

We effectively communicate our Health, Safety and Environment (HSE) policies and practices to the workforce through memos, HSE briefings and relevant information displayed at strategic locations across all businesses. These are further translated into relevant HSE procedures and work processes, which are implemented by designated personnel in alignment with their roles, responsibilities, key performance indicators (KPIs) and Terms of Reference (ToR). To enhance HSE awareness, we also provide targeted HSE-related training.

We adopt a systematic, company-wide approach, recognising that safety is a collective responsibility, not an individual effort. Under the guidance of our leadership team, we foster a Generative HSE Culture where individuals are empowered to take responsibility for their own safety and the safety of others. This commitment is embodied in the I.CARE framework, which drives cultural development and interventions to instill a Generative Culture mindset across all levels of PDB employee.

The I.CARE framework drives the Generative HSE Culture among PDB staff through structured cultural development and strategic interventions. Programmes such as I.ROLE Model and I.CARE Partner are designed to instil a Generative Culture mindset across all levels of the organisation. Additionally, tailored initiatives such as the Process Safety Retail Engineering Resolutions (RER) Outreach and the Unsafe Act Unsafe Conditions (UAUC) Intervention Programme are implemented to drive behavioural transformation among staff and contractors, with a continuous focus on fostering CARE for risk management and ensuring HSE compliance at all operational sites.

Throughout the year, we ensured that all safety incidents were investigated, with corrective actions closely monitored and tracked for closure. Additionally, we continued to strengthen HSE compliance while scaling up risk monitoring and management, reflecting our commitment to protecting both our people and assets.



# Health and Well-being

## SUSTAINING HSE GOVERNANCE

PDB's HSE governance structure, spanning from the Board level to employees, provides a clear delineation of roles and responsibilities, as illustrated in the infographic below:



The MD/CEO is accountable for the overall implementation of HSE policies within the company.

## STEERING HSE ASSURANCE

We have adopted the PETRONAS Assurance Framework as a guide to safeguard the company against operational, reputational and legal risks. Through a structured approach, PDB manages all assurance processes via the online platform myAssurance. We successfully completed all assurance programmes assigned by utilising this online platform for all PDB facilities across Malaysia.

Additionally, PDB conducted an assurance exercise focusing on legal requirement changes such as the Occupational Safety and Health (Amendment) Act 2022 to ensure that any significant regulatory implications on PDB's operations were effectively addressed. Furthermore, we implemented an upskilling programme to enhance the capabilities and understanding of our assessors.

## STRATEGISING HSE MANAGEMENT REVIEW

We leverage the Management Review process to guide the development and implementation of both annual and long-term HSE plans and strategies at PDB, including the allocation of associated budgets. The primary objective is to align PDB with Group-wide HSE strategies and plans, sustaining our exceptional HSE performance while safeguarding PEAR. Among the processes involved are the integration of HSE best practices, the PETRONAS HSE Management System and relevant policies and regulatory requirements.

## EMPLOYING HSE RISK MANAGEMENT

To facilitate effective implementation and interventions in managing risks, we continuously conduct reviews and assessments while ensuring they are maintained at an As Low As Reasonably Practicable (ALARP) level.

The following is the fit-for-purpose risk management for PDB's operations, designed to comply with PETRONAS' and legal requirements:

- HSSE Integrated Risk Assessments (HIRA)**
  - One-stop centre for all risk assessment tools and a unified risk database
  - Standardises all risk assessments
  - Enables effective implementation of risk mitigation and interventions
- Hazard and Effects Management Process (HEMP)**
  - Identifies and assesses hazards and associated HSE risks across business operations
  - Introduces feasible controls and mitigation to minimise risk exposure
- HSE High Risk Project Monitoring Process**
  - Evaluates HSE risks of new or existing projects to prioritise budgets and execution
  - Assesses risks due to changes in strategy or projects
- HSE Risk Profiling System**
  - Conducted for four categories in station operational stages
  - Utilises prescriptive risk management based on identified key risk indicators

**Applied across our value chain for due diligence purposes**

Environmental due diligence was conducted for the development of all new PETRONAS stations to identify and mitigate potential environmental risks, while various risk assessments were carried out to assess and address risks in existing operations. These assessments include Hazards Identification (HAZID), Hazards and Operability (HAZOP), Chemical Health Risk Assessment (CHRA), Noise Risk Assessment (NRA), Ergonomics Risk Assessment (ERA), Health Risk Assessment, Social Risk Assessment (SRA) and other related risk assessments.

At PDB, new projects or changes to existing equipment and operations are comprehensively managed through the Engineering Management of Change (EMOC) process. This involves thorough design reviews, detailed risk assessments and pre-activity safety reviews to ensure safety is maintained throughout the project lifecycle. We develop mitigation measures to address identified risks, with continuous monitoring and tracking of their implementation and effectiveness.

# Health and Well-being

## IMPLEMENTING PROCESS SAFETY MANAGEMENT

We ensure the integrity of operating systems and the processes involved in handling hazardous substances through our systematic framework namely Process Safety Management. In 2024, Process Safety Management in PDB remained focused on nurturing Process Safety behaviour by inculcating Process Safety Essentials. These efforts aim to instil the right mindset for achieving Process Safety Excellence and Mission to Zero is Possible (MZIP). The Process Safety Essentials are as follows:

- own Process Safety
- embrace the Red and challenge the Green
- make conscious risk-based decisions
- prioritise resources and respond timely to Process Safety matters

**Accomplishment of "I EMBRACE the Red and CHALLENGE the Green" through the Challenge the Green (CTG) Programme:**

- Uphold the integrity and transparency of Process Safety reporting to ensure risk visibility and mitigation
- Commitment to diligently conduct Process Safety assurances to identify and mitigate Process Safety risks

## COORDINATING EMERGENCY RESPONSE AND CRISIS MANAGEMENT

To strengthen response capabilities across the Group, our established PDB Emergency and Crisis Management Procedures ensure effective emergency preparedness. This includes a well-defined emergency response structure and processes with clearly outlined roles and responsibilities to address both onsite and offsite incidents. We have Site-Specific Emergency Response Plans and an Oil Spill Response Plan in place, which are regularly reviewed and tested to ensure preparedness for any emergency.

As part of our emergency preparedness, PDB conducted the Functional Emergency Response Exercise (FERE) 2024 at the PETRONAS station Rantau, Kemaman, Terengganu, in collaboration with Gentari, the Fire and Rescue Department (Bomba), the Ministry of Health (KKM) and the Royal Malaysia Police (PDRM).

## PRIORITISING TRANSPORT SAFETY

Our top priority is the safety of our employees and contractors, which we uphold through comprehensive land transport programmes and procedures. We also promote psychological safety by sharing best practices and discussing opportunities to improve driving performance. Defensive driving training is used to assess and enhance driving competency.

We rely heavily on land transport to deliver our products to customers using heavy goods vehicles (HGVs), making transport safety a critical aspect of our operations. HGV drivers are trained in accordance with the Road Tanker Operations Guideline (RTOG) modules. This initiative aims to encourage self-compliance among contractors and promote a Generative HSE Culture. PDB employees are required to adhere to the PDB Business Travel Safety Procedures and PDB Company Vehicle Safety Procedure.

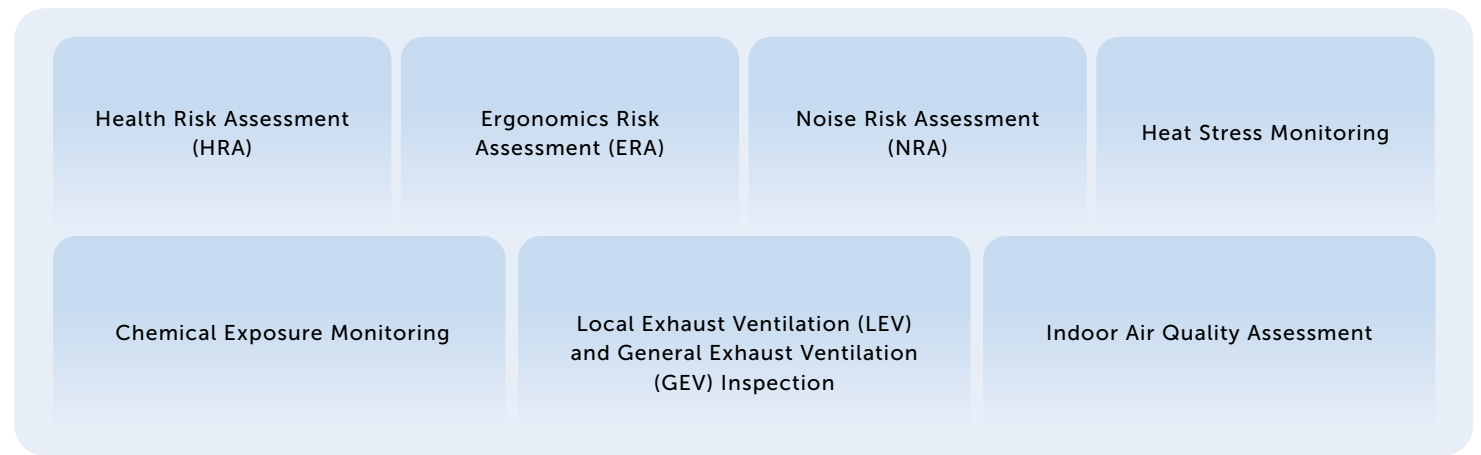
Additionally, we have strengthened our engagement with contractors through I.CARE conversation sessions. In 2024, PDB conducted I.CARE engagements with hauliers in Borneo, specifically in Kota Kinabalu, focusing on discussions about past offloading incidents and the Generative Culture Programme. During these sessions, we promoted psychological safety by encouraging open feedback from the hauliers on ways to prevent incidents. The hauliers also shared best practices and insights from the Generative Culture Programme implemented at their parking bases.



# Health and Well-being

## PROTECTING EMPLOYEE HEALTH AND WELL-BEING

The following health risk assessments and monitoring were conducted at fuel, LPG and aviation terminals, PETRONAS stations and other PDB facilities nationwide to protect our workers' health:



To enhance employee hazard awareness in PDB, we organised a wide range of training programmes, including Hearing Conservation Awareness, Safe Handling of Chemicals and Ergonomics Awareness at the Workplace. We performed comprehensive assurance to validate the effectiveness of the implementation programmes, ensuring they are maintained at the level of ALARP.

## OUR VALUE CREATION

Key Areas	Our Progress
<b>Reinforcing HSE Governance</b>	<ul style="list-style-type: none"> <li>• Fostered effective communication to ensure clarity and alignment of expectations across all levels within PDB</li> <li>• Continued to implement targeted interventions to sustain and enhance the HSE culture and performance</li> <li>• Conducted comprehensive reviews of the management system, benchmarking performance against the previous year to evaluate the effectiveness of HSEMS implementation and drive continuous improvement</li> <li>• Strengthened a Generative HSE Culture by organising various programmes and discussions, ensuring that issues requiring escalation were communicated promptly to leaders for timely intervention</li> </ul>
<b>Enhancing HSE Assurance</b>	<ul style="list-style-type: none"> <li>• Introduced Grievance Functional Assessment (FA) for PDB operations</li> <li>• Strengthened HSE compliance of our business partners through Retail Platinum Stations and LPG Baiduri, a structured collaborative programme with the Department of Occupational Safety and Health (DOSH)</li> <li>• Demonstrated duty of care towards our contractors by:                             <ul style="list-style-type: none"> <li>- Enhancement of HSE capability requirements as part of contractor compliance</li> <li>- Incorporation of the social supply chain aspect to further identify non-compliance with PETRONAS' Code of Conduct on Human Rights (CoCHR)</li> </ul> </li> </ul>
<b>Process Safety</b>	<ul style="list-style-type: none"> <li>• Strengthened the Generative HSE Culture through the integration with the Process Safety culture with the establishment of the Process Safety Generative Culture Intervention Framework</li> <li>• Risk visibility enhancement through the Dynamic Risk Ranking (DRR) exercise</li> <li>• Safe Operating Envelope (SOE) mapping activity for the PDB Terminal</li> <li>• Conducted Process Safety information (PSI) mapping and gap assessment at PDB terminals</li> </ul>



# Health and Well-being

# Human Capital

## OUR VALUE CREATION (CONT'D)

Key Areas	Our Progress
<b>Embedding Generative HSE Culture</b>	<ul style="list-style-type: none"> <li>Rolled out the I.CARE Strategy to instil a Generative HSE Culture among PDB employees, paving the way towards achieving 'ZERO is Possible'. PDB strives to foster a positive impact on safety, health and the environment within its ecosystem, with the element of CARE serving as the cornerstone of this commitment                             <ul style="list-style-type: none"> <li>Completion of I.ROLE Model Training and Coaching for top leaders and middle managers in PDB</li> <li>Completion of I.CARE Partner Training for executives and non-executives</li> <li>Organised various activities under I.CARE MESTIFIT4Health initiative, including a virtual run, monthly poster sharing, a step count challenge and interactive sessions with experts, aimed at promoting a healthy lifestyle, physical well-being and mental resilience among PDB employees</li> <li>Carried out CARE Conversations, fostering two-way engagement between leaders, staff and contractors to embrace, implement and apply CARE principles in HSE practices</li> </ul> </li> </ul>

Health and Safety Performance		2022	2023	2024
<b>No. of Fatalities</b>	Employees	0	0	0
	Contractors	0	0	0
<b>Fatality Accident Rate (FAR)</b>	Employees	0	0	0
	Contractors	0	0	0
<b>No. of Lost Time Injury (LTI)</b>	Employees	3	0	1
	Contractors	1	0	1
<b>Lost Time Injury Frequency (LTIF)</b>	Employees	0.65	0.00	0.19
	Contractors	0.22	0.00	0.19
<b>No. of Total Recordable Cases</b>	Employees	3	0	2
	Contractors	3	0	1
<b>Total Recordable Case Frequency (TRCF)</b>	Employees	0.65	0.00	0.37
	Contractors	0.67	0.00	0.19

Note: All incidents are reported to DOSH, PETRONAS Board, staff and contractors. Incident stand-down sessions are conducted to share incident details, findings and lessons learned with staff and contractors. If no health and safety incidents leading to injuries or fatalities occurred, it is also disclosed to DOSH, staff and contractors.

## Key Outcomes

**ZERO**  
Fatalities recorded

**ZERO**  
Major Loss of Primary Containment (LOPC) recorded

**ZERO**  
Major Fire recorded

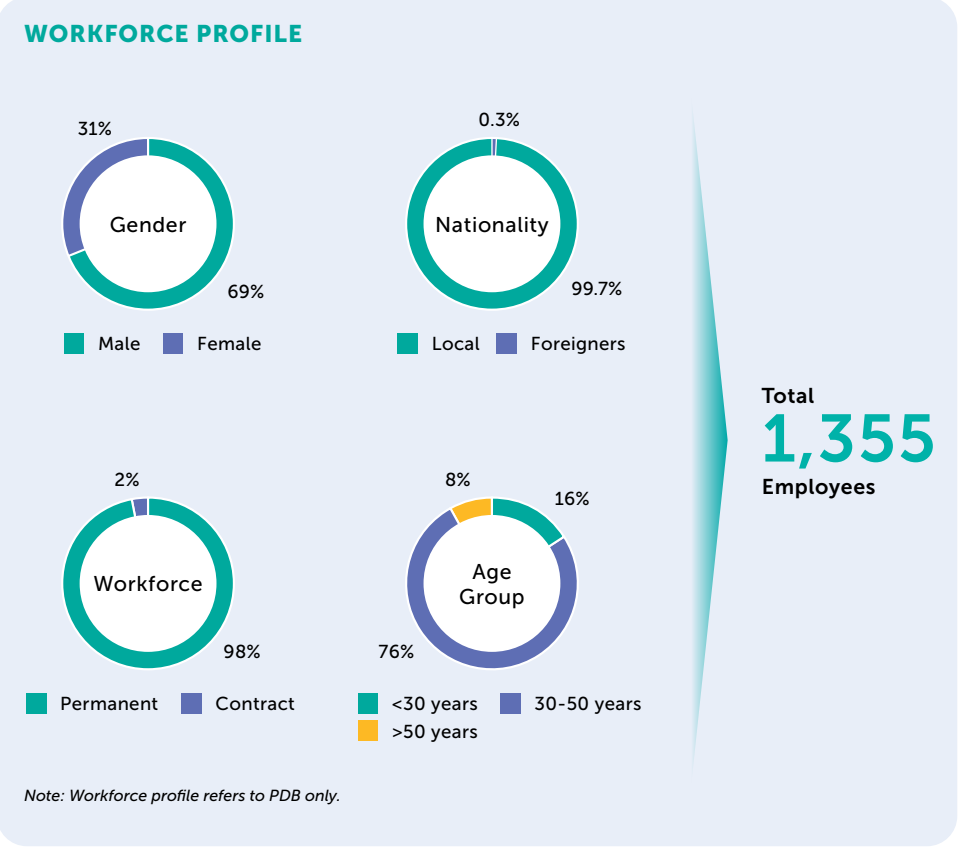
## OUTLOOK

We strive to cultivate a Generative HSE Culture where every individual is empowered and committed to creating a safe work environment through compliance, proactive intervention, continuous improvement, innovation and shared responsibility.

# WHY IT MATTERS

The strength of our organisation lies in the dedication and contributions of our employees. Creating a workplace where they feel safe, valued and respected is fundamental to fostering an environment free from discrimination and aligned with human rights principles.

Moreover, embracing diversity and inclusion enables us to leverage the unique experiences and skill sets of our diverse talent pool. We remain committed to cultivating a culture grounded in integrity and respect, empowering everyone to contribute to PDB's long-term growth.



# Human Capital

## OUR APPROACH

We prioritise a strategic approach to human capital, shaped by PETRONAS' HR Policies and Guidelines to meet our organisational goals. Complemented by PETRONAS' Employment Value Proposition namely Trust, Grow and Reward, this framework ensures a comprehensive focus on employee development and management.

## DIVERSITY AND INCLUSION

At PDB, fostering diversity and inclusion is integral to our belief that a workforce with varied talents, experiences and expertise significantly enhances our business resilience. Our commitment to equal opportunity is upheld through a non-discriminatory hiring policy, promoting fairness in employment and career progression. We have established dedicated project teams to strengthen diversity and inclusion, focusing specifically on background, age and gender.

[For information about our diversity and inclusion initiatives, refer to Value Creation of Human Capital on page 142 in this report.](#)

## WELFARE AND BENEFITS

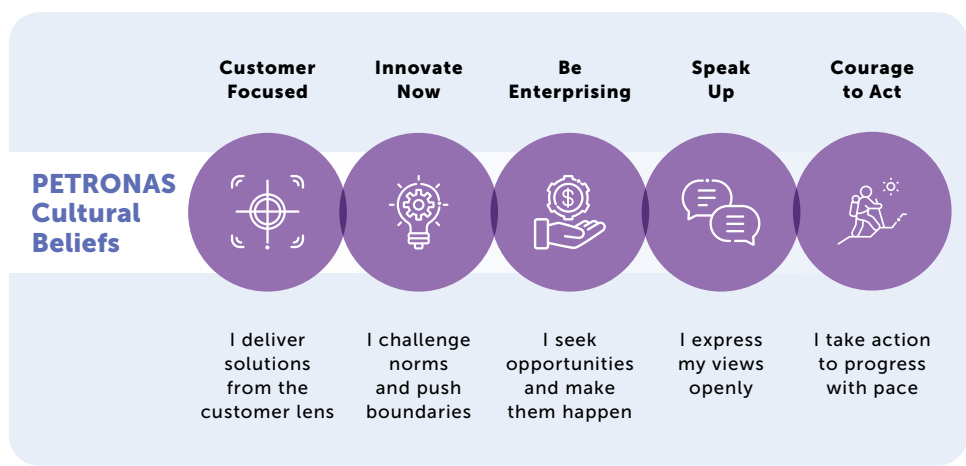
We have adopted PETRONAS' policies on welfare and benefits to ensure our employees are provided comprehensive support.

This encompasses medical benefits, life insurance, allowances, different types of leave and other essential provisions.

[For more information on PDB's employee benefits, please visit https://www.mymesra.com.my/sustainability/workforce-development.](https://www.mymesra.com.my/sustainability/workforce-development)

Focus Area	Benefits
<b>Welfare and Benefits</b>	<ul style="list-style-type: none"> <li>Employees with Special Needs Children</li> <li>Calamity assistance provided to employees, Graduate Employment Enhancement Scheme (GEES) participants and interns affected by natural disaster</li> </ul>
<b>Leave</b>	<ul style="list-style-type: none"> <li>Maternity and Paternity Leave</li> <li>Hajj Leave</li> <li>Special Leave</li> <li>Compassionate Leave</li> <li>Pilgrimage Leave for Other Religions</li> </ul>
<b>Flexible Work Options</b>	<ul style="list-style-type: none"> <li>Compressed Work Week</li> <li>Flexible Working Hours</li> <li>Leaving Earlier from Work for Pregnant Employees</li> <li>Working Arrangement for Employees with Dependent(s) affected by contagious diseases</li> <li>Flexible Work Arrangements</li> </ul>
<b>Employee Relations</b>	<ul style="list-style-type: none"> <li>Webinar series (HRCaféTalk and Championing Psychological Safety)</li> <li>Mental Wellness programme</li> <li>Focus Group on Psychological Safety</li> <li>Let's Talk About Code of Conduct and Business Ethics (CoBE) series for employees and dealers</li> <li>Session of Engagements with Non-Executives (SeEN)</li> <li>Quarterly engagement with the employees' union (KAPENAS)</li> </ul>
<b>Leadership</b>	<ul style="list-style-type: none"> <li>Leadership Dialogue with MD/CEO</li> <li>Leadership Team: Executive Coaching, Transformation Leadership Programme and Session with LTs (SWILT)</li> <li>Potential Leaders: Lean Six Sigma, Cultural Diplomacy Programme, Unlocking Your Potential and Speak-Up with Confidence</li> </ul>
<b>Recreational</b>	<ul style="list-style-type: none"> <li>Kelab Sukan dan Rekreasi PETRONAS</li> <li>PETRONITA</li> </ul>
<b>Employee Appreciation</b>	<ul style="list-style-type: none"> <li>Long Service Award</li> <li>Focused Recognition Sessions with MD/CEO</li> </ul>

## WORKPLACE CULTURE AND ENVIRONMENT STANDARD



Our commitment to upholding ethical standards is anchored in the PETRONAS Code of Conduct and Business Ethics (CoBE), which defines unacceptable behaviours such as harassment, bullying, bribery, corruption and behavioural breaches as misconduct. These violations are subject to strict disciplinary measures and compliance with applicable laws. CoBE serves as a cornerstone of our workplace culture, supported by multi-language communication to foster understanding across diverse teams.

Complementing CoBE, our HR Policies and Guidelines provide robust frameworks to address instances of non-compliance and misconduct. To ensure transparency and accountability, employees are encouraged to report any violations through our Whistleblowing channel. Reports are managed by trained personnel following structured investigative processes, ensuring fair and decisive action. Additionally, we monitor non-compliance cases within PDB on an annual basis, while PETRONAS conducts regular reviews to strengthen adherence to these principles across the organisation.

## SENSITIVE POSITIONS

Sensitive Positions refer to roles that are more vulnerable to risks of bribery and corruption, integrated through the Corruption Risk Assessment (CRA) conducted by PDB under PETRONAS Group's guidance. These positions often involve access to confidential information, engagement with third parties or participation in procurement activities, necessitating targeted interventions to mitigate risks. Leveraging the Integrity Risk Assessment (IRA) risk criterias, Sensitive Positions were identified and categorised as High, Medium or Low risk.

Periodic mitigations for Sensitive Positions focused mainly on declarations (asset and Conflict of Interest) and refresher programmes on key ethical frameworks conducted in collaboration with the Compliance department. The frameworks include the CoBE, the Anti-Bribery and Corruption Manual (ABC) and Critical Legal Areas (CLA).

## HUMAN RIGHTS

At PDB, respecting human rights is integral to how we operate sustainably and responsibly. Our commitment extends beyond compliance, actively embedding human rights considerations into our processes, projects and operations. Through the PDB Business and Human Rights Five-Year Plan, we ensure these strategic plans and initiatives are upheld throughout our value chain, influencing our suppliers, contractors, partners and the communities we serve.

In 2024, we established PDB's Human Rights Policy by adopting it from PETRONAS Group, which sets out our overarching commitment to respecting human rights. Our commitment is also reflected in other policies, frameworks, guidelines and processes throughout our business.

# Human Capital

## PDB Human Rights Policy's Five Guiding Principles



The policy is approved by the Board and its implementation is overseen by the Leadership Team. Human rights management at PDB is guided by supporting documents, including the PETRONAS CoBE and the PETRONAS Code of Conduct on Human Rights (CoCHR). The policy applies to every employee, Director and officer of PDB. Third parties who may perform work or services for or on behalf of PDB and joint-venture companies in which PDB is not a controlling stakeholder and associate companies of PDB are encouraged to adopt the policy or similar principles and standards.

The policy also states that we are committed to respecting internationally recognised human rights as set out in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, while being guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct, complying with all applicable laws in the countries in which we operate.

Our dedication to human rights is further reinforced by our HSE Policy, which underscores our commitment to safeguarding the well-being of all stakeholders in relation to labour and working conditions, community well-being and product safety and health.

[For more information on respecting human rights in value chain and CoCHR, refer to Ethical Supply Chain Management on page 109 in this report.](#)



# Human Capital

# Human Capital

## PETRONAS Code of Conduct and Business Ethics (CoBE)

- A labour policy that sets out expectations and standards of the behaviour of employees including in the areas of forced and child labour
- Translated into multiple languages and communicated to all employees and all stakeholders through various platforms and is available online for reference
- Applicable across the PDB supply chain and includes our employees, contractors, suppliers, dealers, business partners and the surrounding community where we operate

Our commitment to human rights is underlined by the following aspects which address human rights issues, ensuring compliance with local laws.

### Forced Labour

- We will not engage or employ anyone against their free will, including through bonded labour or debt slavery
- All new hires enter into contract of service on their own free will, in line with the Employment Act 1955, Sarawak Labour Ordinance (Act A1237) and Sabah Labour Ordinance (Cap 67)

### Migrant Workers

- Foreign or migrant employees are to be employed in compliance with the labour and immigration laws of the host country. Prior to hiring, the basic terms of employment must be provided to employees in a language they understand. Passports and other forms of personal identification must remain in the employees' possession at all times

### Child Labour

- We will not employ children below the legal minimum working age in the host country. In Malaysia, for example, it is 18 years, in line with the Children and Young Persons (Employment) Act 1966 and PETRONAS' Talent Sourcing Policy and Procedures

### Humane Treatment

- We forbid any harsh or inhumane treatment, including any form of mental or physical coercion or verbal abuse
- Our stand on humane treatment covers workers' health and safety and the provision of proper accommodation for foreign workers, as per local laws and standards

### Working Hours

- We comply with local laws on working hours, overtime and work during holidays and seek to prevent excessive working hours to avoid fatigue and incidents
- We monitor employees' and road tanker drivers' overtime and ensure the work schedules for shift and non-shift employees are properly planned to curb fatigue
- We compensate employees for extra hours put in via special overtime rates, especially for work performed on rest days and public holidays

### Wages and Benefits

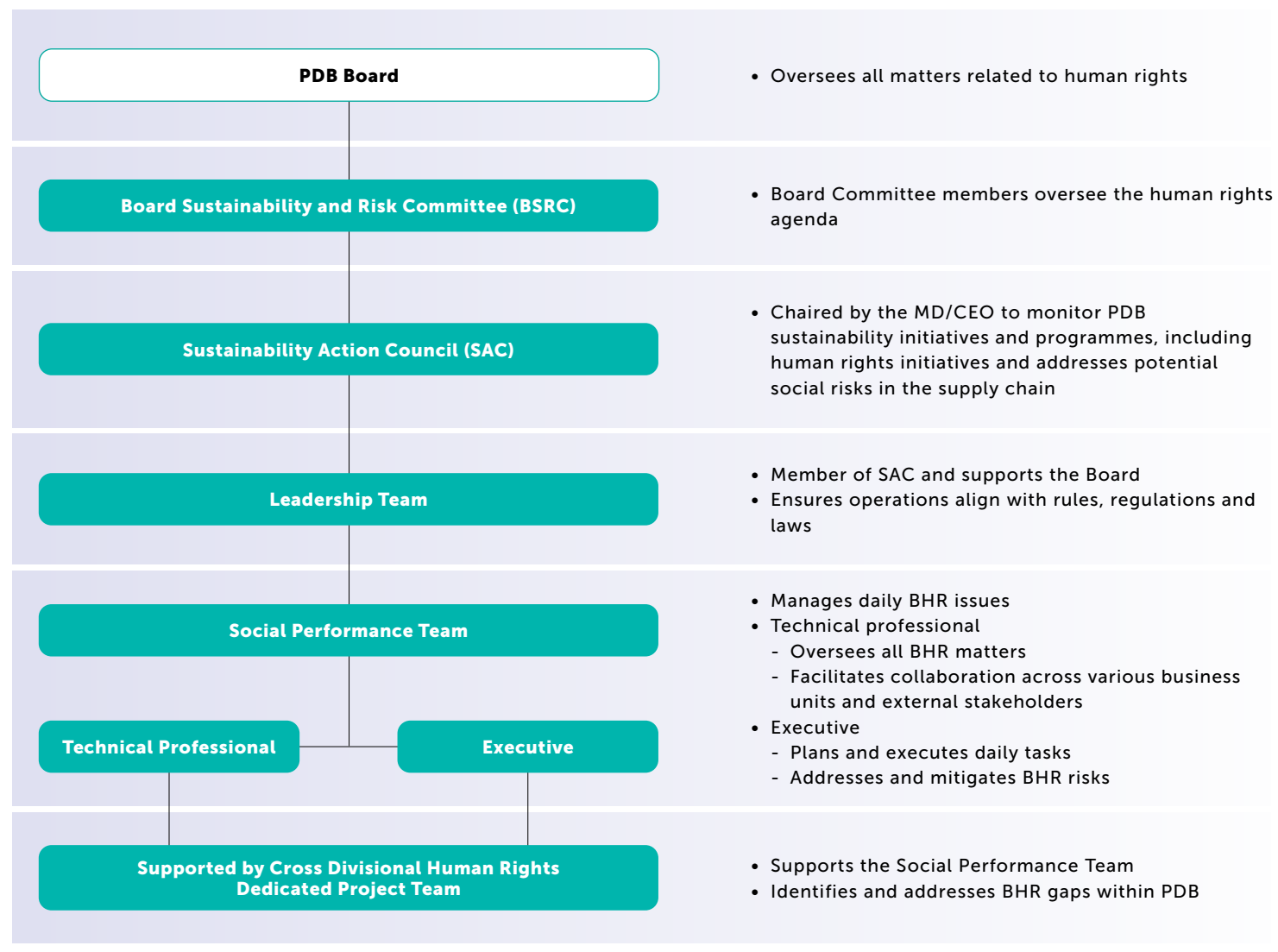
- We are committed to complying with all applicable laws related to employee compensation, including minimum wage, overtime and legally mandated benefits
- We continuously review our employees' salary structure and ensure compliance with the statutory minimum wage as stipulated by the National Wages Consultative Council and in support of the living wage
- The salary structure of Kesatuan Kakitangan Petroliaam Nasional Berhad (KAPENAS) members is reviewed every three years as part of the negotiation process of the Collective Agreement between Management and KAPENAS
- Equal pay is accorded to men and women for the same role and position

## Freedom of Association and Collective Bargaining

- We respect the right of employees to join labour unions and the right to collective bargaining, in line with Article 10 of the Constitution of Malaysia
- Employees are expected to adhere to CoBE Part II G on Conduct Contrary to Duty and to serve diligently while involved in such activities or associations
- PDB maintains an open and constructive relationship with KAPENAS through regular engagement for the benefit of the company and union members

## GOVERNANCE AND RESOURCES

Human rights governance at PDB is led by the Board, which reviews key matters through regular quarterly updates. The Leadership Team supports this process, ensuring that our operations adhere to all relevant laws, rules and regulations. The daily management of Business and Human Rights (BHR) issues is handled by the Social Performance Team, consisting of a Technical Professional, Technical Manager, Executive and Non-executive members.



# Human Capital

## SALIENT HUMAN RIGHTS AREAS

Our commitment to human rights at PDB is grounded in three salient areas, which take into account the nature of our business, the complexity of our value chain and the interactions we maintain with communities and business partners. These areas were identified through comprehensive engagement with contractors, vendors, suppliers and dealers. The three salient areas are:



## COMMUNICATION

To strengthen BHR understanding and expectations among its workforce, PDB has undertaken several initiatives:

- Used email communications and an online learning platform (myLearningX) to disseminate key messages
- Translated human rights requirements into operational procedures and implemented them across the organisation
- Provided specialised briefing and training for select groups on human rights due diligence processes and grievance handling

## SECURITY GUARDS

At PDB, we are committed to upholding responsible security practices in line with the six material risks outlined in the enhanced CoCHR. Security at PDB facilities, including terminals, warehouses and project sites, is managed by the PETRONAS Auxiliary Police, with oversight from Group Security.

Group Security operates under the PETRONAS Security Management Systems (SeMS), which ensures compliance with relevant local laws and international human rights standards, including United Nations conventions, protocols and guiding principles.

For more information on the PETRONAS Whistleblowing Policy, refer to Corporate Integrity and Ethics on page 246 and the PDB corporate website at [www.mymesra.com.my](http://www.mymesra.com.my).

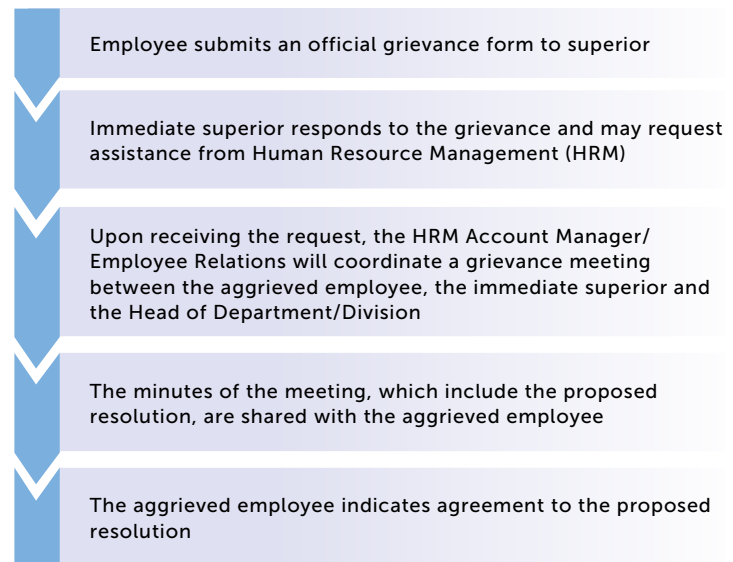
## GRIEVANCE MANAGEMENT FLOW CHART FOR EMPLOYEES

This mechanism facilitates open dialogue, enables thorough investigations and provides the necessary remedial actions when issues arise. Employees can raise grievances through established channels outlined in our Executive Handbook and Collective Agreement, ensuring a clear and consistent approach to addressing concerns.

Apart from our Grievance Mechanism, PDB has also adopted the PETRONAS Whistleblowing Policy, which serves as a platform for all PETRONAS employees and members of the public to disclose any improper conduct within PETRONAS without fear of repercussions.

# Human Capital

In line with our commitment to promoting human rights and well-being, we have established a clear guideline for the grievance mechanism process to ensure an efficient and transparent procedure. Executives and above can refer to the following process to address any concerns:

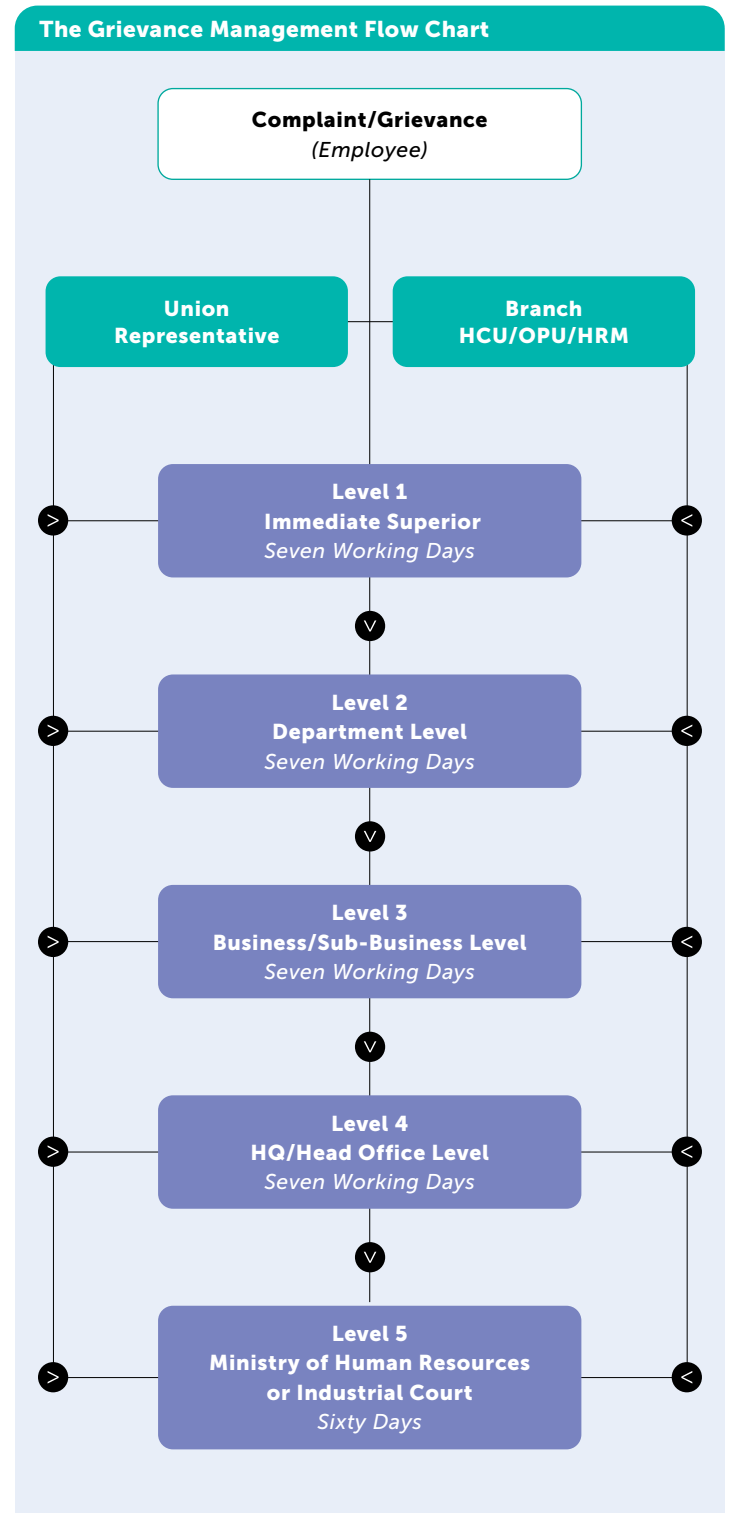


Level 1 Grievance Mechanism

If a grievance remains unresolved at Level 1, it will be escalated to Group HRM. A formal meeting between the aggrieved employee and Group HRM will take place at Level 2 to resolve the issue within 30 working days. Meeting minutes will be documented and the resolution will be recorded to formally close the grievance. A copy of the minutes will be provided to the aggrieved employee, who will need to acknowledge the decision made.

Grievance Level	
Level 1	Level 2
Service Level Agreement	
30 working days	30 working days
Parties Involved	
i. Employee ii. Immediate Superior iii. Head of Department/ Division iv. HR Account Manager/ Employee Relations	i. Employee ii. Group HRM

For non-executives, grievances should be raised in accordance with the procedures outlined in the Collective Agreement:





# Human Capital

# Human Capital

## OUR VALUE CREATION

Key Areas	Our Progress
<b>Diversity and Inclusion (D&amp;I)</b>	<p><b>Persons with Disabilities (PWD)</b></p> <ul style="list-style-type: none"> <li>Collaborated with government agencies on PWD-friendly facility assessment</li> <li>Partnered with ENOKU to conduct Disability Equality Training (DET) sessions for PDB employees including the Leadership Team and drive the inclusion of more PWDs <i>Krew</i> PETRONAS at PETRONAS stations</li> </ul> <p><b>Gender</b></p> <ul style="list-style-type: none"> <li>Co-organised the Breast Cancer Talk, Living with Grace forum and participated in the International Women Conference</li> </ul> <p><b>Age</b></p> <ul style="list-style-type: none"> <li>Focused on the Potential Leaders Development Programme for young leaders and increased the number of new Potential Leaders by 100%</li> <li>Potential Leaders were encouraged to attend Lean Six Sigma, Cultural Diplomacy Programme, Foundational Leadership and the International Women's Conference</li> </ul>
<b>PETRONAS Cultural Beliefs</b>	<ul style="list-style-type: none"> <li>Motivated employees to adopt a progressive culture and actively voice their ideas through platforms like Balance of Consequence, Focused Recognition and Power-Up sessions</li> <li>Showcased our commitment to embracing diverse perspectives and ideas across the organisation</li> </ul>
<b>Welfare and Benefits</b>	<p>We implemented PETRONAS' employee welfare and benefits policies, offering comprehensive support, which includes medical benefits, life insurance, allowances, various types of leave and other provisions for full-time employees.</p> <p><b>Calamity Assistance</b></p> <ul style="list-style-type: none"> <li>We extended support to employees impacted by floods, fires and other natural disasters like landslides and earthquakes, offering aid for property damage</li> </ul> <p><b>Support for Employees with Special Needs Children</b></p> <ul style="list-style-type: none"> <li>Launched in 2022, this initiative offers RM1,500 per month for each child, enabling employees to send their children to rehabilitation or intervention centres and cover additional related costs</li> </ul>

## OUR VALUE CREATION (CONT'D)

Key Areas	Our Progress																												
<b>Leave</b>	<ul style="list-style-type: none"> <li>At PDB, we offer a range of leave options to support our employees' personal and religious commitments:                             <ul style="list-style-type: none"> <li><b>Leave Without Pay</b> – available to employees who need to address significant personal matters after other leave options have been exhausted</li> <li><b>Maternity and Paternity Leave</b> – includes 98 days of fully paid maternity leave and seven consecutive days of paternity leave to support new parents during this important time</li> <li><b>Hajj Leave</b> – allocated for permanent Muslim employees to take up to 40 days' leave to fulfil their pilgrimage obligations once during their service period with PETRONAS</li> <li><b>Pilgrimage Leave for Other Religions</b> – enables employees of different faiths to take up to 10 consecutive days off for religious pilgrimages, available once throughout their tenure with PETRONAS</li> <li><b>Preventive Health Screening (PHS) Leave</b> – allocated for staff to undergo PHS</li> <li><b>Hospitalisation of Family Members Leave</b> – allocated for staff to attend to family members who have been hospitalised</li> </ul> </li> <li>PDB observes all published national and state holidays and also provides replacement leave should the holiday fall on a rest day or a day off</li> </ul> <table border="1"> <thead> <tr> <th>Focus Area</th> <th>Men</th> <th>Women</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td><b>Number of employees entitled to parental leave</b></td> <td>767</td> <td>251</td> <td><b>1,018</b></td> </tr> <tr> <td><b>Number of employees who took parental leave</b></td> <td>52</td> <td>16</td> <td><b>68</b></td> </tr> <tr> <td><b>Number of employees who returned to work after parental leave ended</b></td> <td>52</td> <td>16</td> <td><b>68</b></td> </tr> <tr> <td><b>Number of employees who returned to work after parental leave ended and were still employees as of 31 December 2024</b></td> <td>52</td> <td>16</td> <td><b>68</b></td> </tr> <tr> <td><b>Return to work rate</b></td> <td>100%</td> <td>100%</td> <td><b>100%</b></td> </tr> <tr> <td><b>Retention rate</b></td> <td>100%</td> <td>100%</td> <td><b>100%</b></td> </tr> </tbody> </table>	Focus Area	Men	Women	Total	<b>Number of employees entitled to parental leave</b>	767	251	<b>1,018</b>	<b>Number of employees who took parental leave</b>	52	16	<b>68</b>	<b>Number of employees who returned to work after parental leave ended</b>	52	16	<b>68</b>	<b>Number of employees who returned to work after parental leave ended and were still employees as of 31 December 2024</b>	52	16	<b>68</b>	<b>Return to work rate</b>	100%	100%	<b>100%</b>	<b>Retention rate</b>	100%	100%	<b>100%</b>
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<b>Flexible Work Options</b>	<p><b>Work From Home</b></p> <ul style="list-style-type: none"> <li>PDB provides various flexible working arrangements to support an inclusive and supportive work environment</li> <li>The office is considered the standard work environment, but employees may work from home for up to four days per month with approval from their superior, providing flexibility for personal needs</li> </ul> <p><b>Compressed Work Week</b></p> <ul style="list-style-type: none"> <li>Employees can structure their work week to complete the 39 required hours, with the flexibility to end their workday as early as 12 noon on the fifth day</li> <li>For employees with children with special needs, this option allows them to take a half-day off on any day of the week for their child's treatment, provided the weekly 39-hour commitment is met</li> </ul> <p><b>Flexible Working Hours</b></p> <ul style="list-style-type: none"> <li>This provision offers employees the flexibility to choose their start and end times for work, as long as they fulfill a minimum of eight hours per day, with seven hours required on Fridays (or Thursdays in locations where weekends fall on Fridays and Saturdays)</li> </ul> <p><b>Leaving Early from Work for Pregnant Women</b></p> <ul style="list-style-type: none"> <li>Pregnant employees in their 28<sup>th</sup> week (seventh month) and beyond are granted the flexibility to leave work one hour earlier than the standard working hours</li> </ul> <p><b>Working Arrangement for Employees with Dependent(s) Affected by Contagious Diseases</b></p> <ul style="list-style-type: none"> <li>Employees based in Malaysia with normal working hours can work from home for up to five days if a dependent is affected by a contagious disease, such as the Hand, Foot and Mouth Disease or Influenza A. This provision is subject to approval from their superior</li> </ul>																												

# Human Capital

## OUR VALUE CREATION (CONT'D)

Key Areas	Our Progress
<b>Potential New Operations or Projects</b>	<ul style="list-style-type: none"> <li>During the merger and acquisition stage, risk assessments are carried out based on the labour standards relevant to the employees impacted by the transition</li> </ul>
<b>Employee Relations</b>	<ul style="list-style-type: none"> <li>HRCaféTalk serves as our platform for a webinar series focusing on financial, physical and psychological well-being. Initially launched during the COVID-19 pandemic, the platform aimed to foster a healthy and resilient workforce capable of adapting to new work environments. Today, it continues to thrive in the endemic phase, with topics now covering a broader range of practical, everyday concerns</li> </ul>
<b>Employee Appreciation</b>	<ul style="list-style-type: none"> <li>A total of 114 employees were honoured with the Long Service Award</li> </ul>
<b>Human Rights</b>	<ul style="list-style-type: none"> <li>Adopted the PETRONAS Human Rights Policy</li> <li>Employed mechanisms to facilitate employee engagement and involvement by using 'Tone from the Top' approach and organising programmes such as Session with Leadership Team</li> <li>Collaborated with Jabatan Tenaga Kerja Sabah and Jabatan Tenaga Kerja Sarawak as we conducted Human Rights training benefitting more than 400 participants, mainly comprising PETRONAS <i>Rakan Niaga</i> and contractors</li> <li>Conducted 12 briefing sessions on PDB Human Rights Policy through divisional briefings and communication series</li> <li>99% of employees completed the PETRONAS Human Rights Management eLearning module</li> </ul>

## Key Outcomes

<p><b>ZERO</b> human rights violations among employees</p>	<p>Organised <b>6</b> D&amp;I programmes, benefitting <b>150</b> individuals</p>	<p><b>FIRST</b> Operating Unit to adopt the PETRONAS Human Rights Policy</p>
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## OUTLOOK

We will continue to embrace PETRONAS' HR Policies and Guidelines to promote an inclusive and diverse work culture. Our long-term focus is on empowering talent, ensuring ethical standards are upheld and offering sustained support through a comprehensive HR framework and rewarding policies. The year 2025 will be another opportunity for PDB to focus on the strategic execution of the PDB Human Rights Policy, strengthening due diligence processes and the grievance mechanism's effectiveness.

# Capability Building

## WHY IT MATTERS

Capability building is a key component of PDB's strategy for sustainable growth. This focus is driven by the rapid advancements in technology, evolving work paradigms, the dynamic nature of business, rising customer expectations and environmental changes. PDB is committed to empowering employees by fostering a culture of continuous learning and innovation, in line with PETRONAS Cultural Beliefs (bePCB) values. The capability focus is to support strategic business goals (Core Business and New Business). By embedding this ethos, we are creating a responsive and agile workforce, prepared for future challenges, while simultaneously enhancing our organisational productivity.

## OUR APPROACH

We are committed to supporting our employees by understanding their aspirations and investing in opportunities that foster growth in both technical and leadership domains. As part of our overarching goal, we continue to facilitate the enhancement of their expertise, skills and experience, enabling fulfilling and meaningful careers within the Group.

This effort is supported by tools such as the Superior Managed Assessment (SMA) and PETRONAS Capability Assessment (PECAS+), guided by the Job Competency Profile and supported by the PETRONAS Learning Management System, which outlines the functional and leadership competencies essential for specific roles. Our approach emphasises continuous Performance and Career conversation between superiors and subordinates. The development plan is mutually agreed upon by both superiors and subordinates and typically include a balanced blend of formal, social and experimental learnings.

## PERFORMANCE AND CAREER CONVERSATION

Performance and career conversations between superior and subordinate play a crucial role in PDB's journey towards becoming high-performance organisation. We leveraged SMA and PECAS+, enabling conversations and assessments to be conducted anytime, anywhere and in any format, while also functioning as a transparent and easily accessible tool. Segregated by Leadership Competencies and Technical Competencies, it supports our employees in developing their capabilities at an agreed pace, fostering accountability and allowing employees to enhance their skills in alignment with business requirements. Commitment to drive performance and career conversations are reflected through series of awareness and upskilling sessions such as SMA Booster, SMA Upskilling, PECAS+ Upskilling and Session with LTs (SWILT).





# Capability Building

# Capability Building

## LEARNING AND DEVELOPMENT PROGRAMMES

We actively promoted continuous learning to strengthen our employees' knowledge, exposure and skills while regularly reviewing and refining our learning and development programmes. Digital tools such as myLearningX and the PDB Learning Hub enabled our employees to apply what they learned, and to record and track their development effectively. Several customised and niche learning programmes were designed mainly for the Retail-Fuel and Commercial divisions, such as Retail Master Class, Retail Mastery Pitch and Legal & Contract Management. Separately, our identified subject trainers were upskilled via a Train the Trainer programme with strategic collaboration with the Human Resource Development Corporation (HRDC), PETRONAS Learning Center (PLC) and INSTEP. These efforts reflect our commitment to uphold operational excellence. Acknowledging the importance of the capability of our business partners, mainly the Rakan Niaga appointed by PDB, we continued the learning capability programmes in 2024, which included Station Operation and Management (ASAS) and Retail Digital Automation (SENTINEL).

## LEADERSHIP DEVELOPMENT

We remain focused in developing strong leadership skills across PDB. The efforts include initiatives for PDB Management Trainees, Potential Leaders, Top Talents, Senior Managers, and the Leadership Team through collaboration with multiple parties including the government. In order to ensure a sustainable and feasible future, succession planning for key PDB positions are reviewed periodically, aligned with organisational requirements.



## HRDC MANAGEMENT

We continued to foster our partnership with HRDC as we leveraged HRDC-registered learning and development programmes. We utilised the fund collected through our monthly levy payment to HRDC for more than 300 learning grants. Collaboration with HRDC remained healthy as we strategically optimised the levy utilisation.

## INTERNSHIP PROGRAMME

By offering an internship programme of up to eight months, we provided undergraduate students with real-life working experience through various functions and industries within PDB. To ensure good governance, instil cyber resilient behaviour and practice good working vales, we conducted several learning programmes for them, such as the Cybersecurity, CoBE, Shared Values and Cultural Beliefs programmes.

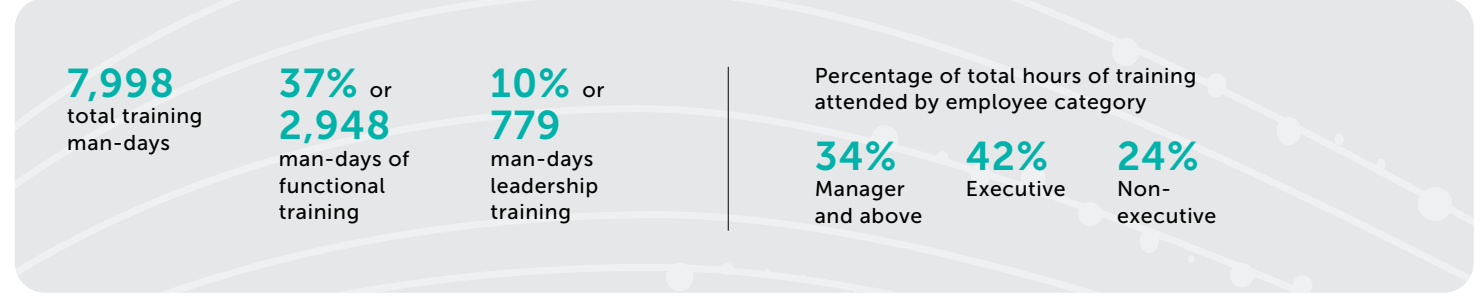
## PETRONAS GRADUATE EMPLOYMENT ENHANCEMENT SCHEME (PROTÉGÉ-GEES)

The PROTÉGÉ-GEES programme provided opportunities for Malaysian graduates to enhance their employability. This 12-month experiential learning programme equips graduates with real-life working experience and the necessary competencies to excel in the workforce. In 2024, 37 graduates participated in PETRONAS PROTÉGÉ-GEES at PDB.

## OUR VALUE CREATION

Key Areas	Our Progress
<b>Performance and Career Conversation</b>	<ul style="list-style-type: none"> <li>Conducted more than 30 engagement sessions to upskill employees on capability and competency assessment</li> </ul>
<b>Learning and Development Programmes</b>	<p><b>For Employees</b></p> <ul style="list-style-type: none"> <li>Recorded an average of 47 learning hours per employee across PDB</li> </ul> <p><b>For External Stakeholders</b></p> <ul style="list-style-type: none"> <li>Conducted 14 different learning programmes, with more than 40 learning sessions and over 20 e-learning modules (PDB Learning Hub), covering around 2,500 participants, including <i>Rakan Niaga</i>, <i>Krew</i> PETRONAS, contractors, vendors and suppliers</li> </ul>
<b>Leadership Development</b>	<ul style="list-style-type: none"> <li>Over RM500,000 invested for leadership programmes across diverse learning channels to strengthen the foundation for current and future leaders. PDB also recruited nine new Management Trainees as part of the long-term leadership development programme</li> </ul>
<b>HRDC Management</b>	<ul style="list-style-type: none"> <li>Utilised more than 90% of the annual levy for HRDC-registered learning programmes and claimable grants</li> </ul>
<b>Internship Programme</b>	<ul style="list-style-type: none"> <li>Welcomed 156 students from 32 universities for the internship programme</li> </ul>
<b>PETRONAS Graduate Employment Enhancement Scheme (PROTÉGÉ-GEES)</b>	<ul style="list-style-type: none"> <li>37 graduates enrolled for the PROTÉGÉ-GEES programme in 2024</li> </ul>

## Key Outcomes



## OUTLOOK

Moving forward, we remain committed to leveraging different platforms to cultivate the unique potential of our employees, enhancing organisational capabilities to achieve our corporate objectives. Our focus is on aligning with the aspirations and career goals of our employees, ensuring their personal and professional needs are fulfilled. By empowering our employees, we aim to foster an environment where they can thrive and contribute meaningfully to shaping PDB's sustainable future. This collaborative approach will reinforce our resilience and drive innovation as we navigate the evolving business landscape.

# Community Investment

# Community Investment

## WHY IT MATTERS

At PDB, we are committed to creating lasting and meaningful impacts through our community social investment programmes. These initiatives are designed to address the unique and complex challenges faced by diverse communities, tailored to meet their specific needs.

Our commitment to these programmes reflects their importance in fostering mutual trust and respect, building resilience and enhancing long-term community well-being.

In 2024, we invested a total of RM 1.92 million in community initiatives. These initiatives, including programmes with non-monetary investment, benefitted over 33,000 individuals across various community groups.

### OUR APPROACH

We upheld our dedication to community investments by committing time and resources to support and uplift the communities we serve through thoughtful, impactful actions. Guided by the PETRONAS Social Impact Management Framework (PSIMF), the foundational guide for managing social impact initiatives, we ensure alignment with the PETRONAS Sustainability Agenda.

Additionally, we adopt the PDB Social Impact Activation Guidelines, which ensure that our social impact programmes align with the PSIMF and PDB's Social Impact Focus Areas: Powering Knowledge, Uplifting Lives and Planting Tomorrow.

By consistently identifying opportunities to uplift, amplify and contribute to the development of stronger communities, we believe we play a pivotal role in driving positive change and providing meaningful aid to those in need. All business units across PDB collaborate to support our Community Social Investment programmes.

Our partnership with diverse community groups, government agencies and non-profit organisations enable us to better understand the challenges and needs of the communities we serve. PDB takes an inclusive approach by recognising PWD as a vulnerable group within local communities and upholding their right to meaningful employment. Through an initiative to hire PWDs at PETRONAS stations, PDB aligns roles with their abilities, fostering confidence, independence and financial stability within the workforce. We engage with stakeholders to gather feedback and address concerns, ensuring our initiatives continuously evolve to better meet the needs of the communities where we operate.

PDB empowers its employees to volunteer in a wide range of programmes and projects, contributing their time, talent and passion. In 2024, around 500 employees dedicated more than 2,000 volunteering hours to various internal and external programmes.



### Used Cooking Oil (UCO) Collection Campaign as the PDB Social Impact Flagship Programme

Building on the success of the pilot UCO collection campaign in 2023, we expanded and enhanced our efforts in 2024. In partnership with Ministry of Plantation and Commodities (KPK), we aim to increase the total volume of UCO collected while advancing efforts to promote a circular economy. By maintaining the cash incentive system, the campaign continues to motivate individuals to recycle, driving environmental sustainability and supporting our broader sustainability agenda.



**Leading the Charge: PETRONAS Station Kota Kemuning Success Story**

The success of the UCO Collection Campaign can be largely attributed to the commitment of PETRONAS station dealers, who serve as both collection points and sustainability ambassadors. Notably, the PETRONAS station in Kota Kemuning emerged as a top performer, distinguishing itself as one of the highest UCO collection points.

Dealer Puan Nurul Izzaty, who manages the Kota Kemuning station, shared her story:

*When the programme started, we saw it as an opportunity to make a meaningful contribution to the environment while supporting our customers. Over time, the response grew tremendously. Many households and small businesses began dropping off their used cooking oil regularly and we built strong relationships with the community."*

Puan Nurul Izzaty emphasised the importance of community engagement, noting that the programme fostered a sense of shared purpose among customers.

*It's more than just collecting used cooking oil; it's about educating people. They take pride knowing their waste is being managed responsibly, without harming the environment. It's fulfilling to witness how small actions can create such a significant impact."*

Her efforts showcase how dealers can enhance their stations by incorporating sustainable initiatives, promoting responsible practices and supporting environmental stewardship within the community.

### Driving Sustainability Through UCO Recycling: Collaboration with MBPP

PDB's partnership with the Penang Island City Council (MBPP) represents a significant milestone in advancing sustainability in Penang. Together, we are fostering a better future by encouraging households, schools and businesses to recycle used cooking oil, transforming waste into a valuable resource while minimising environmental impact.

Key initiatives under this collaboration include:

- UCO Recycling Competition for Schools**
  - Launched across schools on Penang Island to promote sustainability and environmental awareness among students
  - The competition involved 51 schools, impacting 26,000 lives
- Community Awareness Townhall**
  - The townhall brought together representatives from 158 schools and 380 local housing areas to promote waste segregation and UCO recycling
- Pasar Lebuh Cecil UCO Collection Programme**
  - A dedicated UCO collection initiative was launched, involving 330 hawkers, while promoting the use of Gas PETRONAS. This marked another important step in our sustainability journey



**Empowering Communities, One Drop at a Time**

The campaign has created direct benefits for community members, offering a safe, accessible and rewarding way to recycle used cooking oil. For many, it extends beyond mere convenience, offering financial incentives and a meaningful sense of purpose.

Badrul Hisham, one of our loyal customers who participates in the campaign monthly, shared his experience:

*I never realised my used cooking oil could be recycled for something important. It's empowering to know I'm contributing to the sustainability agenda while earning a little extra cash. I also learned so much about waste disposal and how small changes can make a big difference."*

His story highlights the tangible value the campaign provides—not just by uplifting incomes but also by encouraging sustainable behaviour that goes beyond recycling.



# Community Investment

# Community Investment

### Transforming Waste into Sustainable Aviation Fuel (SAF)

While the campaign focused on UCO collection, it also educated the public on reducing waste and highlighted UCO's potential as a feedstock for SAF. Aligned with Malaysia's Net Zero Carbon Emissions (NZCE) 2050 target, the initiative demonstrated how everyday waste can drive clean energy innovation.

Supporting Malaysia's NETR and PSIMF, focusing on Planting Tomorrow and Uplifting Lives pillars, the campaign emphasised the role of UCO in SAF production, connecting individual actions to broader national and global sustainability goals.

As PDB looks to expand the programme and strengthen community partnerships, the focus remains on:


- Promoting environmental education
- Creating opportunities for local communities
- Supporting Malaysia's transition to cleaner energy sources

The UCO campaign reached remarkable milestones since its launch, encouraging responsible waste disposal while contributing to Malaysia's cleaner energy transition. Throughout 2024, it had collected approximately 586 tonnes of UCO nationwide, involving over 161,000 individuals. Through this initiative, PDB demonstrated that small actions can lead to positive impacts - uplifting lives, one drop of used cooking oil at a time.

### OUR VALUE CREATION

Key Areas	Our Progress
<b>Gas PETRONAS @ Community</b>	<ul style="list-style-type: none"> <li>• Gas PETRONAS provided consistent support to Rumah Anak-Anak Yatim &amp; Asnaf As-Solihin Kanchong Darat by contributing two gas cylinders every month for a year, ensuring the children had a reliable and affordable energy source for their daily cooking needs</li> <li>• To further uplift the living conditions, Gas PETRONAS revitalised the orphanage's dormitories by repainting the walls in a crisp white, creating a brighter, cleaner and more welcoming environment for the children to thrive in</li> </ul>
<b>Ikhlas Ramadan</b>	<ul style="list-style-type: none"> <li>• PDB, in collaboration with Majlis Bandaraya Subang Jaya (MBSJ) and Dewan Bandaraya Kuala Lumpur (DBKL), organised the Ikhlas Ramadan Bersama Gas PETRONAS 2024 event across five selected Bazaar Ramadan locations</li> <li>• Key achievements of the initiative include:                         <ul style="list-style-type: none"> <li>- Distribution of 1,029 units of LPG cylinders to support 507 food vendors</li> <li>- Collection of 2,290 kg of UCO from 148 participating customers</li> </ul> </li> </ul>
<b>Flood Relief Assistance</b>	<p><b>LPG Division</b></p> <ul style="list-style-type: none"> <li>• Extended its support to Jabatan Kebajikan Masyarakat Negeri Kelantan by sponsoring 75 LPG cylinders to aid its community efforts</li> <li>• In addition, LPG Channel Members collectively contributed:                         <ul style="list-style-type: none"> <li>- Approximately 500 LPG cylinders to support local communities within their respective areas of operation</li> <li>- Free meals valued at approximately RM30,000 at selected Temporary Relief Centres in Kelantan, Terengganu and Pahang</li> </ul> </li> </ul> <p><b>Retail-Fuel Division</b></p> <ul style="list-style-type: none"> <li>• Organised Program Agihan Bantuan Mangsa Banjir Wilayah Timur at two locations: PETRONAS station Bandar Permaisuri in Setiu, Terengganu, and PETRONAS station Bendang Morak in Tumpat, Kelantan. The programme was led by the Retail-Fuel Division, Eastern Region</li> <li>• Donated 435 care packages filled with essential items, including rice, sugar, cooking oil, flour and Mesra products, to support flood victims in Terengganu (205 recipients) and Kelantan (230 recipients). The Department of Social Welfare (JKM) facilitated the distribution, ensuring the aid reached those in need</li> </ul>
<b>Timber Tree Planting Event</b>	<ul style="list-style-type: none"> <li>• PDB Digital Division participated in a timber tree planting programme, with 83 employees actively contributing to the initiative</li> <li>• The event reinforced PDB Digital Division's commitment to social impact by engaging employees in environmental sustainability initiatives, fostering purpose and community engagement, supporting carbon offset goals through tree planting and raising awareness of sustainability efforts</li> </ul>

### OUR VALUE CREATION (CONT'D)

Key Areas	Our Progress
<b>PDB Sponsorship of the Badminton Association of Malaysia (BAM)</b>	<ul style="list-style-type: none"> <li>• PDB sponsored BAM with an investment of over RM1.5 million to support the development of youth badminton talent. This collaboration aims to ensure the sustainability of Malaysia's badminton legacy while contributing to nation-building and enhancing the social well-being of Malaysians</li> <li>• Through this sponsorship, PDB strengthened its corporate image as a brand dedicated to advancing social causes and ESG efforts while supporting an average of 140 athletes annually from 2022 to 2024, comprising 40% from the Senior Squad and 60% from the Junior Squad. The partnership contributed to the remarkable achievement of 164 medals across both squads</li> </ul>
<b>SEEd.Lab</b>	<p>In 2024, we contributed RM372,000 to the Social Enterprise Education Lab (SEEd.Lab), an end-to-end incubator programme powered by PETRONAS and Tata Consultancy Services which focuses on building self-sustaining social enterprises that forge solutions to solve social pain points within communities.</p> <p>By November 2024, SEEd.Lab had generated RM683,747 in public relations value and positively impacted over 26,000 individuals through its 14 social enterprises. As part of this initiative, PDB supported ENOKU, SEEd.Lab's social venture focused on creating employment opportunities for PWDs. PDB committed to placing 40 PWDs through ENOKU across Johor, Perak, Penang and Pahang, building on a successful 2023 pilot with 10 PWDs in Klang Valley. In 2024, ENOKU placed 22 PWDs and aims to place the remaining 18 in 2025.</p> <p>To support this effort, ENOKU and PDB allocated 1,456 training hours to equip PDB managers and <i>Rakan Niaga</i> with the skills needed to effectively manage and support PWDs. This training is designed to foster a supportive and inclusive workplace where PWDs are empowered and their contributions are valued.</p> <p>Additionally, PDB employees contributed 112 volunteer hours to further bolster this initiative. Looking ahead, SEEd.Lab remains committed to continuing this collaboration, building on the achievements of 2024 and fostering greater social impact.</p>
<b>Community Outreach Programmes</b>	<p>We are dedicated to supporting less fortunate individuals through the following community outreach programmes:</p> <p><b>MESRA x The National Society of Autism Malaysia (NASOM) Titiwangsa</b></p> <ul style="list-style-type: none"> <li>• In 2024, through MESRA, we visited NASOM Titiwangsa, an early intervention school for children with autism. MESRA-ian assisted the centre by performing cleaning and painting work to improve the learning environment</li> <li>• We also engaged with the students through classroom activities, outdoor games and providing food</li> </ul> <p><b>MESRA x Malaysia Federation of the Deaf (MFD)</b></p> <ul style="list-style-type: none"> <li>• MFD operates Tadika Istika Jaya, an early childhood education centre dedicated to supporting deaf children</li> <li>• To enrich their learning experience, MESRA employees accompanied MFD students on an excursion to Aquaria KLCC in 2024. This trip aimed to introduce the students to aquatic and marine life while also fostering meaningful interactions between the students and MESRA employees</li> </ul> <p>The social impact achieved through these activities reached 62 students, involving 105 staff members as internal volunteers, contributing 420 hours of volunteer work, improving the learning environment and deepening students' understanding of marine knowledge.</p> 

# Community Investment

## OUR VALUE CREATION (CONT'D)

### Key Areas Our Progress

**Community Outreach Programmes**

- MESRA x Career Sharing at Universities**
- We conducted several sessions at public universities to share the company's growth story and highlight the diverse career and internship opportunities available at MESRA
  - This partnership with universities demonstrates MESRA's commitment to nurturing young talent and empowering future professionals
  - MESRA aspires to pave the way for many more impactful initiatives in the years ahead



### Key Outcomes

Through SEEd.Lab, generated public relations value of <b>RM683,747</b> and benefitting <b>26,948</b> individuals nationwide	More than <b>700</b> tonnes of used cooking oil (UCO) collected nationwide, involving over <b>190,000</b> individuals	Conducted training for <b>182</b> PDB employees, totalling <b>1,456</b> training hours, in partnership with ENOKU
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### OUTLOOK

We are dedicated to enhance our role in delivering targeted, high-impact community investment programmes that address societal needs while supporting our business objectives. Acknowledging the interconnected nature of our operations and supply chain, which engages both local and foreign labour, we recognise our responsibility to proactively manage potential human rights risks. To uphold the highest standards, we implement robust policies and practices to safeguard human rights throughout our value chain. Additionally, we continuously refine our mechanisms to monitor, evaluate and enhance the effectiveness of our programmes and initiatives, ensuring they remain impactful and aligned with our commitment to global sustainability goals.

# Sustainability Dashboard

## CREATING SUSTAINABLE VALUE THROUGH RESPONSIBLE GOVERNANCE

### Ethics and Corporate Governance

<p>Percentage of Employees Who Have Received Training on Anti-Corruption by Employee Category</p> <p><b>99%*</b></p> <p>(2023: 98% 2022: 90%)</p> <p><small>* Training on Anti-Corruption applies to both permanent and contract staff. This pertains to PDB only and has been externally assured by KPMG PLT. Refer to page 170 for the independent limited assurance report.</small></p>	<p>Percentage of Operations Assessed for Corruption-Related Risks</p> <p><b>100%*</b></p> <p>(2023: 100% 2022: 86%)</p> <p><small>* This pertains to PDB only and has been externally assured by KPMG PLT. Refer to page 170 for the independent limited assurance report.</small></p>	<p>Confirmed Incidents of Corruption and Action Taken</p> <p><b>0*</b></p> <p>(2023: 0 2022: 2)</p> <p><small>* This pertains to PDB and its subsidiaries and has been externally assured by KPMG PLT. Refer to page 170 for the independent limited assurance report.</small></p>
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### Economic Growth and Performance

<p>Dividend Paid to Investors</p> <p><b>RM884.2 million</b></p> <p>(2023: RM923.9 million 2022: RM615.9 million)</p>	<p>Tax Paid to Government</p> <p><b>RM353.9 million</b></p> <p>(2023: RM497.0 million 2022: RM306.7 million)</p>	<p>Salaries Paid to Employees</p> <p><b>RM470.9 million</b></p> <p>(2023: RM474.8 million 2022: RM296.4 million)</p>
<p>Payment to Contractors/Suppliers/ Business Partners</p> <p><b>RM50.7 billion</b></p> <p>(2023: RM47,666.6 million 2022: RM48,902.3 million)</p>	<p>Percentage of Local Suppliers/ Contractors</p> <p><b>98.6%*</b></p> <p>(2023: 98% 2022: 99.4%)</p> <p><small>* The percentage of local suppliers is determined based on the Purchase Order (PO) figures. This pertains to PDB only and has been externally assured by KPMG PLT. Refer to page 170 for the independent limited assurance report.</small></p>	

### Sustainable and Ethical Supply Chain

<p>Employee under Collective Bargaining Agreements</p> <p><b>580</b></p> <p>(2023: 610 2022: 531)</p>	<p>Substantiated Complaints Concerning Human Rights Violations in the Supply Chain</p> <p><b>5 out of 6*</b></p> <p>(1 case is under investigation)</p> <p>(2023: 6 2022: 9)</p> <p><small>* This pertains to PDB only and has been externally assured by KPMG PLT. Refer to page 170 for the independent limited assurance report.</small></p>
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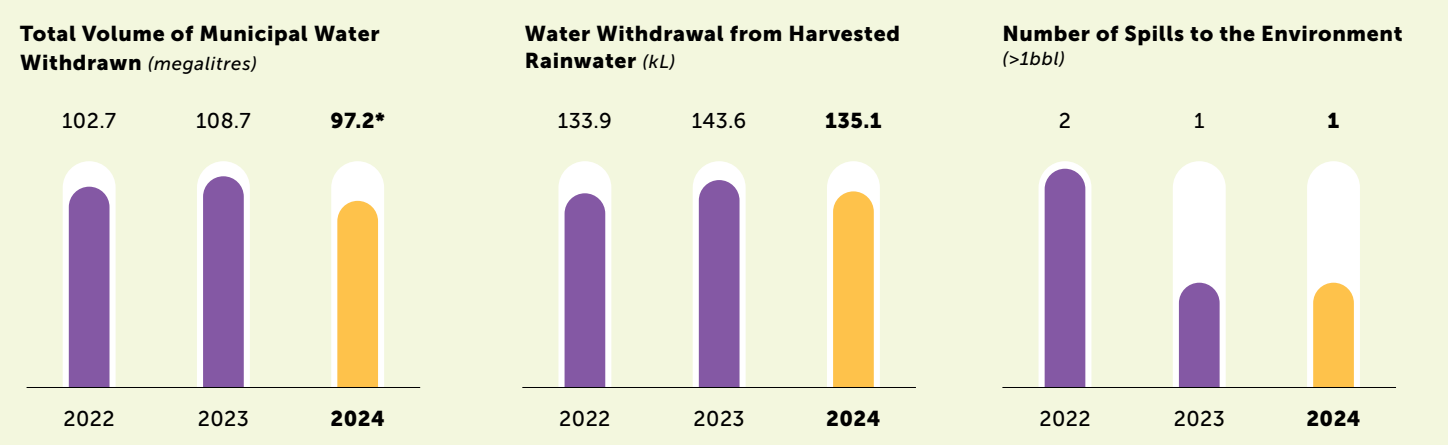


# Sustainability Dashboard

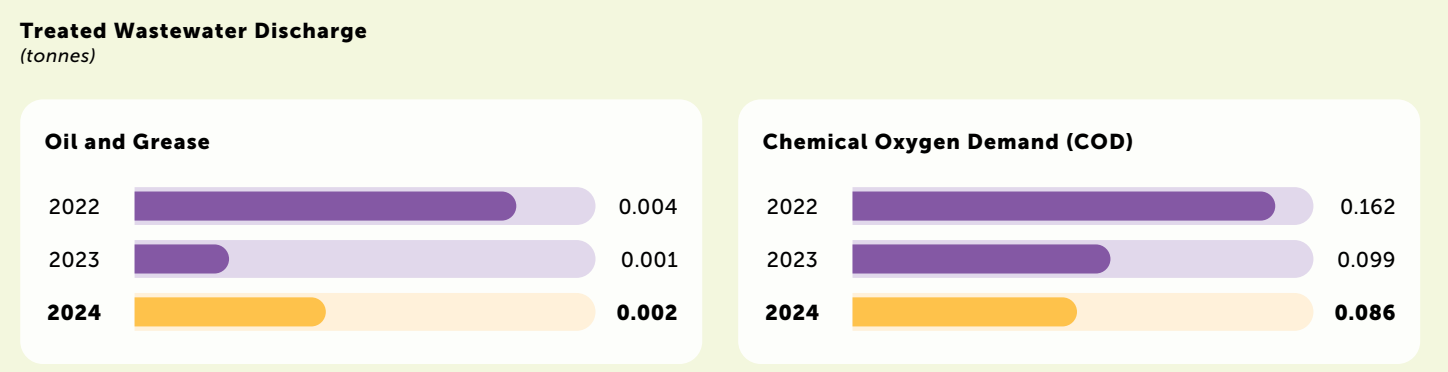
# Sustainability Dashboard

## THRIVING WITH NATURE

### Environmental Management

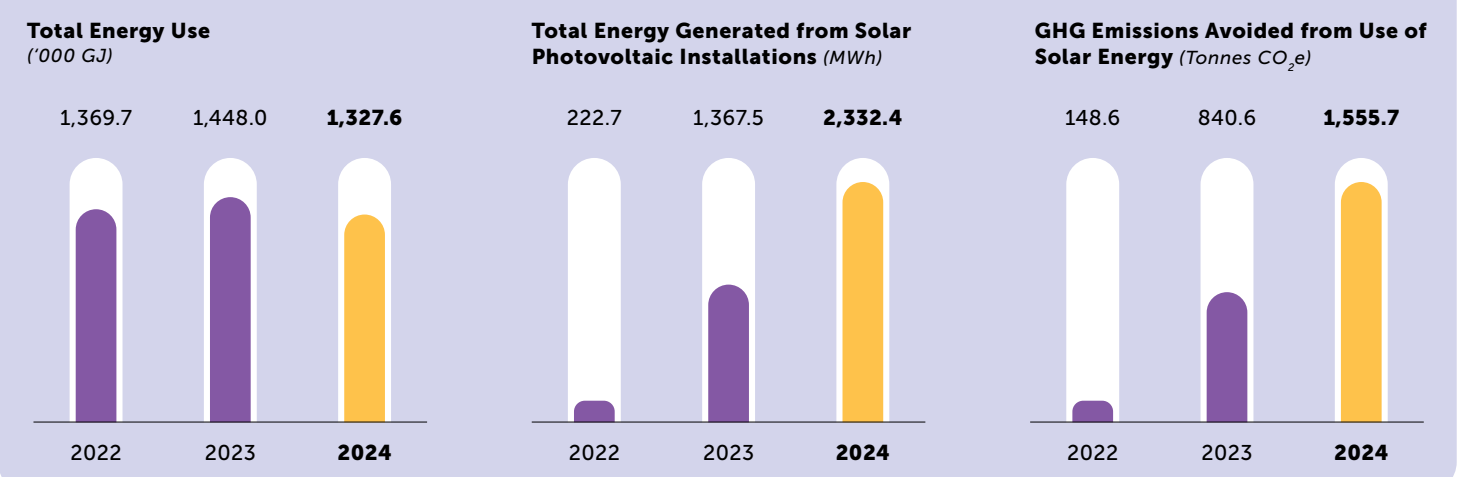
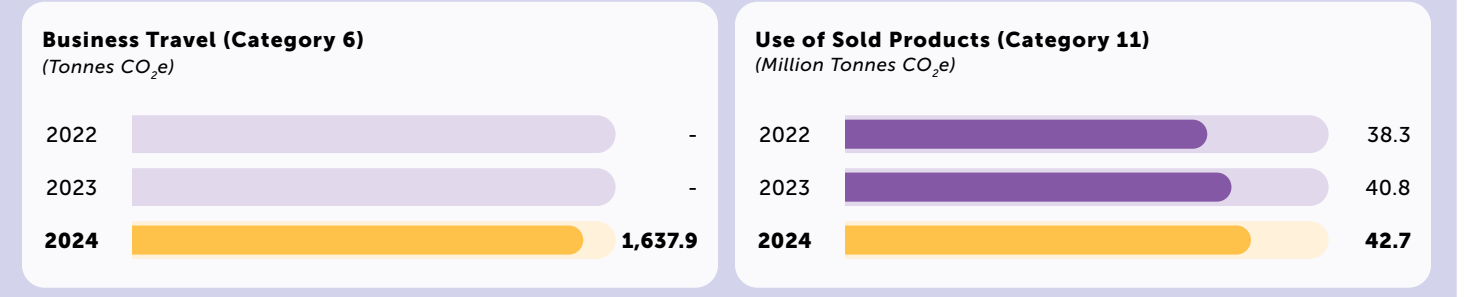
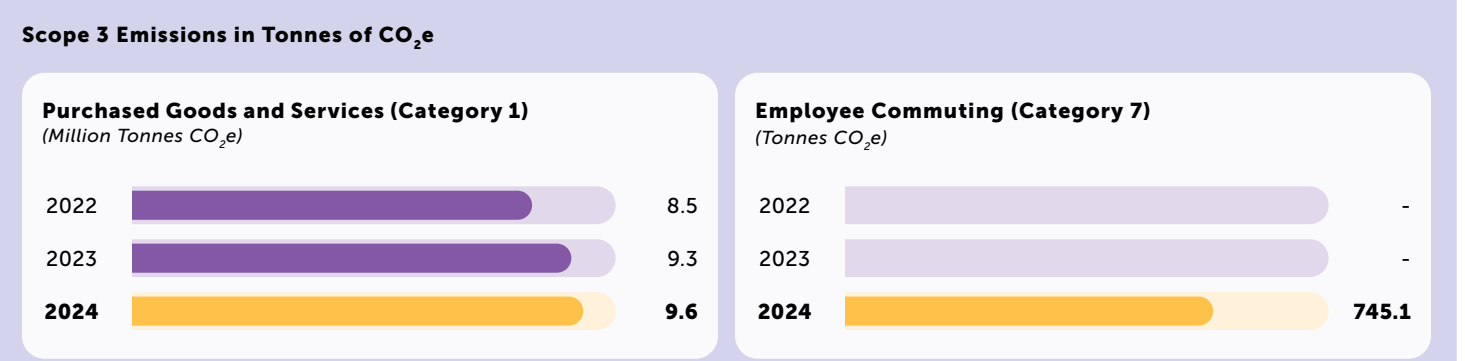


\* This pertains to PDB and KAFS only and has been externally assured by KPMG PLT. Refer to page 170 for the independent limited assurance report.



## DELIVERING NET ZERO

### Climate Change and GHG Emissions

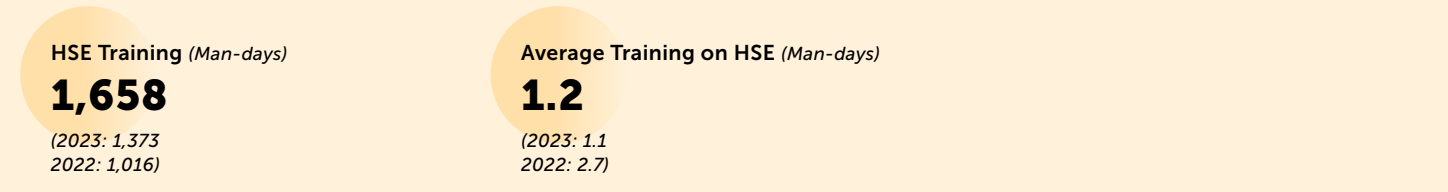


# Sustainability Dashboard

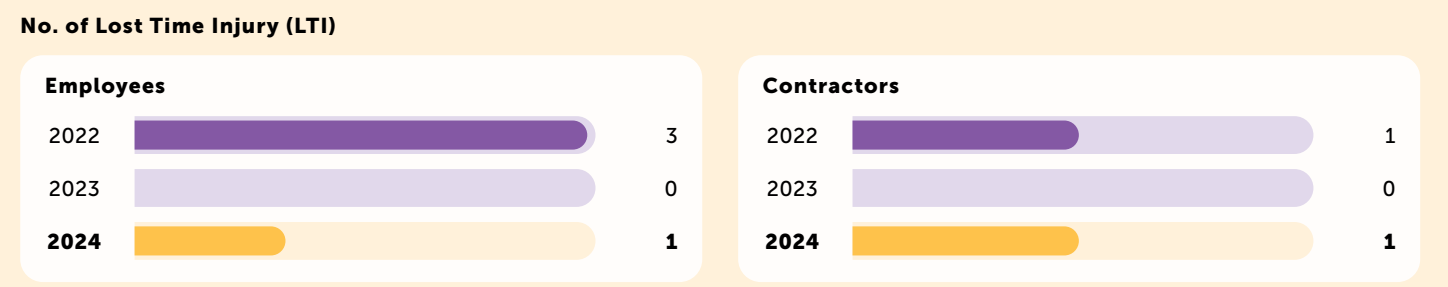
# Sustainability Dashboard

## FOSTERING A JUST TRANSITION

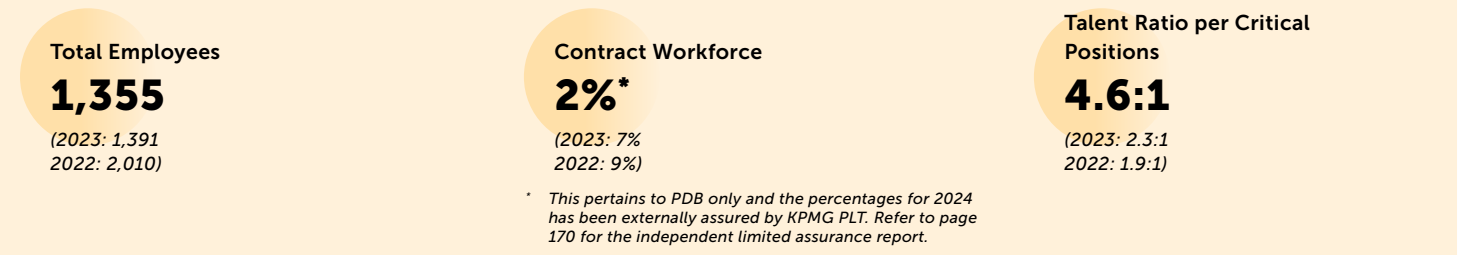
### Health and Well-being



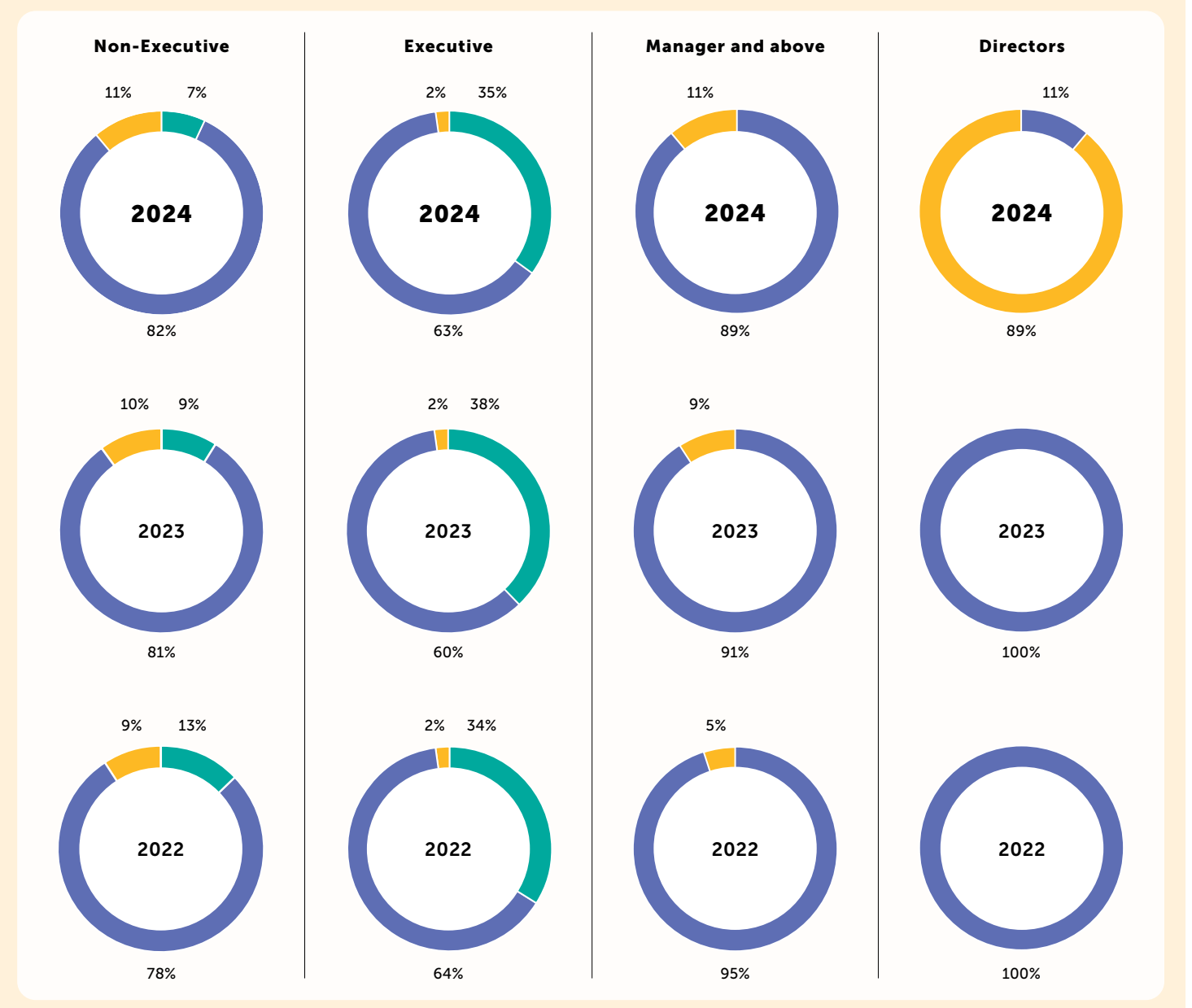
\* This pertains to PDB and KAFS only and has been externally assured by KPMG PLT. Refer to page 170 for the independent limited assurance report.



## Human Capital



### Breakdown of Employee Category by Age Group\* (%)



\* This pertains to PDB only and the percentages for 2024 has been externally assured by KPMG PLT. Refer to page 170 for the independent limited assurance report.



# Sustainability Dashboard

# Sustainability Dashboard

## Breakdown of Employee Category by Gender\* (%)

Male Female



\* This pertains to PDB only and the percentages for 2024 have been externally assured by KPMG PLT. Refer to page 170 for the independent limited assurance report.

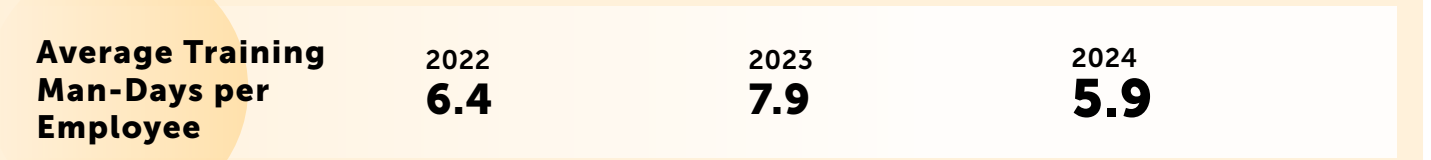
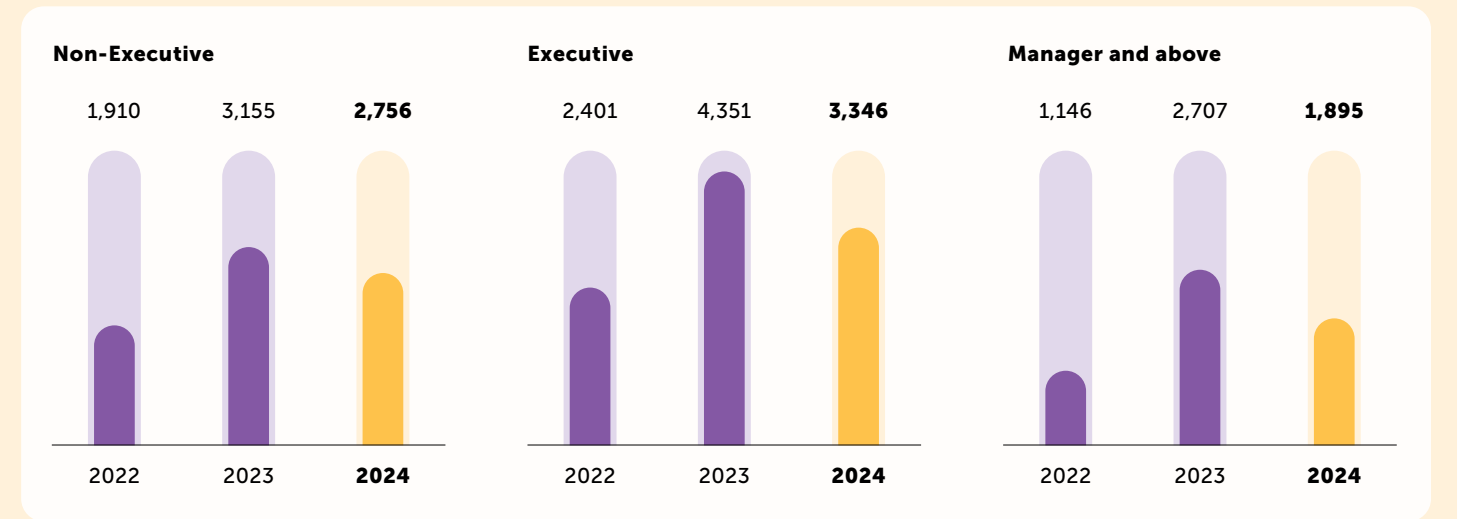
## Employee Turnover by Employee Category\* (No.)



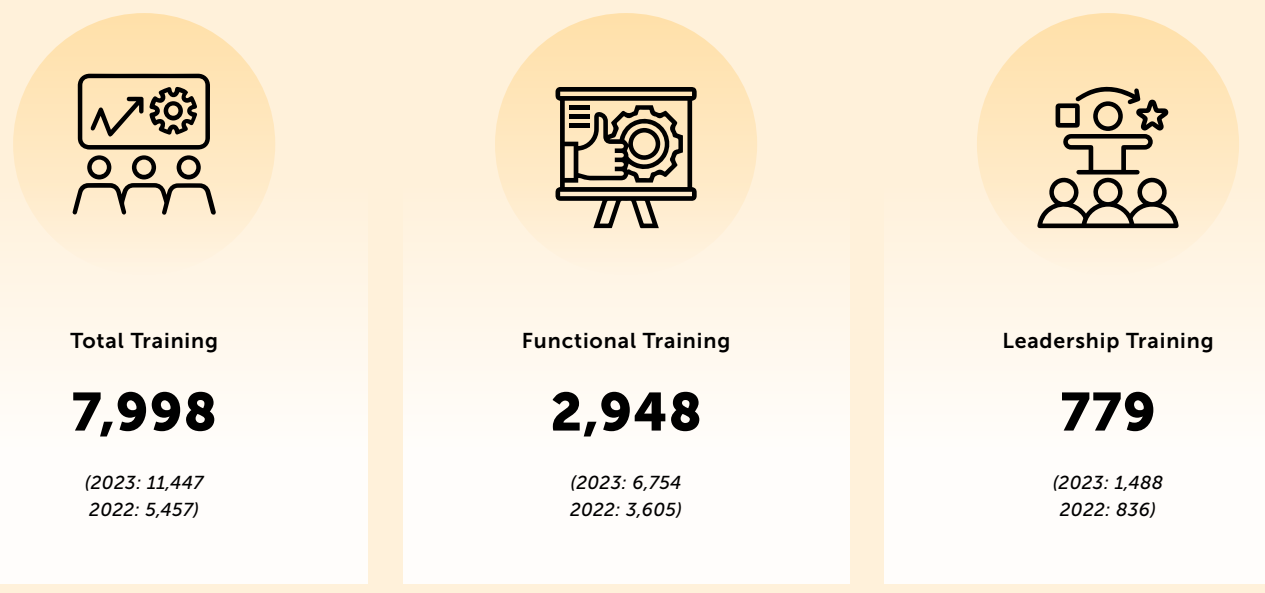
\* The employee turnover includes permanent and contract staff.

## Capability Building

### Training Man-Days by Employee Category

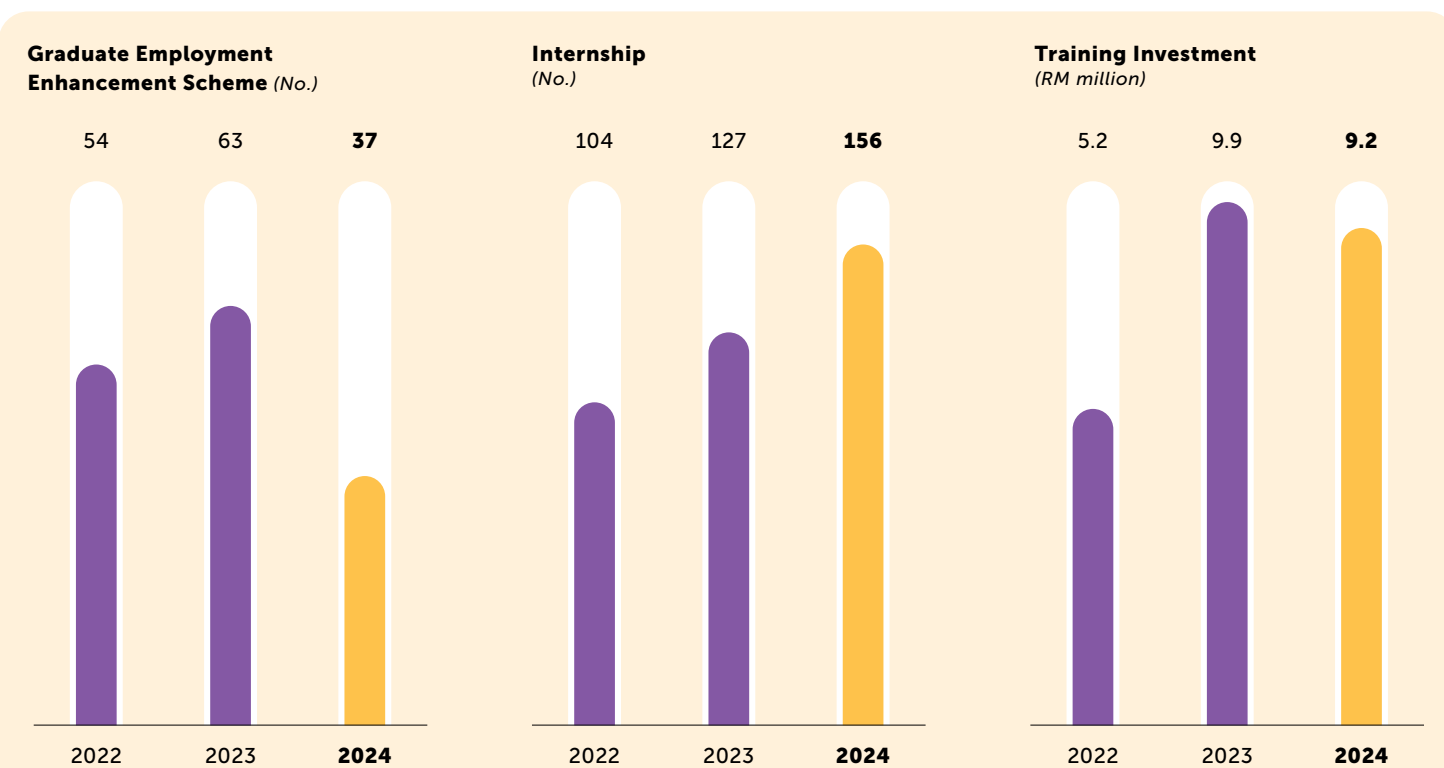


### Training Man-Days



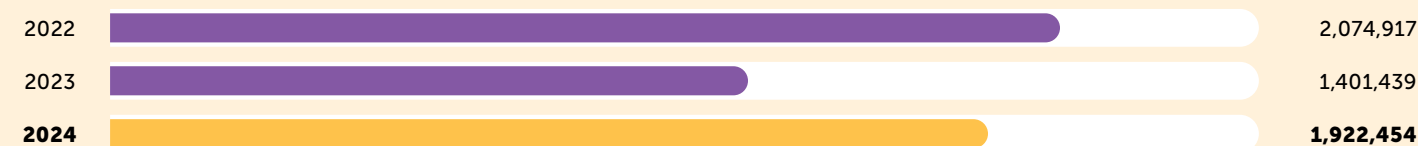
## Sustainability Dashboard

# GRI Content Index

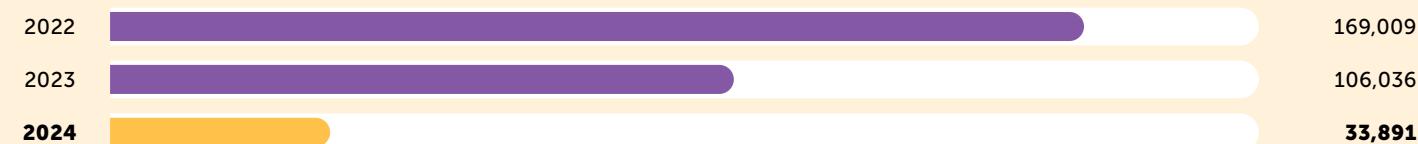


### Community Investment

#### Total Amount Invested in the Communities (RM)



#### Total Number of Beneficiaries of the Investment in Communities



<b>Statement of use</b>	PETRONAS Dagangan Berhad has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard</b>	GRI 11: Oil and Gas Sector 2021

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## GRI Content Index

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<b>GRI 418: Customer Privacy 2016</b>	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	106

# Bursa Malaysia Indicators

# Bursa Malaysia Indicators

Indicator	Measurement Unit	2022	2023	2024
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	-	90.00	100.00
Executive	Percentage	-	90.00	98.00
Non - Executive	Percentage	-	No Data Provided	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	86.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	2	0	0
<b>Bursa (Community/Society)</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	2,074,917.00	1,401,439.00	1,922,454.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	169,009	106,036	33,891
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	0.00	0.00	0.00
Management Between 30-50	Percentage	95.00	91.00	89.00
Management Above 50	Percentage	5.00	9.00	11.00
Executive Under 30	Percentage	34.00	38.00	35.00
Executive Between 30-50	Percentage	64.00	60.00	63.00
Executive Above 50	Percentage	2.00	2.00	2.00
Non-executive Under 30	Percentage	13.00	9.00	8.00
Non-executive Between 30-50	Percentage	78.00	81.00	81.00
Non-executive Above 50	Percentage	9.00	10.00	11.00
Gender Group by Employee Category				
Management Male	Percentage	65.00	66.00	66.00
Management Female	Percentage	35.00	34.00	34.00
Executive Male	Percentage	60.00	58.00	58.00
Executive Female	Percentage	40.00	42.00	42.00
Non-executive Male	Percentage	72.00	79.00	80.00
Non-executive Female	Percentage	28.00	21.00	20.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	70.00	100.00	67.00
Female	Percentage	30.00	0.00	33.00
Between 30-50	Percentage	100.00	100.00	11.00
Above 50	Percentage	0.00	0.00	89.00

Indicator	Measurement Unit	2022	2023	2024
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	0.00	0.00	1,327.60
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.13	0.00	0.19
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,108	1,072	1,086
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(a) Total hours of training by employee category				
Manager and above	Hours	1,910	3,155	15,162
Executive	Hours	2,401	4,351	26,772
Non-executive	Hours	1,146	2,707	22,048
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	7.0	9.0	2.0
Bursa C6(c) Total number of employee turnover by employee category				
Manager and above	Number	28	3	7
Executive	Number	139	28	13
Non-executive	Number	50	65	36
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	9	6	6
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	98.00	98.60
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	0	0
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	102.700000	103.600000	97.200000
<b>Bursa (Waste Management)</b>				
Bursa C10(a) Total waste generated	Metric tonnes	-	-	673.30
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	468.20
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	205.10
<b>Bursa (Emissions Management)</b>				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	10,400.00	11,200.00*	10,011.00*
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	96,000.00	91,200.00*	85,516.00*
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	52,302,383.00

Internal assurance External assurance No assurance (\*)Restated

Internal assurance External assurance No assurance (\*)Restated

**Note:**

- The performance data table above is generated from the standard template of Bursa's ESG reporting platform.
- The scope and boundary for the table above is as follows:
  - Data representing PDB Company: C1(a), C1(b), C3(a), C3(b), C5(c), C6(a), C6(b), C6(c), C6(d), C7(a), C8(a)
  - Data representing PDB and its subsidiaries: C1(c), C5(a), C5(b)
  - Data representing PDB Co. and Mesra: C2(a), C2(b)
  - Data representing PDB Co. and KAFS: C9(a), C10(a)
  - Data representing PDB and its subsidiaries: C4(a)
- For indicator C6 (b), temporary staff, or Contract Direct Hires (CDH), are hired directly by the company on a contractual basis for a set duration or project, without involving a third-party agency.
- For indicator C9(a), data is for municipal water withdrawal. For more information, refer to Environmental Management section, page 127.
- Indicators C11(a), C11(b), and C11(c) were assured by LRQA Malaysia Sdn. Bhd., while the remaining indicators were assured by KPMG PLT.
- For indicator C11(c), PDB has disclosed data for Categories 1, 6, 7, and 11. However, only Categories 7 and 11 have been assured by LRQA (Malaysia) Sdn Bhd.
- For indicator C4(a), the submitted data is in Megajoule while the unit specified by Bursa is Megawatt.



# External Independent Assurance Report

# External Independent Assurance Report



## LRQA Group Independent Assurance Statement

Relating to PETRONAS Dagangan Berhad (PDB) Greenhouse Gas (GHG) emissions for calendar year 2024

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 2024 ("the Report") for the calendar year 2024 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's entities<sup>1</sup> 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, Oct 2021.
  - 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<sup>2</sup>.
- 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<sub>2</sub>e.
  - Equity share for (Scope 1) and Energy Indirect (Scope 2) expressed in tonnes CO<sub>2</sub>e.

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's 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 and Table 2.

The opinion expressed is formed on the basis of a limited level of assurance<sup>3</sup> and at the materiality of the professional judgement of the verifier.

**Table 1. Summary of PDB Operational Control GHG Emissions data for Scope 1 and Scope 2 emissions:**

Operational control Scope*	2024 (tCO <sub>2</sub> e)
Scope 1 emissions	10,011
Scope 2 emissions	85,516

\*note: includes PNGV

**Table 2. Summary of PDB Equity Share GHG Emissions data for Scope 1 and Scope 2 emissions:**

Equity Share Scope	2024 (tCO <sub>2</sub> e)
Scope 1 emissions	9,233
Scope 2 emissions	92,709

### 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:

<sup>1</sup> PETRONAS Dagangan Berhad (PDB) core business is retail fuel, commercial (aviation fuel), LPG, lubricants, convenience business, digital payment solutions and includes facilities such as offices, fuel terminals, aviation terminals, LPG terminals and bottling facilities, bunkering facilities, petrol stations with minimarts 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.  
<sup>2</sup> <https://www.ghgprotocol.org/>

<sup>3</sup> 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. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



- 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.
  - Terminals and facilities: Remote verification at Fuel Terminals, LPT Terminals & Bottling Facilities, Aviation Terminals and onsite verification at Prai Fuel & LPG Terminal and KLIA - KAFS Terminal.
  - Secondary distribution: Remote verification at ROVR.
  - Customer: Remote verification retail fuel stations, Mesra Retail & Café Sdn. Bhd. outlets and commercial offices and onsite verification at TEMASYA FEDERAL HIGHWAY and PUCHONG BT 14 retail fuel stations.
  - PNGV: Remote verification on the NGV Terminals and onsite verification at Cochrane Perkasa NGV station.
  - GHG inventory emissions based on IPCC AR4 GWP
- 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 2024.

### 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.

Signed 

Dated: 26th February 2025

**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



## LRQA Group Independent Assurance Statement

Relating to PETRONAS Dagangan Berhad (PDB) Scope 3 Greenhouse Gas (GHG) emissions for calendar year 2024

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 Scope 3 greenhouse gas (GHG) emissions inventory for Category 7: Employee Commuting and Category 11: Use of Sold Products in the PETRONAS Dagangan Berhad Integrated Report 2024 ("the Report") for the calendar year 2024 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 related to its businesses and covered all operations in Malaysia that are under PDB' Operational Control. 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 Resource Institute's (WRI's) Corporate Value Chain (Scope 3) Accounting and Reporting Standard edition 2011<sup>1</sup>; (otherwise referred to as the WRI/WBCSD GHG Protocol)
- Evaluating the accuracy and reliability of data and information for only the selected emission scopes listed below:
  - Indirect Emissions (Scope 3) for Category 7: Employee Commuting and Category 11: Use of Sold Products expressed in tonnes CO<sub>2</sub>e.

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, analyzing 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 below.

The opinion expressed is formed on the basis of a limited level of assurance<sup>2</sup> and at the materiality of the professional judgement of the verifier.

**Table 1: GHG Emissions for Calendar Year 2024**

GHG Protocol Scope 3 Category	tCO <sub>2</sub> e*
Category 7: Employee Commuting	745
Category 11: Use of Sold Products	42,729,867

### 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 a strategic analysis and risk analysis to identify samples and conducting its verification
- Reviewed the inputs, emission factors, assumptions and calculation methodology used to calculate the Scope 3 emissions.
- 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.

<sup>1</sup> <https://www.ghgprotocol.org/>

<sup>2</sup> - 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. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



- Verified emissions for Category 11 for fuels<sup>3</sup> sold that were externally sourced and retailed by PDB.
- Verified that GWPs from IPCC AR 4 have been applied.
- Interviewed relevant staff of the organization responsible for managing the Scope 3 Emissions calculation and governance processes.
- Assessing the appropriate use of emission factors from UK Greenhouse Gas Reporting: Conversion Factors.
- Verifying historical GHG emissions data and records for at an aggregated level for the calendar year 2024.

### 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.

Signed \_\_\_\_\_ Dated: 19<sup>th</sup> February 2025

  
**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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<sup>3</sup> 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



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(LLP0010081-LCA & AF 0758)  
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The Board of Directors  
**Petronas Dagangan Berhad**  
Petronas Twin Towers,  
Tower 1, Kuala Lumpur City Centre,  
50088 Kuala Lumpur,  
Federal Territory of Kuala Lumpur

**Independent Practitioners' Limited Assurance Report on Petronas Dagangan Berhad's ("PDB" or the "Company") Selected Sustainability Indicators for the financial year ended 31 December 2024 ("FYE 2024") presented in its FYE 2024 Integrated Report**

### Conclusion

We have performed a limited assurance engagement on whether the Company's selected sustainability indicators for the FYE 2024 listed below ("Selected Sustainability Indicators") have been prepared in accordance with the Company's definition and calculation methodologies as set out in the Company's FYE 2024 Integrated Report and/ or where relevant, the Bursa Malaysia Securities Berhad Listing Requirements ("Applicable Criteria"):

No.	Selected Sustainability Indicators	Boundary
1.	Percentage of employees who have received training on anti-corruption by employee category (%)	PDB only
2.	Percentage of operations assessed for corruption-related risk (%)	PDB only
3.	Confirmed incidents of corruption and action taken (No.)	PDB and its subsidiaries, namely: i) Petronas Aviation Sdn. Bhd.; ii) Petronas Lubricants Marketing (Malaysia) Sdn. Bhd.; iii) Mesra Retail & Cafe Sdn. Bhd. ("Mesra"); iv) Kuala Lumpur Aviation Fuelling System Sdn. Bhd. ("KAFS"); v) Setel Ventures Sdn. Bhd.; vi) Setel Express Sdn. Bhd.; and vii) Setel Pay Sdn. Bhd.  (Collectively PDB and the above are referred to as "PDB Group")
4.	Percentage of employees by gender and age group, for each employee category (%)	PDB only
5.	Percentage of directors by gender and age group (%)	PDB only
6.	Percentage of employees that are contractors or temporary staff (%)	PDB only
7.	Total number of employees turnover by employee category (No.)	PDB only
8.	Number of work-related fatalities (No.)	PDB Group
9.	Number of substantiated complaints concerning human rights violations (No.)	PDB only
10.	Proportion of spending on local suppliers (%)	PDB only
11.	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data (No.)	PDB only
12.	Total volume of water used (Megalitres)	PDB and KAFS

KPMG PLT, a limited liability partnership under Malaysian law and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

# External Independent Assurance Report



*Petronas Dagangan Berhad ("PDB" or the "Company")  
Independent Practitioner's Limited Assurance Report on  
PDB's Selected Sustainability Indicators for the FYE 2024  
presented in its FYE 2024 Integrated Report  
20 February 2025*

### Conclusion (continued)

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Selected Sustainability Indicators for the FYE 2024 presented in the Company's FYE 2024 Integrated Report are not prepared, in all material respects, in accordance with the Applicable Criteria.

### Basis for conclusion

We conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagements ("ISAE") 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. Our responsibilities under this standard are further described in the *Our responsibilities* section of our report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Our quality management and independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

### Restriction on distribution and use of our report

Our report has been prepared for the Board of Directors of the Company (the "Directors") solely in accordance with the terms of our engagement letter.

Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, we will accept no responsibility or liability in respect of our report to any other party, other than the Company, for our work, for the assurance report we will issue, and for the conclusion we reach.

Without affecting, adding to or extending our duties and responsibilities to the Company or giving rise to any duty or responsibility being accepted or assumed by or imposed on us by any other party, we consent to the inclusion of this report in the Company's FYE 2024 Integrated Report to assist the Directors in responding to their governance responsibilities by obtaining independent limited assurance report on the Selected Sustainability Indicators.

Our conclusion is not modified in respect of this matter.



External Independent Assurance Report

External Independent Assurance Report



*Petronas Dagangan Berhad ("PDB" or the "Company")  
Independent Practitioner's Limited Assurance Report on  
PDB's Selected Sustainability Indicators for the FYE 2024  
presented in its FYE 2024 Integrated Report  
20 February 2025*

**Responsibilities for the Selected Sustainability Indicators**

The Management of the Company is responsible for:

- (a) Designing, implementing and maintaining internal control relevant to the preparation of the Selected Sustainability Indicators such that they are free from material misstatement, whether due to fraud or error;
- (b) Selecting or developing suitable criteria for preparing the Selected Sustainability Indicators and appropriately referring to or describing the criteria used, including who developed them, when not readily apparent from the engagement circumstances;
- (c) Preparing and properly calculating the Selected Sustainability Indicators in accordance with the Applicable Criteria;
- (d) Preventing and detecting fraud; and
- (e) Selecting the content of the Selected Sustainability Indicators, including identifying and engaging with intended users to understand their information needs.

**Inherent limitations**

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Company's FYE 2024 Integrated Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the FYE 2024 Integrated Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

**Our responsibilities**

We are responsible for:

- (a) Planning and performing the engagement to obtain limited assurance about whether the Selected Sustainability Indicators are free from material misstatement, whether due to fraud or error;
- (b) Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- (c) Reporting our conclusion to the Directors.

**Summary of the work we performed as the Basis for Our Conclusion**

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Selected Sustainability Indicators that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Selected Sustainability Indicators and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, we have performed the following procedures, amongst others:

- (a) Enquired Management to gain an understanding of the processes established from which the Selected Sustainability Indicators are derived;
- (b) Interviewed relevant staff responsible for preparing and presenting the Selected Sustainability Indicators in the Company's FYE 2024 Integrated Report;
- (c) Compared the Selected Sustainability Indicators presented in the Company's FYE 2024 Integrated Report to underlying sources on a sample basis; and



*Petronas Dagangan Berhad ("PDB" or the "Company")  
Independent Practitioner's Limited Assurance Report on  
PDB's Selected Sustainability Indicators for the FYE 2024  
presented in its FYE 2024 Integrated Report  
20 February 2025*

**Summary of the work we performed as the basis for our conclusion (continued)**

- (d) Read the Selected Sustainability Indicators presented in the Company's FYE 2024 Integrated Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of the Company.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

**Other matter**

Our assurance conclusion was with respect to the Company's Selected Sustainability Indicators for the FYE 2024 and we have not performed any procedures with respect to earlier periods or any other elements included in the Company's FYE 2024 Integrated Report and therefore, we do not express any conclusion thereon.

**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Petaling Jaya

Date: 20 February 2025



# Board at a Glance

# Board at a Glance

## EMPOWERED LEADERSHIP AND

## UNWAVERING INTEGRITY



**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



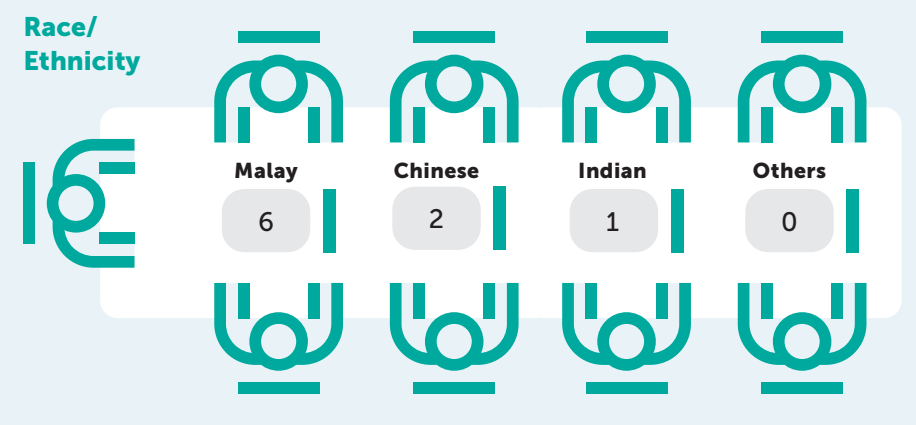
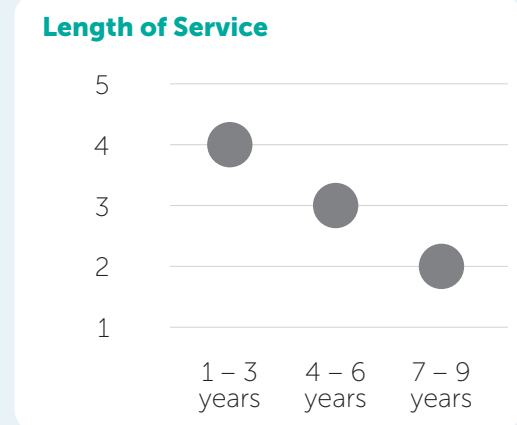
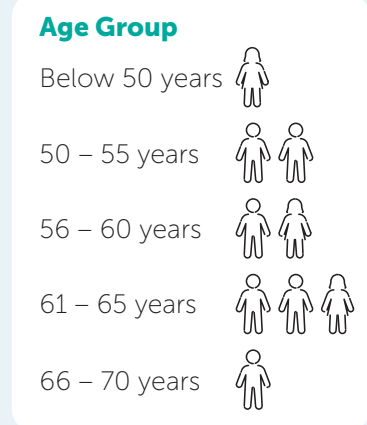
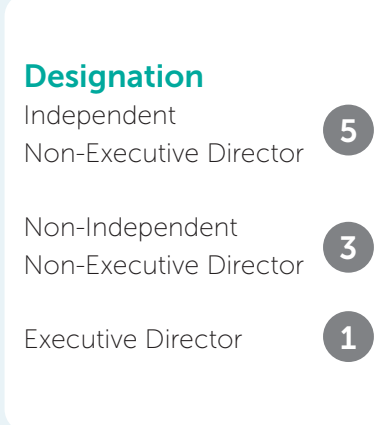
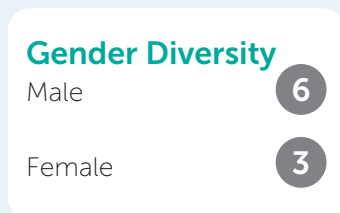
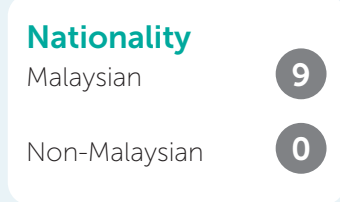
**DATUK SAZALI HAMZAH**  
Non-Independent  
Non-Executive Director



**MOHD YUZAIDI MOHD YUSOFF**  
Independent  
Non-Executive Director



**TUNKU ALIZAKRI RAJA MUHAMMAD ALIAS**  
Independent  
Non-Executive Director



**Skills Matrix**

S1 Finance/Audit: 66.67%	S6 Corporate Planning and Development: 100%
S2 Economics: 66.67%	S7 Risk Management: 100%
S3 Engineering: 11.11%	S8 Human Resource: 55.56%
S4 Commercial/Marketing: 66.67%	S9 Sustainability: 22.22%
S5 Operations: 88.89%	S10 Information Technology/Digital: 22.22%

**Industry Experience**

Oil and Gas: 66.67%	Automotive: 22.22%	Education: 33.33%
Shipping/Logistics: 44.44%	Manufacturing: 22.22%	Telecommunications: 11.11%
Banking and Finance: 44.44%	Retail: 55.56%	Hospitality: 11.11%
Food and Beverage/Restaurants: 11.11%	Regional/International: 100%	

\* Includes formal qualification and professional experience.

# Board of Directors' Profiles

**DATUK ANUAR AHMAD**  
 Chairman,  
 Non-Independent  
 Non-Executive Director



**Age:** 71  
**Gender:** Male  
**Nationality:** Malaysian

**Number of Board Meetings Attended:** 6/7

**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

**PRESENT DIRECTORSHIPS**

**Listed entities**

- PETRONAS Dagangan Berhad
- Nylex (Malaysia) Berhad
- Kumpulan Fima Berhad
- Ancom Nylex Berhad

**Other public company**

- Fima Bulking Services Berhad

**OTHER PRINCIPAL APPOINTMENTS**

- Independent Non-Executive Chairman of Nylex (Malaysia) Berhad (Nylex)
- Member of Audit Committee, Nylex
- 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**

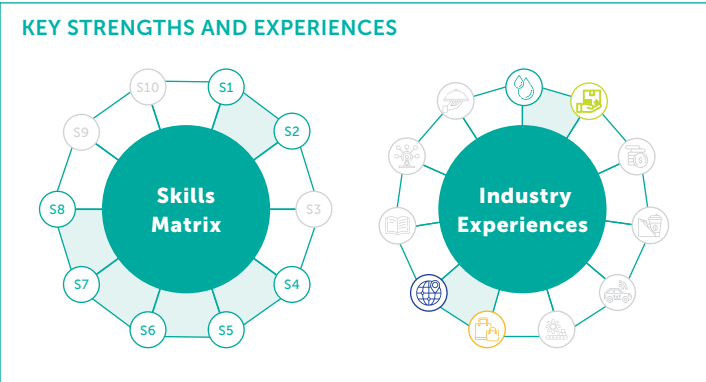
- Chairman of NRC, PDB
- Member of Board Audit Committee (BAC), PDB
- Member of Board Risk Committee (BRC), PDB
- Director of ENRA Group Berhad (ENRA)
- Chairman of NRC, ENRA
- Member, Audit and Risk Management Committee, ENRA
- Director of Chemical Company of Malaysia Berhad (CCM)
- Chairman of Finance & 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
- Chairman of PDB
- 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

**Length of Service (as at 28 February 2025)**  
 10 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)*



**Skills Matrix**

S1 Finance/Audit   S2 Economics   S3 Engineering   S4 Commercial/Marketing   S5 Operations   S6 Corporate Planning and Development   S7 Risk Management   S8 Human Resource   S9 Sustainability   S10 Information Technology/Digital

**Industry Experiences**

Oil and Gas   Shipping/Logistics   Banking and Finance   Food and Beverage/Restaurants   Automotive   Manufacturing   Retail   Regional/International   Education   Telecommunications   Hospitality

# Board of Directors' Profiles

**AZRUL OSMAN RANI**  
 Managing Director/  
 Chief Executive Officer



**Age:** 51  
**Gender:** Male  
**Nationality:** Malaysian

**Number of Board Meetings Attended:** 6/7

**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 DIRECTORSHIP**

**Listed entity**

- PETRONAS Dagangan Berhad

**Other public company**

- Nil

**OTHER PRINCIPAL APPOINTMENTS**

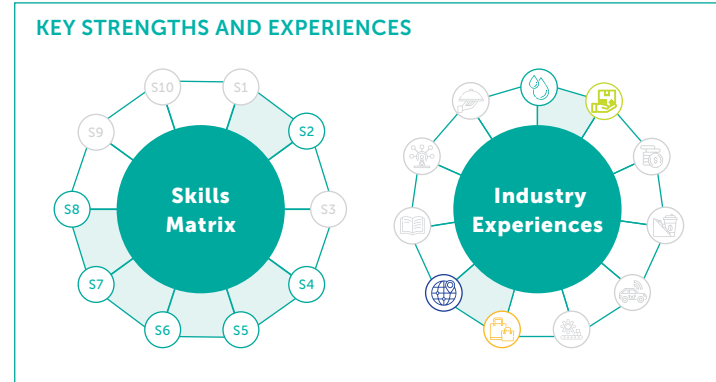
- Chairman and Director of various companies within PDB

**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

**Length of Service (as at 28 February 2025)**  
 5 years 2 months

**Date of Appointment**  
 1 January 2020





## Board of Directors' Profiles

**ALVIN MICHAEL HEW THAI KHEAM**  
*Senior Independent Non-Executive Director*



**Age:** 61  
**Gender:** Male  
**Nationality:** Malaysian

**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**

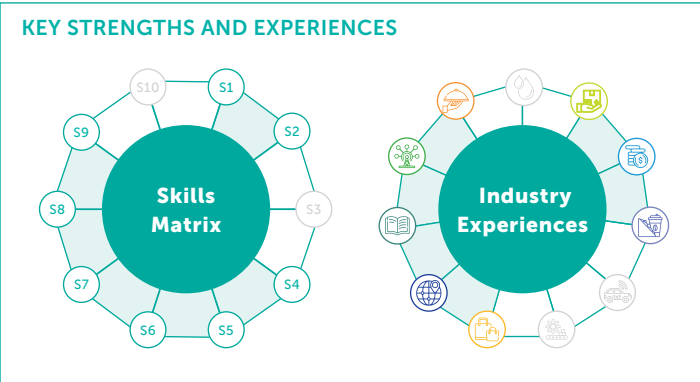
- Chairman of Board Sustainability and Risk Committee (BSRC), PDB
- Member of NRC, PDB

**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

**Length of Service (as at 28 February 2025)**  
7 years

**Date of Appointment**  
6 February 2018



**Skills Matrix**

- S1 Finance/Audit
- S2 Economics
- S3 Engineering
- S4 Commercial/Marketing
- S5 Operations
- S6 Corporate Planning and Development
- S7 Risk Management
- S8 Human Resource
- S9 Sustainability
- S10 Information Technology/Digital

**Industry Experiences**

- Oil and Gas
- Shipping/Logistics
- Banking and Finance
- Food and Beverage/Restaurants
- Automotive
- Manufacturing
- Retail
- Regional/International
- Education
- Telecommunications
- Hospitality

## Board of Directors' Profiles

**NIRMALA DORAISAMY**  
*Independent Non-Executive Director*



**Age:** 58  
**Gender:** Female  
**Nationality:** Malaysian

**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**

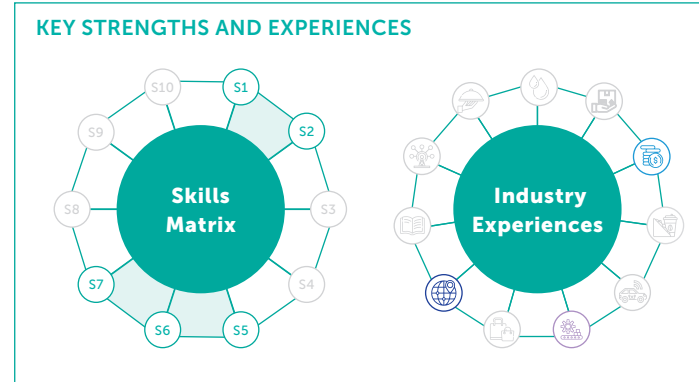
- Member of BSRC, PDB
- Member of BAC, PDB
- Independent Non-Executive Director, Aeon Bank (M) Bhd (ABB)
- Chairman of BAC, ABB
- Member of Board Risk and Compliance Committee, ABB
- Chairman of Audit Committee, CTOS Digital Berhad (CTOS)
- Member of NRC, CTOS
- Member of Auditing and Assurance Standards Board, MIA
- Member of Risk & Compliance Committee, CTOS
- Member of ESOS Committee
- Independent Director of Setel Ventures Sdn. Bhd. (SVSB)
- Chairman of Board Audit and Risk Committee (BARC), SVSB

**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

**Length of Service (as at 28 February 2025)**  
5 years 4 months

**Date of Appointment**  
15 October 2019



## Board of Directors' Profiles

**TANG SAW HUA**  
Independent  
Non-Executive Director



**Age:** 65  
**Gender:** Female  
**Nationality:** Malaysian

**Number of Board Meetings Attended:** 7/7

**Length of Service (as at 28 February 2025)**  
4 years 7 months

**Date of Appointment**  
1 July 2020

### 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

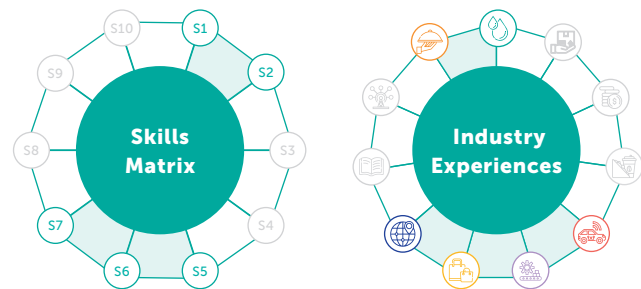
### OTHER PRINCIPAL APPOINTMENTS

- 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
- Member of Board Sustainability Health, Prasarana
- Member of Safety and Environment Committee, Prasarana
- Member 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



**DATIN ARNI LAILY ANWARRUDIN**  
Non-Independent  
Non-Executive Director



**Age:** 49  
**Gender:** Female  
**Nationality:** Malaysian

**Number of Board Meetings Attended:** 7/7

**Length of Service (as at 28 February 2025)**  
3 years 8 months

**Date of Appointment**  
1 June 2021

### 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

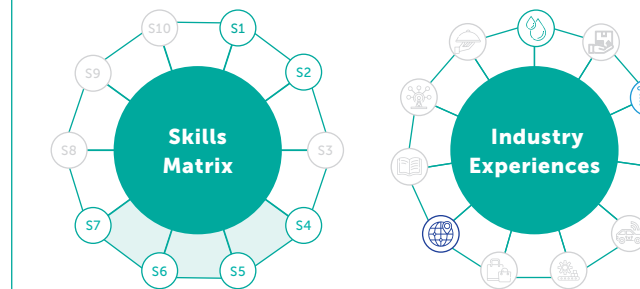
### OTHER PRINCIPAL APPOINTMENTS

- Member of BAC, PDB
- Senior General Manager Energy Asia and Strategy, Planning & Governance Group Strategic Relations & Communications
- Director of various companies within PETRONAS

### PAST EXPERIENCES

- Senior General Manager of Merger & 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 Finance/Audit   S2 Economics   S3 Engineering   S4 Commercial/Marketing   S5 Operations   S6 Corporate Planning and Development   S7 Risk Management   S8 Human Resource   S9 Sustainability   S10 Information Technology/Digital

### Industry Experiences

- Oil and Gas   Shipping/Logistics   Banking and Finance   Food and Beverage/Restaurants   Automotive   Manufacturing   Retail   Regional/International   Education   Telecommunications   Hospitality



## Board of Directors' Profiles

**DATUK SAZALI HAMZAH**  
*Non-Independent  
 Non-Executive Director*



**Age:** 58  
**Gender:** Male  
**Nationality:** Malaysian

**Number of Board Meetings Attended:** 7/7

**Length of Service (as at 28 February 2025)**  
 2 years 8 months

**Date of Appointment**  
 1 June 2022

### 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

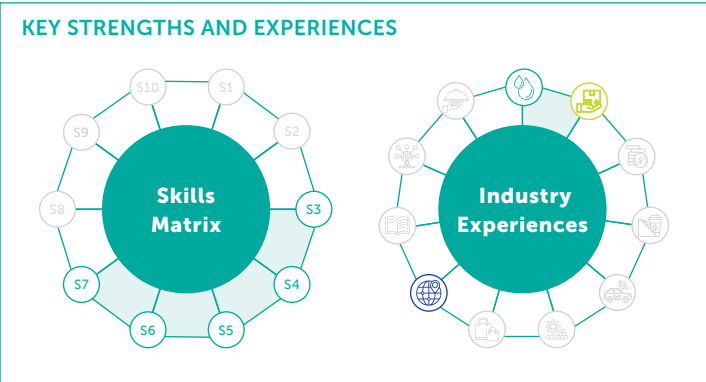
- Nil

### 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
- Member of the International Advisory Panel for C-THRU Research Project
- 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



**MOHD YUZAI  
 MOHD YUSOFF**  
*Independent  
 Non-Executive Director*



**Age:** 61  
**Gender:** Male  
**Nationality:** Malaysian

**Number of Board Meetings Attended:** 7/7

**Length of Service (as at 28 February 2025)**  
 2 years 8 months

**Date of Appointment**  
 1 June 2022

### 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

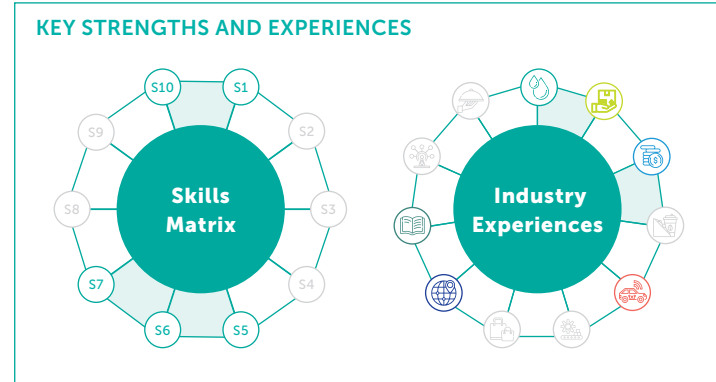
- Prudential Assurance Malaysia Berhad
- Muslim Professionals Forum Berhad

### 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
- Chairman of Board Financing Review 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 BAC, PAMB
- Member of Board Risk Management Committee, PAMB
- Chairman, Muslim Professionals Forum Berhad
- Independent Director of Setel Ventures Sdn. Bhd. (SVSB)
- Member of BARC, SVSB

### 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, BARC, MDEC
- Group Chief Strategy and Corporate Governance Officer, PST Ventures Sdn Bhd
- Co-Founder and Managing Director, Clear Minds Sdn Bhd
- Senior Manager, Accenture



**Skills Matrix**

S1 Finance/Audit   S2 Economics   S3 Engineering   S4 Commercial/Marketing   S5 Operations   S6 Corporate Planning and Development   S7 Risk Management   S8 Human Resource   S9 Sustainability   S10 Information Technology/Digital

**Industry Experiences**

Oil and Gas   Shipping/Logistics   Banking and Finance   Food and Beverage/Restaurants   Automotive   Manufacturing   Retail   Regional/International   Education   Telecommunications   Hospitality

## Board of Directors' Profiles

**TUNKU ALIZAKRI RAJA MUHAMMAD ALIAS**  
*Independent Non-Executive Director*



**Age:** 55  
**Gender:** Male  
**Nationality:** Malaysian

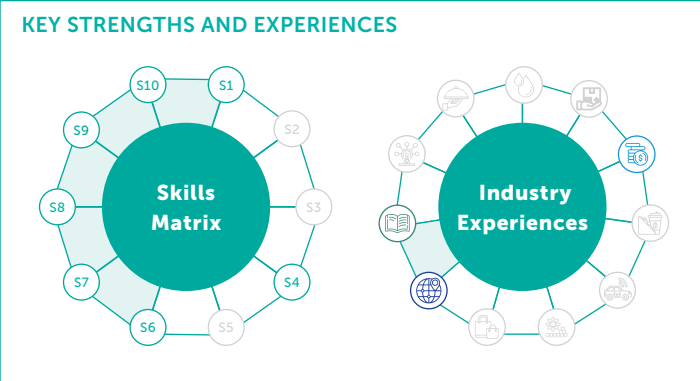
**Number of Board Meetings Attended:** 6/7

**Length of Service (as at 28 February 2025)**  
 2 years 8 months

**Date of Appointment**  
 1 June 2022

- ACADEMIC/PROFESSIONAL QUALIFICATIONS**
- Master of Business Administration (MBA), Cornell University
  - Barrister-at-Law, Honourable Society of Lincoln's Inn (London)
  - Bachelor of Law (LLB), King's College University of London
  - Sustainability and Climate Risk Certification by Global Association of Risk Practitioners (GARP)
- PRESENT DIRECTORSHIPS**
- Listed entities**
- PETRONAS Dagangan Berhad
  - Bumi Armada Berhad
- Other public companies**
- Prudential BSN Takaful Berhad
  - Yayasan Amanah Mahkota
  - Yayasan Hasanah
  - RAM Holdings Berhad
- OTHER PRINCIPAL APPOINTMENTS**
- Member of BSRC, PDB
  - Independent Non-Executive Director, Bumi Armada Berhad (BAB)
  - Chairman of Remuneration Committee, BAB
  - Member of Audit Committee, BAB
  - Independent Director, Prudential BSN Takaful Berhad (PruBSN Takaful)
  - Chairman of Investment Committee, PruBSN Takaful.
  - Board Trustee of Yayasan Amanah Mahkota
  - Board Trustee of Yayasan Hasanah
  - Independent Non-Executive Director, RAM Holdings Berhad

- PAST EXPERIENCES**
- Chairman, Penjana Kapital Sdn. Bhd
  - Non-Independent Non-Executive Director, United Plantations Berhad
  - Non-Executive Director, Malaysia Airlines Berhad
  - Non-Executive Director, Malaysia Aviation Group Berhad (MAG)
  - Chairman of Risk Management Committee, MAG
  - Chairman of Malaysia Venture Capital Management Berhad
  - Non-Independent Non-Executive Director of Sime Darby Plantation Berhad (Sime Darby Plantation)
  - Member of Sustainability Committee, Sime Darby Plantation
  - Non-Independent Non-Executive Director of IHH Healthcare Berhad (IHH Healthcare)
  - Member of Risk Management Committee, IHH Healthcare
  - Member of Nomination and Remuneration Committee, IHH Healthcare
  - Member of Digital Technology Committee, IHH Healthcare
  - CEO & Deputy CEO (Strategy), Employees Provident Fund of Malaysia
  - Director, Battersea Power Station
  - Chief Marketing Officer, The Iclif Leadership and Governance Centre
  - Director of Strategy Management, Bank Negara Malaysia (Central Bank of Malaysia)
  - Director and Head of Strategy and Corporate Affairs, Digi Telecommunications
  - Vice President Group Strategy, Maybank
  - Non-Independent Non-Executive Director, Astro Malaysia Holdings Berhad
  - Non-Independent Non-Executive Director, Dialog Group Berhad
  - Non-Independent Non-Executive Director, Sapura Energy Berhad
  - Vice Chair of Technical Commission on Organisation, Management and Innovation, International Social Security Association
  - Secretary General, ASEAN Social Security Association



## Company Secretaries

**MEK YAM @ MARIAM HASSAN** *FCIS (CS)(CGP)*  
*Company Secretary*



**Age:** 51  
**Gender:** Female  
**Nationality:** Malaysian

- ACADEMIC/PROFESSIONAL QUALIFICATIONS:**
- Fellow of the Malaysian Institute of Chartered Secretaries & Administrators
  - Chartered Company Secretary from the Institute of Chartered Secretaries & Administrators, United Kingdom
- DESCRIPTION OF ROLES:**
- She has been the Company Secretary of PDB since January 2023 and acts as an advisor to the Board, particularly with regards to corporate governance & 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)*  
*Company Secretary*



**Age:** 55  
**Gender:** Female  
**Nationality:** Malaysian

- ACADEMIC/PROFESSIONAL QUALIFICATIONS:**
- Fellow of the Malaysian Institute of Chartered Secretaries and Administrators
  - Chartered Company Secretary from the Institute of Chartered Secretaries & 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 & 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

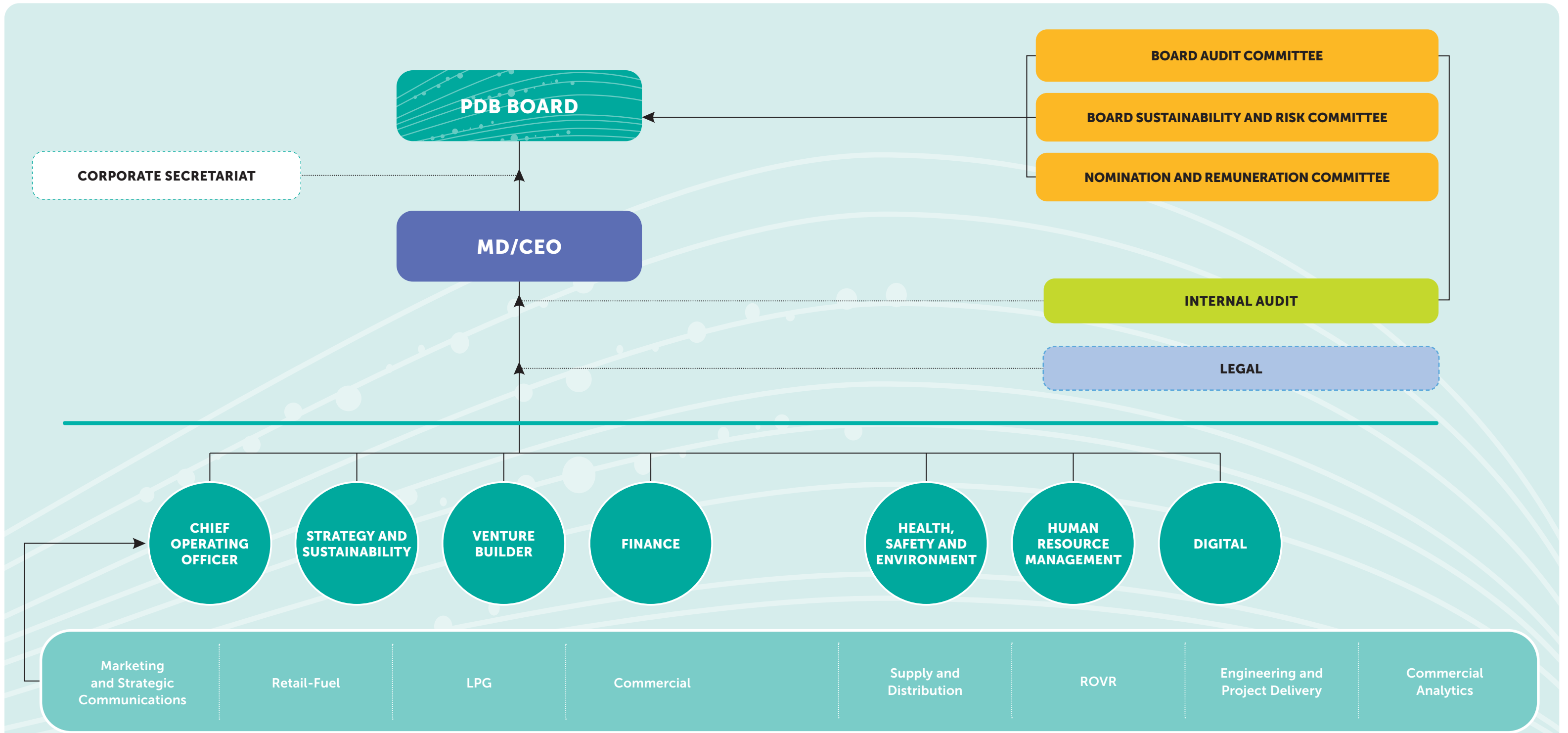
**Additional Information on the Board of Directors:**

- **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:
  - Petrolia 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 2024



# Organisation Structure

# Organisation Structure



**Note:**

1. Organisation Structure as at 28 February 2025
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 & Café Sdn. Bhd.
4. Technology Business is managed via PDB's subsidiary, Setel Venture Sdn. Bhd.

- Direct report to PDB Board
- Direct report to Board Audit Committee
- Direct report to MD/CEO
- Function performed by PETRONAS Group Legal
- Function performed by Group Secretarial and Board Governance

# 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

### AZRUL OSMAN RANI

Managing Director/Chief Executive Officer

Age: 51

Gender: Male

Nationality: Malaysian

**Date of Appointment:** 1 January 2020

Skills Matrix S2 S4 S5 S6 S7 S9 S11 S13 S16 S17 S18 S19

Industry Experience

#### Academic/Professional Qualification

- Advanced Management Programme, 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 PDB's overall strategic growth, new ventures, operational excellence, financial and sustainable performance of PDB 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



### AZUREEN AZITA ABDULLAH

Chief Operating Officer

Age: 48

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), 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. Committed on improving customer experience in alignment with PDB's drive towards customer-centricity and brand visibility

#### Past Experiences

- General Manager, Downstream Digital and Innovation, PETRONAS
- General Manager, Retail Sales and Operations, PETRONAS Dagangan Berhad
- Senior Manager, Venture Management, PETRONAS Chemicals Group Berhad
- Manager, Executive Vice President Downstream and COO Office, PETRONAS
- Manager, Malaysia Gas Management, Gas Business Unit, PETRONAS
- Various positions within PETRONAS Group



### FARZLINA AHMAD MURAD

Chief Financial Officer

Age: 48

Gender: Female

Nationality: Malaysian

**Date of Appointment:** 1 March 2020

Skills Matrix S1 S5 S6 S9 S15

Industry Experience

#### Academic/Professional Qualification

- Bachelor of Science in Accounting (Hons), University of Wales, Cardiff, United Kingdom (UK)

#### Key Responsibilities

Responsible for the management of all financial-related matters for PDB and its subsidiaries, risk management and investor relations

#### Past Experiences

- Head (Finance), Strategy, Finance and Risk, Downstream Corporate Office, PETRONAS
- Head (Gas and Power Business), Treasury, PETRONAS
- Chief Financial Officer, Vestigo Petroleum Sdn. Bhd., PETRONAS
- Head (New Venture Development and Negotiation), Accounting and Financial Services, PETRONAS Carigali Sdn. Bhd.
- Various positions within PETRONAS Group

# Leadership Team's Profile





# 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


**SAZLINA AHAMAD**  
Chief Technology Officer



Age: 43  
Gender: Female  
Nationality: Malaysian

**Date of Appointment:** 1 July 2024

Skills Matrix S8 S11

Industry Experience 

**Academic/Professional Qualification**

- Master of Business Administration, majoring in Multimedia Marketing, Multimedia University
- Bachelor of Engineering (Hons), Electronics majoring in Telecommunications, 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, Product Management, PETRONAS Digital Sdn. Bhd.
- Head, Production Tribe, Product Delivery Upstream, PETRONAS Digital Sdn. Bhd.
- Head, Enterprise Network Services, PETRONAS Digital Sdn. Bhd.
- Various positions within PETRONAS Group


**NORAZLAN SUBAHA**  
Head, Retail-Fuel Division



Age: 50  
Gender: Male  
Nationality: Malaysian

**Date of Appointment:** 1 August 2022

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 the performance and growth of Retail-Fuel business including retail network, strategy and planning, customer satisfaction, station operations and dealer management

**Past Experiences**

- Head, Retail Sales and Operations, PETRONAS Dagangan Berhad
- Head, Business Development, Vice President Marketing Office
- Head, Retail Marketing Strategy, PETRONAS Dagangan Berhad
- Project Leader, PDB Commercial Excellence (CX) Project
- Head, Mesra C-Store Department, PETRONAS Dagangan Berhad
- Management Trainee, Engen Petroleum Ltd. South Africa
- Various positions within PETRONAS Group

# Leadership Team's Profile

**HARDEEP SINGH KIRPAL SINGH**  
Head, Commercial Business Division



Age: 55  
Gender: Male  
Nationality: Malaysian

**Date of Appointment:** 1 March 2023

Skills Matrix S2 S4 S5 S6 S15

Industry Experience 

**Academic/Professional Qualification**

- Bachelor in 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

# 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
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- S16 Business Model and Venture Formulation
- S17 Strategic Planning and Negotiations
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- 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

**ANTON SALLEH HASHIM**  
Head, LPG Business Division



Age: 51  
Gender: Male  
Nationality: Malaysian

**Date of Appointment:** 1 August 2022

Skills Matrix: S2 S5 S17 S18

Industry Experience: Oil and Gas, Shipping/Logistics, Regional/International

**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

**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

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



Age: 48  
Gender: Male  
Nationality: Malaysian

**Date of Appointment:** 1 March 2023

Skills Matrix: S4 S5 S6 S9 S17 S18

Industry Experience: Oil and Gas, Shipping/Logistics, Regional/International, Manufacturing, Banking and Finance

**Academic/Professional Qualification**

- Master of Business Administration (MBA), University of Manchester, United Kingdom (UK)
- Bachelor of Business Administration (BBA), University of Malaya

**Key Responsibilities**


Responsible for strategic decisions and guiding the overall operational, financial and sustainable performance of Lubricant business

**Past Experiences**

- Head (Sales), Olefins, Glycols and Derivatives, PETRONAS Chemicals Group Berhad
- Head, Commercial Business Development, PETRONAS Chemicals Group Berhad
- Head (Performance Planning), Manufacturing Division, PETRONAS Chemicals Group Berhad
- Head (Sourcing), Centralised Services, PETRONAS Chemicals Group Berhad
- Head, Logistics, PETRONAS Methanol
- Head, Business Planning, PETRONAS Methanol
- Area Sales Manager and Warehouse Manager, Goodyear Malaysia Berhad
- Service Manager, Federal Auto (Volvo)

# Leadership Team's Profile

**IAN MALCOLM CRUDDAS**  
Chief Executive Officer, Mesra Retail & Café Sdn. Bhd. (MESRA)



Age: 55  
Gender: Male  
Nationality: United Kingdom

**Date of Appointment:** 1 August 2021

Skills Matrix: S4 S5 S11 S18

Industry Experience: Oil and Gas, Shipping/Logistics, Regional/International

**Academic/Professional Qualification**

- Eastbourne Sixth College, 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 (Non-Fuel), Retail Business Division, PETRONAS Dagangan Berhad
- Various consultancy roles with SEA FMCG Retailers, including working with key private equity companies
- Chief Executive Officer, Nando's Malaysia
- Multiple senior director roles at Dairy Farm Group operating Giant, Mercato and Cold Storage Malaysia
- General Manager/Managing Director, Watson's Personal Care Stores, Malaysia and Taiwan



# 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



**NORMAH BASRI**  
Head, Supply and Distribution Division



Age: 52  
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, PETRONAS Chemicals Group Berhad
- Senior Manager, Logistics and Distribution, PETRONAS Chemicals Marketing Labuan, PETRONAS Chemicals Group Berhad
- Operations Manager (Polymer and Fertiliser), MITCO
- Project Services and Procurement, PETRONAS LNG Business (LNG Tiga Project)
- Project Economics, Marketing and Project, PETRONAS LNG Business (LNG Tiga Project)

**HARLINA PIKRI**  
Head, Strategy and Sustainability Division



Age: 45  
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, PETCO
- Trading Manager, Fuel Oil and Special Products, PETCO
- Trader, Fuel Oil and Special Products, PETCO
- Various positions within PETRONAS Group

# Leadership Team's Profile

**CHEOK YEN KWAN**  
Head, Marketing Strategy and Communications



Age: 52  
Gender: Female  
Nationality: Malaysian

**Date of Appointment:** 11 November 2022

Skills Matrix: S2 S4 S12 S13 S17

Industry Experience:    

**Academic/Professional Qualification**

- Bachelor of Science (Economics), Universiti Putra Malaysia

**Key Responsibilities**

Responsible for marketing, product strategies, PDB brand management, loyalty programme, integrated advertising and communication, digital marketing, research and customer resolution

**Past Experiences**

- General Manager, Marketing PETRONAS Lubricants Marketing Malaysia
- Senior Marketing Manager, Kimberly-Clark Asia Pacific
- Marketing Manager, Fonterra Brands
- Marketing Manager, Kraft/Cadbury Confectionery
- Product Manager, Standard Chartered Bank
- Various positions in Sony Electronics Malaysia 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

### SORAYA YAHYA

Head, Human Resource Management Division



Age: 49

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 within Shell Malaysia



### AHMAD YUSMADI MOHAMED YUSOFF

Head, Legal Division




Age: 54

Gender: Male

Nationality: Malaysian

**Date of Appointment:** 1 September 2022

Skills Matrix S14 S15

Industry Experience   

#### Academic/Professional Qualification

- Executive Development Programme, Wharton Business School
- Certificate In Legal Practice
- LLB (Hons), Leeds University, United Kingdom (UK)

#### 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, Compliance Strategy and Planning, Group Legal, PETRONAS
- General Counsel, Gas and LNG Business, Group Legal, PETRONAS
- Senior Legal Counsel, Middle East, Africa and Americas, Legal Upstream Business, Group Legal, PETRONAS
- Senior Legal Counsel, Egypt Operations
- Legal Counsel, Egyptian LNG
- Legal Counsel (Africa), PETRONAS Carigali Sdn. Bhd.
- Legal Counsel, Malaysia LNG Sdn. Bhd.



### AMIR ZAFILY ZAKARIA

General Manager, Engineering and Project Delivery





Age: 47

Gender: Male

Nationality: Malaysian

**Date of Appointment:** 1 July 2023

Skills Matrix S3 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. This includes managing product quality, and 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), PETRONAS Refinery and Petrochemical Corporation (PRPC) Sdn. Bhd.
- Project Manager (Package 29) C4 INA, Project RAPID
- Head (C4 & C5 Derivatives), Project RAPID
- Head (Technical), PETLIN (M) Sdn. Bhd.
- Various positions within PETRONAS Group





# 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
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- 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

**ABDULLAH AYMAN AWALUDDIN**  
 Chief Executive Officer,  
 Setel Ventures Sdn. Bhd.

Age: 43  
 Gender: Male  
 Nationality: Malaysian

**Date of Appointment:** 1 March 2024

Skills Matrix: S3 S5 S6 S17 S18  
 Industry Experience: [Icons]

**Academic/Professional Qualification**

- Master of Business Admin (MBA), Harvard Business School, United States of America (USA)
- Bachelor of Engineering (Mechanical), University of New South Wales, Australia

**Key Responsibilities**

Responsible for making strategic decisions and providing overall leadership to guide the operational, financial and sustainable performance of Setel Ventures Sdn. Bhd. This includes driving its strategic growth agenda and navigating e-money regulatory compliance for the company

**Past Experiences**

- Chief Executive Officer, Setel Pay Sdn. Bhd.
- General Manager (Venture Architect), Venture Builder, PETRONAS Dagangan Berhad
- Head (Convenience Retailing – MESRA), Retail Business Division, PETRONAS Dagangan Berhad
- Head (Non-Fuel), Retail Business Division, PETRONAS Dagangan Berhad
- Senior Manager, Corporate Strategic Planning, PETRONAS
- Manager (Analyst), Gas and Power Business, PETRONAS
- Engineer, PETRONAS Gas Berhad

**NIK FARIZA NIK HAMDAN**  
 Head, Internal Audit Division

Age: 47  
 Gender: Female  
 Nationality: Malaysian

**Date of Appointment:** 15 October 2023

Skills Matrix: S1 S2 S4 S5 S6 S7 S9 S11 S15  
 Industry Experience: [Icons]

**Academic/Professional Qualification**

- Member of Association of Chartered Certified Accountants (ACCA)
- Bachelor of Commerce in Accounting and Finance (Hons), Liverpool John Moores University, United Kingdom (UK)

**Key Responsibilities**

Responsible for supporting Board Audit Committee in upholding governance responsibilities. Strengthening 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, PETRONAS Group Internal Audit
- Audit Manager of Downstream Sector, PETRONAS Group Internal Audit
- Audit Manager of Finance and Trading Sector, PETRONAS Group Internal Audit

# Leadership Team's Profile

**DR RAVI MENON**  
 Head, Health, Safety &  
 Environment Division

Age: 56  
 Gender: Male  
 Nationality: Malaysian

**Date of Appointment:** 1 July 2024

Skills Matrix: S1 S3 S5 S9 S10  
 Industry Experience: [Icons]

**Academic/Professional Qualification**

- Doctor of Business Administration, University of Newcastle, Australia
- Master of Business Administration, Universiti Tun Abdul Razak
- Bachelor of Mechanical Engineering (Hons), University of Sunderland, United Kingdom (UK)

**Key Responsibilities**

Responsible for developing HSE strategies and driving the implementation and enforcement of HSE plans, programmes and initiatives. This ensures compliance with PDB and regulatory requirements and standards, safeguarding PDB's interests, people, environment, assets and reputation

**Past Experiences**

- Head of Operations (Northern & Eastern Regions), Supply and Distribution Division, PETRONAS Dagangan Berhad
- Head of Operations (Central & Southern Regions), Supply and Distribution Division, PETRONAS Dagangan Berhad
- Various positions within ExxonMobil, Malaysia and Singapore

## Leadership Team's Declaration

- No family relationship with any Director/Major Shareholder
- No conflict of interest or potential conflict of interest including interest in any competing business with PDB and/or its subsidiaries
- Has never been charged for any offence within the past five years other than traffic offences, if any, nor had any sanction or penalty imposed on them by any regulatory bodies during the financial year ended 31 December 2024
- All Leadership Team members have no directorship in public companies, save for Azrul Osman Rani who, in his capacity as MD/CEO, is a Director of PDB

## Corporate Governance Overview Statement

# THRIVING THROUGH GOVERNANCE EXCELLENCE:

**Dear Valued Shareholders,**

On behalf of the Board of Directors of PDB, I am pleased to present the Corporate Governance Overview Statement for the financial year 2024 (Statement). This Statement highlights PDB's unwavering commitment to "Thriving Through Governance Excellence" by detailing our robust corporate governance practices, which form the cornerstone of our sustainable growth and value creation for all stakeholders.



The Statement offers our shareholders and stakeholders a comprehensive overview of PDB's corporate governance activities during the reviewed financial year, referencing the core principles and practices outlined in the Malaysian Code on Corporate Governance 2021 (MCCG 2021). Detailed applications of each MCCG 2021 practice can be found in our Corporate Governance Report available on the Company's website at [www.mymesra.com](http://www.mymesra.com).

Thriving Through Governance Excellence requires a solid foundation in good governance. The Statement emphasises PDB's governance framework, the composition and workings of the Board and its Committees and their commitment and integrity in performing their duties, showcasing our dedication to strong corporate governance practices.

The Board is dedicated to upholding the highest standards of ethics and integrity in its operations. Guided by best practices, we strive to enhance and create sustainable value for our stakeholders. The Board believes that good governance is essential for long-term economic value, growth and sustainable performance, while maximising returns and considering the interests of all stakeholders.

As we thrive forward, the Board remains committed to fostering a company culture that prioritises both personnel development and digital enablement. Our commitment to robust corporate governance and compliance is evident in our adoption of flexible Board meeting practices, including in-person, hybrid, or virtual sessions as required.

Diversity and inclusion are crucial for our continued success. The Board is committed to cultivating a culture where everyone can thrive, regardless of age, gender, culture, race, religion, disability, or background. Rigorous policies at both Board and Group levels underscore our dedication to promoting diversity through recruitment, advancement and development practices.

The Board's commitment to continuous improvement is evident through its rigorous annual evaluation process. The 2024 evaluation results have affirmed that the PDB Board meets expectations of a high-performing Board based on the chairmanship and Board governance practices.

The Statement is crafted to provide stakeholders with a comprehensive understanding of PDB's governance framework, aligning with the MCCG 2021, Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia) and Bursa Malaysia Corporate Disclosure Guide.

**DATUK ANUAR AHMAD**  
*Chairman*

## Corporate Governance Overview Statement

**PRINCIPLE A**  
**EFFECTIVE LEADERSHIP**

For more information, refer to page 204.

**PRINCIPLE B**  
**EFFECTIVE AUDIT AND RISK MANAGEMENT**

For more information, refer to page 225.

**PRINCIPLE C**  
**EFFECTIVE COMMUNICATION WITH STAKEHOLDERS**

For more information, refer to page 226.



Corporate Governance Overview Statement Corporate Governance Overview Statement

# OUR SUSTAINABILITY GOVERNANCE

**PDB’s sustainability governance is built on the strong foundation of the PETRONAS Group’s sustainability framework and policies. We are firmly committed to upholding the principles outlined in the Group’s Code of Business Ethics (CoBE) and embracing its Shared Values, which include Loyalty, Integrity, Professionalism and Cohesiveness.**

Guided by CoBE, we focus on driving sustainable development across all sectors, including economic, environmental and social. We extend this commitment to our partners, contractors and suppliers, cultivating a value chain that is both responsibly and sustainably managed.

**Board** *(Frequency: 4 times per year)*

- Ensures robust oversight on sustainability, covering critical areas such as climate change and human rights
- Receives regular updates on sustainability performance on a quarterly basis that are facilitated by strategic engagements

**Board Sustainability and Risk Committee (BSRC)** *(Frequency: 4 times per year)*

- Assists the Board in providing oversight on sustainability on a quarterly basis by assessing, evaluating and monitoring the sustainability pillars which comprises Environment, Social and Governance elements. Effectively discharges its primary responsibilities of reviewing the process of identifying, managing, evaluating and monitoring principal risks, as well as overseeing the implementation of appropriate systems and risk assessment processes to manage such risks for PDB and its subsidiaries (collectively referred to as the “Group”). The BSRC convenes on a quarterly basis
- In the exercise of its functions, it is understood that the BSRC is not delegated with decision-making powers but shall report its recommendations to the Board for decision making
- The existence of the BSRC does not diminish the Board’s ultimate statutory and fiduciary responsibility for the decision-making relating to the functions and duties of the BSRC

**Sustainability Action Council (SAC)** *(Frequency: 6 times per year)*

- Assumes a pivotal advisory role where it addresses a spectrum of sustainability management, strategy and policy issues
- Tracks and monitors progress and assesses sustainability performance indicators against predefined targets
- Deliberates and endorses sustainability plans before tabling to BSRC for deliberation
- Provides clear direction and intervenes in addressing any other sustainability-related matters that may arise
- Undertakes to ensure capital availability and conducts rigorous evaluations of various sources to sustain the ongoing commitment to responsible and sustainable practices

**PDB Sustainability Team**

**Sustainability Change Agent** *(Frequency: as and when required)*

- Execute the Company’s sustainability strategies, priorities and targets
- Implement sustainability-related tasks and initiatives on a day-to-day basis
- Gather and compile sustainability-related data

The Board takes full charge of overseeing our sustainability matters, initiatives and performance and accordingly incorporates sustainability into its core mandate.

In 2024, 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 remains active in expanding its knowledge and expertise in sustainability, particularly regarding climate change. Throughout the year, they have engaged in training sessions that addressed various sustainability topics, including climate, nature and social actions.

Both the MD/CEO and LT take leadership responsibility at the management level. They ensure sustainability is integrated effectively and efficiently into our business processes and operations.

The SAC, made up of selected members from the LT and employees across different functions, departments and units, continues to oversee our sustainability initiatives and programmes. Through this oversight, we ensure consistent progress by tackling any potential challenges or obstacles. The SAC convenes once every two months, with significant matters raised during the meetings being promptly escalated to the MD/CEO and LT for further consideration, as necessary.

As a dedicated team focused on driving the execution and implementation of the company’s Sustainability Roadmap, the PDB Sustainability Department facilitates the SAC’s operation and assumes the role of the SAC secretariat. This ensures seamless coordination of the SAC meeting management and other related SAC matters.

The SAC is further supported by ad-hoc working groups that comprise key personnel across the organisation. These groups are tasked with identifying, executing and implementing sustainability initiatives and programmes, as part of their detailed responsibilities. They are also instrumental in advancing new initiatives, with each group being established and led by a member of the LT.

In 2024, PDB established the Sustainability Change Agent role, with each agent appointed by the respective LT from every division. Each Change Agent serves as the point of contact for sustainability-related initiatives, such as FTSE4Good disclosures, the PDB Sustainability Report and the Used Cooking Oil (UCO) collection campaign. They also serve as champions in their respective divisions to rally and promote sustainability related initiatives.

We 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.

# Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### Board Leadership

The Group is led by the Board which is responsible for the stewardship of the business and affairs of the Group on behalf of its shareholders and other stakeholders. The Board also establishes the culture, values and governance framework for the Group and provides a robust challenge to the Management regarding the execution of the strategy and ensures the Group upholds an effective risk management and internal control system. The Board has a schedule outlining matters exclusively reserved for its decision-making.

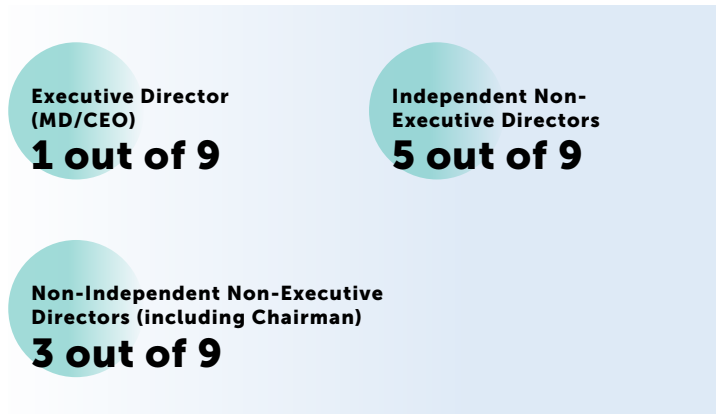
The Board of Directors pledges to uphold ethical business practices and lawful conduct, emphasising the proper use of authority and maintaining decorum when acting as Board members. Each Director exercises their powers for a proper purpose and in good faith, always acting in the best interest of the Company. In directing or managing the Company's business and affairs, they exhibit reasonable care, skill and diligence, drawing upon their knowledge, expertise and experience.

Critical decisions or key transactions receive careful deliberation and determination by the entire Board during meetings. Additionally, the Board ensures that decisions, along with the rationale and any dissenting views, are properly communicated and recorded in the minutes.

### BOARD BALANCE AND COMPOSITION

As at the date of this Statement, the Board comprises nine members with five Independent Non-Executive Directors (INEDs), three Non-Independent Non-Executive Directors (NINEDs) including the Chairman and one Executive Director, serving in the dual capacity as the Managing Director/Chief Executive Officer (MD/CEO). 33% of the Board members are women.

The Board's composition surpasses the requirement of Paragraph 15.02 of the MMLR that requires one-third of its members to be INEDs. This is also consistent with Practice 5.2 of the MCCG 2021 that recommended PDB, as Large Companies to have a majority independent members on its Board. This composition facilitates an effective and impartial check and balance mechanism on the Board's deliberations and decision-making processes.



The individuals on the Board are distinguished by their integrity and high-calibre backgrounds, bringing a deep understanding of PDB's business. Their diverse skills, experiences and knowledge contribute significantly to the Board's effectiveness.

### BOARD MEETINGS AND ATTENDANCE

The Board convenes at least quarterly, supplemented by additional meetings as needed. The Board and Board Committee meetings, Board and Management Strategy Retreat and 42<sup>nd</sup> Annual General Meetings (AGM) for the year 2024, were scheduled in November 2023 to facilitate the Directors to plan effectively, integrating these commitments into their personal agenda.

The Board practices active and open discussions during its meetings to ensure all Directors have the opportunity to participate and contribute to the decision-making process. Robust discussions and vigorous deliberations at both Board and Board Committee meetings facilitate a constructive, insightful and healthy dialogue. Attendance by relevant LT members and external advisers (where necessary) ensures comprehensive discussions and reporting. While the minimum quorum for a Board meeting is two, attendance by all Directors is the norm. Decisions are consensus-based and the Chairman may exercise his casting vote, if necessary.

Despite holding multiple directorships, Directors demonstrate commitment by attending meetings and effectively discharging their responsibilities. The Board is satisfied that each Director allocates sufficient time to fulfill their duties, reflecting dedication and diligence.

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 virtually, physically or hybrid depending on the suitability and availability of the Board members.

Board of Directors	Board Meetings	Annual General Meeting
<b>Datuk Anuar Ahmad</b> <i>Chairman</i>	6/7	1/1
<b>Azrul Osman Rani</b> <i>MD/CEO</i>	6/7	1/1
<b>Alvin Michael Hew Thai Kheam</b> <i>Senior Independent Non-Executive Director</i>	7/7	1/1
<b>Nirmala Doraisamy</b> <i>Independent Non-Executive Director</i>	7/7	1/1
<b>Tang Saw Hua</b> <i>Independent Non-Executive Director</i>	7/7	1/1
<b>Datin Arni Laily Anwarrudin</b> <i>Non-Independent Non-Executive Director</i>	7/7	1/1
<b>Datuk Sazali Hamzah</b> <i>Non-Independent Non-Executive Director</i>	7/7	0/1
<b>Tunku Alizakri Raja Muhammad Alias</b> <i>Independent Non-Executive Director</i>	6/7	1/1
<b>Mohd Yuzaidi Mohd Yusoff</b> <i>Independent Non-Executive Director</i>	7/7	1/1
<b>Datuk Shafie Shamsuddin</b> <i>Senior Independent Director (Resigned on 29 February 2024)</i>	1/7	1/1

### HOW THE BOARD OPERATES

#### Board Charter

In discharging the Board's duties and responsibilities effectively, the Board is guided by its Board Charter, which provides the framework for the performance of the Board's function and duties in relation to the Management and the Company.

The PDB Board Charter outlines amongst others the Board's and the individual Directors' roles and responsibilities, processes, functions and development, in order to attain efficiency in Board performance. The PDB Board Charter is consistent with the practices set out in the MCCG 2021. The Board Charter may be reviewed and updated from time to time to ensure it remains relevant and is consistent with the provisions of the applicable rules and regulations.

For more information on the PDB Board Charter, visit PDB's corporate website, [www.mymesra.com.my](http://www.mymesra.com.my).



# Corporate Governance Overview Statement

## ROLES AND RESPONSIBILITIES

The Board is tasked with the responsibility of promoting the success of PDB and its Subsidiaries (the Group) through the prudent and effective direction and supervision of the Group's affairs. Each Director is fully aware of their obligations to act in good faith and in the best interest of the Company. Mindful of their collective and individual responsibilities to all Shareholders, the Directors are aware of how the Company's affairs are managed, controlled and operated. The Board is satisfied that it has fulfilled these duties and obligations throughout the year under review.

### Separate Roles of Chairman, Managing Director/Chief Executive Officer and Senior Independent Director

The roles and responsibilities of the Chairman of the Board, MD/CEO and Senior Independent Non-Executive Director (SINED) are separated and distinct to ensure that there is an appropriate balance of power, authority and accountability at the Board level. The separation is essential as each role has different expectations and serve distinct primary audiences.


The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board, while the CEO has overall responsibility, with the support of the LT, for the day-to-day management of the business and operations of the Group as well as the implementation of the Board's policies, directives, strategies and decisions.

The roles of Chairman and MD/CEO are clearly held by Datuk Anuar Ahmad and Azrul Osman Rani, respectively. It is essential to draw a clear line between the Chairman's role in Board management and the MD/CEO's role in managing the company's operations. As each job has different expectations and primary audiences, the Board ensures that these roles be kept separate. The SINED is the designated point of contact for shareholders to voice issues and acts as a liaison between the Chairman and the Non-Executive Directors (NEDs).

The Chairman of the Board is not a member of any Board Committee.

 The distinct roles and responsibilities of the Chairman and MD/CEO are clearly set out in the Board Charter, which is accessible via PDB's corporate website, [www.mymesra.com.my](http://www.mymesra.com.my).

The Chairman of PDB is a NINED. The Chairman is primarily responsible for the orderly conduct and function of the Board.



**DATUK ANUAR AHMAD**  
Chairman

The MD/CEO is accountable for the overall operations of the business, ensuring organisational effectiveness and implementing the Group's strategies and policies as approved by the Board. The MD/CEO is supported by the LT in managing the business on a day-to-day basis and regularly consults with them.



**AZRUL OSMAN RANI**  
Managing Director/Chief Executive Officer

Alvin fulfills the criteria of an Independent Director pursuant to the MMLR of Bursa Malaysia. The appointment as SINED is in line with the best practice recommended by the ASEAN CG Scorecard, which is used as a benchmark by the Company in its effort to maintain the highest standards of good governance.



**ALVIN MICHAEL HEW THAI KHEAM**  
Senior Independent Director

 The roles and responsibilities of the Board are clearly set out in the Board Charter, which is accessible via PDB's Corporate website, [www.mymesra.com.my](http://www.mymesra.com.my).

As a SINED, Alvin Michael Hew Thai Kheam acts as the main liaison between the INEDs and the Chairman on matters that may be deemed sensitive and is available for confidential discussions with other NEDs who may have concerns which they believe have not been considered by the Board as a whole. He also provides an alternative communication channel for Shareholders and stakeholders to convey their concerns and raise issues for it to be channelled to the relevant parties.

For any inquiries regarding the Group, directly email to [sidpdb@petronas.com](mailto:sidpdb@petronas.com)

 For more information on the SID's profile, refer to page 178.

### Separation of Powers between the Board and Management

The MD/CEO is assisted by the LT, Risk Management and Governance Committee and various working groups in managing the business on a day-to-day basis. The LT ensures that effective systems, controls and resources are in place to execute business strategies and decisions taken by the Board and/or the MD/CEO. These committees report the performance and strategic Key Performance Indicators (KPIs) on a monthly basis to the MD/CEO, whilst progress and updates are reported regularly by working groups within the business units.

# Corporate Governance Overview Statement

## GOVERNANCE STRUCTURE

### Board and Board Committees

The Board has established three Board Committees, namely the Nomination and Remuneration Committee (NRC), the Board Audit Committee (BAC) and the Board Sustainability and Risk Committee (BSRC). The Board has entrusted specific functions to the respective Committees, each governed by its own set of Terms of Reference (ToR). The Board is kept informed of the activities of the Board Committees through circulation of the minutes of the Board Committee meetings as well as by the reports given by the Chair of the respective Board Committees on key matters discussed within their respective committees at the Board meeting.

The delegation of authority to the Board Committees is a strategic move, yet the Board retains its responsibility and exercises collective oversight consistently. To avoid hindrance or reduction in its ability to fulfill its functions, the Board ensures clear delineation of responsibilities within the ToRs of each Committee. This approach reinforces the Board's commitment to maintaining effective governance and oversight.

The ToR of each Committee is accessible via PDB's corporate website, [www.mymesra.com.my](http://www.mymesra.com.my)

[For further details of these three Committees, including the attendance of its members at their meetings, refer to the respective Committee reports set out on pages 230 to 243 of this Integrated Report.](#)

Additionally, the Internal Audit Department, operates independently and reports directly to the BAC.



## THE BOARD'S KEY FOCUS STRATEGY IN 2024

**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 2024 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 2024 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.

**SUSTAINABILITY**

**Strengthened our sustainability governance structures**  
Advancing on the sustainability journey requires deeper conversations in the boardroom and other parts of the organisation. For PDB, strengthening sustainability governance and ESG risk management are prioritised to ensure further Board oversight into sustainability matters. Collective sustainability expertise of the Board was also elevated through the appointment of Board members with strong experience in sustainability to ensure broader expert views are included in Board considerations. The Board Risk Committee has carried out sustainability oversight functions, including climate change related matters and shall report its recommendations to the Board for decision.

As a player in the oil and gas industry, we take our responsibility seriously and take part in transitioning towards a low-carbon economy. Our climate actions are driven by PETRONAS' Climate Change Position, PETRONAS Carbon Commitments (PCC) and its aspiration to be a Net Zero Carbon Emissions (NZCE) organisation by 2050. Based on the PCC and NZCE, we are reducing our GHG emissions across our operations and implementing renewable energy solutions while creating value and strengthening our businesses.

In addition to strengthening sustainability governance and ESG risk management, PDB recognises the importance of managing and monitoring sustainability related matters. This is done via PDB's Sustainability Action Council (SAC) chaired by the MD/CEO, to further enhance its sustainability efforts. The SAC served as a strategic advisory body tasked with overseeing the implementation of sustainability initiatives, setting targets aligned with PETRONAS' Carbon Commitments. It also looks at driving innovation in sustainability practices across the organisation, serving as a gatekeeper to ensure the initiatives align with sustainability objectives.

[For further details on Our Sustainability Governance, refer to pages 202 to 203.](#)

The SAC provides valuable insights, guidance and accountability in advancing PDB's sustainability agenda. Through the establishment of the SAC, PDB aims to foster collaboration, transparency and continuous improvement in its journey towards becoming a more matured organisation in sustainability practices.

[For further details on Sustainability reporting, refer to the Sustainability Report on page 90.](#)

**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 consider and approve the proposal on declaration of dividend on quarterly basis.



# Corporate Governance Overview Statement

## 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 247 to 261.

## 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 25 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 page 247 to 261.

# Corporate Governance Overview Statement

## Highlights of the Board Activities During 2024

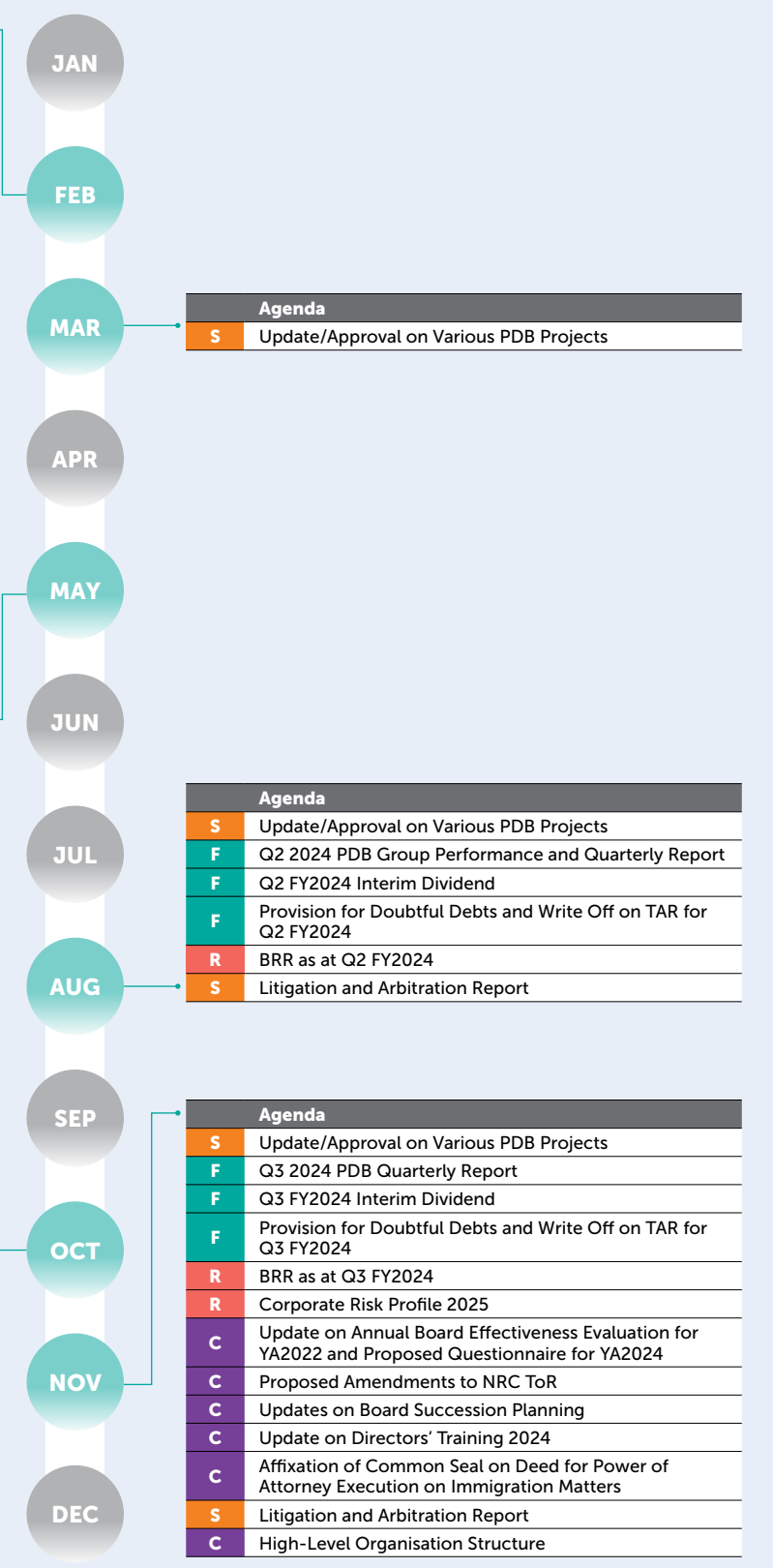
Agenda	
Update/Approval on Various PDB Projects	S
PDB Group Performance for Financial Year 2023	F
Audited Financial Statements of PDB Group 31 December 2023	F
PDB Business Risk Report (BRR)	R
Review of PDB Risk Appetite FY2023	R
Principles for Digital Solutions' Commercial Framework	F
Special Interim Dividend	F
Q4 FY2023 Interim Dividend	F
Provision for Doubtful Debts and Write Off on Trade Accounts Receivable (TAR) for Q4 FY2023	F
Renewal of Terms for INEDs	C
Re-Election of Directors for AGM 2024	C
Revised Composition of NRC and Appointment of new SID	C
Report on Board Effectiveness Evaluation	C
Litigation and Arbitration Report	S
PDB's Integrated Report FY2023	C
Corporate Governance Report FY2023	C
Convening 42 <sup>nd</sup> AGM	C
MD/CEO Scorecard	C

Agenda	
Update/Approval on Various PDB Projects	S
Q1 2024 PDB Group Performance and Quarterly Report	F
Q1 FY2024 Interim Dividend	F
Provision for Doubtful Debts and Write Off on TAR for Q1 FY2024	F
Establishment of PDB LOA for Diesel Quota	F/R
BRR as at Q1 FY2024	R
PDB Moving Forward Together 2030	S
Litigation and Arbitration Report	S
Change of PDB Leadership Team	HR

Agenda	
Q3 2024 PDB Group Performance	F
PDB Group Business Plan and Budget FY2024 – FY2028	F
PDB Weighted Average Cost of Capital for FY2024	F

**Legends**

- F Financial
- S Strategy
- R Risk
- C Corporate Governance and Compliance
- ST Sustainability
- HR Human Resources



# Corporate Governance Overview Statement

## Board Diversity

A key component of PDB’s commitment is fostering diversity on our Board, ensuring a mix of age and gender among members that brings a diverse range of perspectives, experiences and expertise to our stewardship and management practices. Aligned with national aspirations for gender representation, PDB supports the target of having 30% women Directors on the Board, in accordance with Practice 5.9 of MCCG 2021. Currently, three female Directors make up 33% of our Board, while within the LT, six women constitutes 40% of the composition. In parallel with our emphasis on gender diversity, we are dedicated to cultivating a corporate culture that embraces and encourages diversity.

PDB firmly believes that a truly diverse and inclusive Board, encompassing differences in thought, perspective, knowledge and skill. It also includes regional and industry experience, cultural and geographical background, age and gender, which are all integral to maintaining PDB’s competitive advantage. Diversity serves as a crucial element in ensuring our Company’s relevance and sustainability amidst the rapidly transforming business landscape.

To actively manage and enhance diversity, the NRC annually reviews and evaluates the composition and performance of our Board. At any given time, the Board may seek improvements in one or more aspects of its diversity and measure progress accordingly.

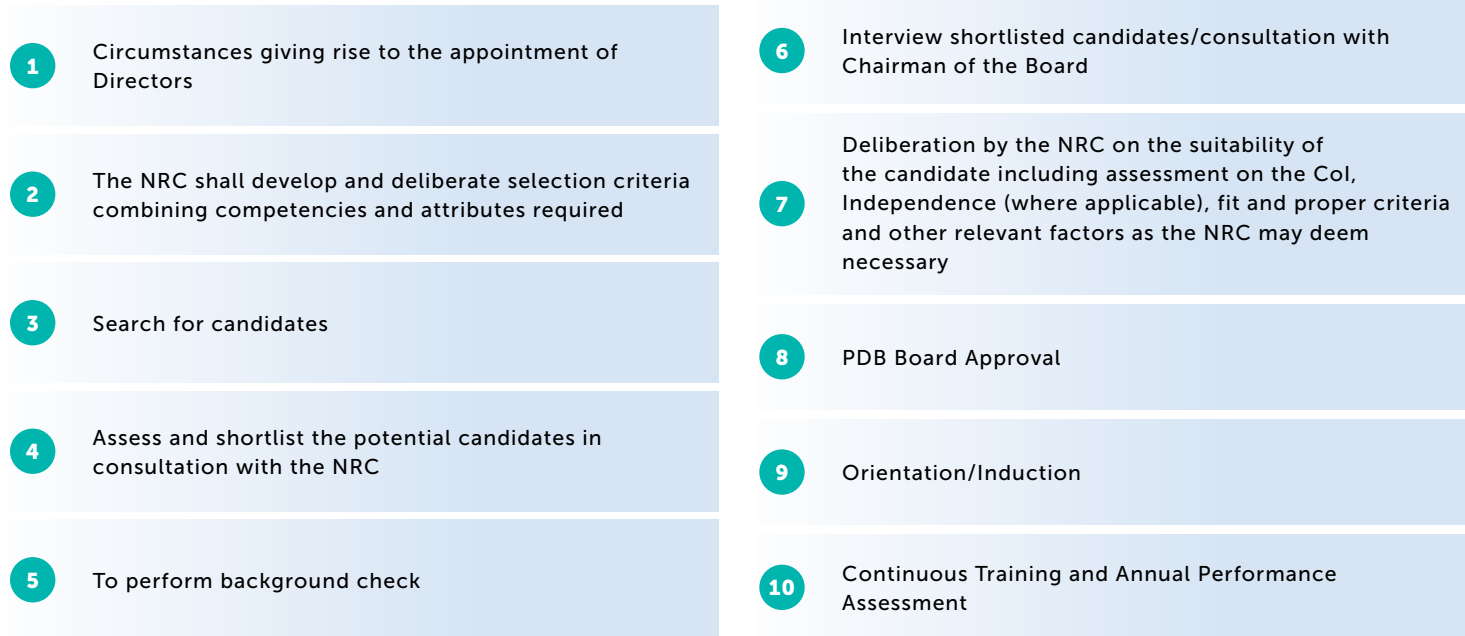
In our commitment to a diverse Board, the NRC actively:

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
Adhere to the recruitment and sourcing process that seeks to include diverse candidates, including women, in any Director search	Assess the appropriate mix of diversity (including gender, ethnicity and age), skills, experience and expertise required on the Board and address gaps (if any)	Make recommendations to the Board in relation to the appointments and maintain an appropriate mix of diversity, skills, experience and expertise on the Board	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](http://www.mymesra.com.my).

## Board Appointment Process

The Board appointment process is summarised in the chart below:



## 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 20 February 2025 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 43<sup>rd</sup> AGM:

1. Azrul Osman Rani
2. Nirmala Doraisamy
3. Mohd Yuzaidi Mohd Yusoff

All the Directors named above have given their consent for the re-election at the 43<sup>rd</sup> AGM and signed the Fit and Proper Declaration in accordance with PDB’s Directors’ Fit and Proper Policy.

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 231 to 232.

## Board and Senior Management Succession Planning

The Group maintains a formal, long-range plan for the development of Board membership, focusing on balancing continuity of service with the periodic refreshment of skills and experience necessary to oversight the evolving strategies.

A Board Succession Planning Framework, supported by the NRC, ensures the systematic identification and selection of new NEDs in various scenarios, such as anticipated retirements, unanticipated departures, Board size expansions or otherwise. This structured succession plan focuses on enhancing the composition and effectiveness of the Board. Additionally, the NRC extends its review to succession planning for Senior Management.

For detailed information on the Board and Senior Management Succession Planning, refer to NRC Report on page 231.

## Board and Management Strategy Retreat

The Board and Management Strategy Retreat (BMSR) with the presence of Board members and LTs were held on a half-yearly basis during 2024 to provide the Board with updates and to deliberate on the market outlook and external environment analysis that facilitated the Board’s deliberation on the Group’s strategies and future growth plans.

## Directors’ Indemnity

PDB offers indemnification to its Directors in accordance with the provisions of the Companies Act 2016. The Directors and Officers (D&O) Liability Insurance procured by the Company extends indemnity coverage to D&O, safeguarding them against liabilities incurred in the course of their duties while serving as officials of the Company.

Directors have the option to secure additional D&O insurance for protection against unindemnified liabilities or uninsured situations, to the extent that it is insurable. The premium for this insurance, determined by the insurance company, to be paid by Directors who choose to avail themselves of this coverage.

## Qualified and Competent Company Secretary

The Board is also supported by two qualified and competent Company Secretaries, Mek Yam @ Mariam Hassan and Norhashema Saleh, who provide sound advice on governance, ensure adherence to rules and procedures as well as advocate the adoption of CG best practices.

Both Mek Yam @ Mariam Hassan and Norhashema Saleh are Fellows of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). They act as advisor to the Board, particularly with regard to PDB’s Constitution and its compliance with applicable regulatory requirements, codes, guidance and legislations. All Directors have unrestricted access to the advice and services of the Company Secretaries to facilitate discharge of their duties.

In ensuring effective communication and documentation of Board and Board Committee meetings, the Company Secretaries play a vital role. Post-meeting, the outcomes are conveyed to the Management and the Company Secretaries, to keep the Board updated about the follow-up on decisions and recommendations. Based on the annual Board Effectiveness Evaluation, the Board is satisfied with the Company Secretaries’ performance and support in facilitating the discharge of its duties and responsibilities throughout the year.



# Corporate Governance Overview Statement

During the year under review, the Company Secretaries attended the following development programmes:

No	Company Secretary	Development Programmes	Organisers	Date (2024)
1.	Mek Yam @ Mariam Hassan	PETRONAS Board Excellence: 7 <sup>th</sup> Audit Committee Forum	PETRONAS	22 Apr
		Corporate Secretaries International Association Global Governance Awards	MAICSA	23 Apr
		Beneficial Ownership – Practical BO Reporting	PETRONAS	2 May
		Recent Developments with the Listing Requirements, Including Col Amendments	CKM Advisory	4 Jul
		PETRONAS Gas Berhad BAC & BSRC Training	PLC/PGB	12 Jul
		2024 SSM National Conference – Enhancing Corporate Transparency Building Resilience	SSM	27 - 28 Aug
		Professional Development Module (PDM): Module 7 – Stock Exchange & the Malaysian Listing Requirements & Financial Assistance and Announcement to Bursa Malaysia Berhad	PETRONAS	10 Sept
		MAICSA Annual Conference 2024	MAICSA	22 Oct
		PDM: Module 6 – Issuance and Allotment of Shares and Equity Funding RPS	PETRONAS	5 Nov
2.	Norhashema Saleh	PETRONAS Board Conversation Series: Sustainability Talk on Human Rights and the Role of Business	PETRONAS	29 Jan
		PETRONAS Board Excellence Programme: 7 <sup>th</sup> Audit Committee Forum	PETRONAS	22 Apr
		Beneficial Ownership – Practical BO Reporting	PETRONAS	2 May
		PETRONAS Board Conversation Series: Towards Net Zero – Understanding Carbon Markets	PETRONAS	15 Jun
		Recent Developments with the Listing Requirements, Including Col Amendments	CKM Advisory	5 Jun
		PETRONAS Group Board Conversation Series: “COP28 Reflection”	PETRONAS	11 Jun
		PDM: Module 3B – Appointment & Resignation of Directors	PETRONAS	12 Jul
		Group Secretarial & Board Governance (GSBG) Culture Onboarding for New Hires	PETRONAS	9 Aug
		2024 SSM National Conference – Enhancing Corporate Transparency Building Resilience	SSM	27 - 28 Aug
		PDM: Module 7 – Stock Exchange & the Malaysian Listing Requirements and Financial Assistance and Announcement to Bursa Malaysia Berhad	PETRONAS	10 Sept
		PETRONAS Board Excellence: Global Internal Audit Standard (GIAS) Training	PETRONAS	1 Oct
		PDB: Training Session on “Sustainability and Reporting Standard” given by PETRONAS Group and Ernst & Young	PDB	3 Oct
		PDM: Module 6 – Issuance and Allotment of Shares and Equity Funding RPS	PETRONAS	5 Nov
		PETRONAS Board Conversation Series: Sustainability Talk on Just Transition	PETRONAS	28 Nov

### BOARD INDEPENDENCE

The presence of INEDs is pivotal for ensuring corporate accountability and the Board acknowledges their significant contributions to upholding good corporate governance. All Directors, irrespective of their independent status, are mandated to act in the best interests of the Company, exercising unfettered and unbiased judgement. INEDs play a critical role in providing independent and objective perspectives, advice and judgement, particularly in evaluating the strategies proposed by Management. They ensure that strategies are thoroughly discussed and assessed with a focus on the long-term interests of stakeholders.

As of the report date, 56% of the Board comprises Independent Directors, with all INEDs meeting the following criteria:

- Independent from Management, free from any relationship that could compromise independent judgment
- Limited involvement in day-to-day operations, participating only when collective Board approval is needed to prevent undue influence
- Pre-meeting disclosure of any potential conflict of interest, allowing for recusal during deliberations, fostering unbiased decision-making

Aligned with MCG 2021 recommendations, the Company enforces a tenure policy capping an INED’s total Board tenure at nine years. Renewal of terms every three years is, subject to NRC endorsement and the Board’s approval, aligned with PDB’s Board Succession Planning Framework.

# Corporate Governance Overview Statement

### INDEPENDENCE

To ensure effective information flow and communication, the Board maintains direct, timely and unrestricted access to Management and relevant information in order to fulfill its responsibilities. The Chairman oversees this process, with the Company Secretaries playing a pivotal role in facilitating communication within the Board, its Committees, LT and NEDs. They also aid in the induction and professional development of the Board.

Responsibilities of the Company Secretaries include ensuring the presentation of high-quality information to the Board and its Committees and delivering papers and information in a timely manner. Board papers are circulated via secure collaborative software, on an average of five days before scheduled meetings, allowing Directors ample time for review and queries. This electronic platform enables secure access, reading, collaboration and streamlines the distribution of Board papers while safeguarding sensitive information. Directors can also request agenda inclusions and urgent matters may be presented under «Any Other Business», subject to the approval of the Chairman of the Board or Chairman of the respective Board Committees and MD/CEO.

### Board Effectiveness Evaluation Year Assessment 2024 (BEE YA2024)

The BEE is being carried out on an annual basis and as recommended by MCG 2021. PDB appoints an external independent consultant to conduct the BEE once in three years.

The BEE YA2024 was conducted externally by an independent third-party leadership consulting firm 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. In addition, the BEE results are leveraged to develop a comprehensive skills matrix for the Board, which serves as a guiding tool for both the Board and the NRC to develop Board’s succession planning and training activities. This ensures that the Board is equipped with a diverse and well-rounded mix of skills with deliberate considerations given to gender and ethnic diversity.

[For more detailed explanation on BEE, refer to NRC Report on pages 232 to 233.](#)

### INDUCTIONS AND TRAININGS

Upon joining the Board, new Directors undergo a tailored and comprehensive induction programme. This programme includes meetings with fellow Board members, the LT and Company Secretaries, ensuring they gain a comprehensive understanding of the organisation.

During 2024, the NRC reviewed the trainings needs of Board members and identified programmes and/or events for the continuous education of the Board members to ensure that the Board is up to date on new regulations and are conversant with industry trends and developments.

In addition to the initial induction, new Directors receive ongoing support and training when taking on additional responsibilities, such as membership in Board Committees. The Company arranges briefings on key Board matters for new NEDs and provides continuous resources for the development and updating of existing Directors’ knowledge and capabilities. The Company is committed to offering continuous professional development, including training programmes for its Directors.

Throughout 2024, the Company continued its practice of providing a Directors’ education programme, featuring seminars presented by external advisers, guest speakers and senior management. These sessions cover subjects relevant to the Company’s business. Directors actively participated in conferences, seminars and training programmes during the year, focusing on areas such as corporate governance, sustainability and EESG, finance, global business developments and industry updates.

In addition, Bursa Malaysia has reviewed and enhanced the scope of the Mandatory Accreditation Programme (MAP II) for Directors under the MMLR. This requirement is effective 1 August 2023 and all existing Directors of PDB are required to attend the MAP II on or before 1 August 2025. As at the date of this report, most of the Directors have completed the MAP II.

## Corporate Governance Overview Statement

### Datuk Anuar Ahmad

Development Programmes	Organisers	Date (2024)
PETRONAS Board Conversation Series: Sustainability Talk (01/): Human Rights & The Role of Business by Mr Niloy Banerjee, Resident Representative of United Nations Development Programme (UNDP)	PETRONAS	29 Jan
PDB: Board Upskilling Session: Financial Overview Series on "Pricing Impact to PDB's Profitability"	PDB	10 May
PETRONAS Board Conversation Series Webinar: "Towards Net Zero: Understanding Carbon Markets"	PETRONAS	15 May
PETRONAS Group Board Conversation Series Webinar: "COP28 Reflection"	PETRONAS	11 Jun
PDB: Training Session on "Sustainability and Reporting Standard" given by PETRONAS Group and Ernst & Young	PDB	3 Oct
PDB: Board Upskilling by KPMG on "Accounting: MFRS 9 and ECL, Cybersecurity Act, Global Internal Audit Standards and Sales Service Tax"	PDB KPMG	11 Oct
PETRONAS Group Training on "Sustainability Deep-Dive: Scope 3"	PETRONAS	20 Nov

### Azrul Osman Rani

Development Programmes	Organisers	Date (2024)
PETRONAS Board Conversation Series: Sustainability Talk (01/): Human Rights & The Role of Business by Mr Niloy Banerjee, Resident Representative of United Nations Development Programme (UNDP)	PETRONAS	29 Jan
D&I Leaders Conversation: Building an inclusive workplace for PWD	PDB	15 Mar
PETRONAS Board Excellence Programme: 7 <sup>th</sup> Audit Committee Forum	PETRONAS	22 Apr
PDB: Board Upskilling Session: Financial Overview Series on "Pricing Impact to PDB's Profitability"	PDB	10 May
PETRONAS Board Conversation Series Webinar: "Towards Net Zero: Understanding Carbon Markets"	PETRONAS	15 May
Top Leaders Dialogue - RESET: Time to Make Tough Calls	PETRONAS	27 - 28 May
PETRONAS Group Board Conversation Series Webinar: "COP28 Reflection"	PETRONAS	11 Jun
Occupational Safety & Health (OSHA) (Amendment) 2022 Upskilling to LTs	PDB	27 Jun
BNM Compliance Training AML/CFT/CPF, FSA, E-Money Policy Documents and MCIPD: An Overview and Obligations for BODs	Setel	14 Aug
PDB: Training Session on "Sustainability and Reporting Standard" given by PETRONAS Group and Ernst & Young	PDB	3 Oct
Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	ICDM	9 - 10 Oct
PDB: Board Upskilling by KPMG on "Accounting: MFRS 9 and ECL, Cybersecurity Act, Global Internal Audit Standards and Sales Service Tax"	PDB KPMG	11 Oct
Disability Equality Training for PETRONAS Leaders	PETRONAS	14 Oct
Risk Masterclass: New Era of AI	PDB	18 Oct
Dialogue on Enterprise Stakeholder Management	PETRONAS	29 - 30 Oct
Cybersecurity Awareness/Upkilling Session for PDB LT	PDB	7 Nov
PETRONAS Board Conversation Series: Sustainability Talk on Just Transition	PETRONAS	28 Nov

### Alvin Michael Hew Thai Kheam

Development Programmes	Organisers	Date (2024)
PETRONAS Board Conversation Series: Sustainability Talk (01/): Human Rights & The Role of Business by Mr Niloy Banerjee, Resident Representative of United Nations Development Programme (UNDP)	PETRONAS	29 Jan
Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	ICDM	6 - 7 Mar
Webinar: "The Culture Map: Breaking Through the Invisible Boundaries of Global Business" by Erin Meyer INSEAD professor of Management Practice	INSEAD	15 Mar
Webinar: "Unlocking GenAI's Training Potential" by Associate Prof Henning Piezunka	INSEAD	20 Mar
Webinar: "Co-Intelligence: Living and Working with AI" by Associate Prof Henning Piezunka and Ethan Mollick	INSEAD	5 Apr
Queen's University Smith School of Business Seminar "Assessing AI Organisational Maturity & Readiness" by Anton Ovchinnikov Professor & Distinguished Professor of Management Analytics	Queen's University Smith School of Business	29 Apr
PDB: Board Upskilling Session: Financial Overview Series on "Pricing Impact to PDB's Profitability"	PDB	10 May
PETRONAS Board Conversation Series Webinar: "Towards Net Zero: Understanding Carbon Markets"	PETRONAS	15 May
PETRONAS Group Board Conversation Series Webinar: "COP28 Reflection"	PETRONAS	11 Jun
PETRONAS Group online training and certification on:		
1. Sanctions		
2. Competition Law	PETRONAS	27 Jun
3. PDPA		
4. Human Rights		
PETRONAS Group online training and certification on "Code of Conduct and Business Ethics"	PETRONAS	4 Aug
PETRONAS Group online training and certification on Cybersecurity on:		
1. Identity Protection		
2. Social Media Hygiene	PETRONAS	25 Sept
3. Deepfake Learning		
4. Spear Phishing		
PDB: Training Session on "Sustainability and Reporting Standard" given by PETRONAS Group and Ernst & Young	PDB	3 Oct
PDB: Board Upskilling by KPMG on "Accounting: MFRS 9 and ECL, Cybersecurity Act, Global Internal Audit Standards and Sales Service Tax"	PDB KPMG	11 Oct
PETRONAS Group Training on "Sustainability Deep-Dive: Scope 3"	PETRONAS	20 Nov
PETRONAS Board Conversation Series: Sustainability Talk on Just Transition	PETRONAS	28 Nov



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### Nirmala Doraisamy

Development Programmes	Organisers	Date (2024)
PETRONAS Board Conversation Series: Sustainability Talk (01/): Human Rights & The Role of Business by Mr Niloy Banerjee, Resident Representative of United Nations Development Programme (UNDP)	PETRONAS	29 Jan
PETRONAS Board Excellence Programme: 7 <sup>th</sup> Audit Committee Forum	PETRONAS	22 Apr
MIA International Accountants Conference	MIA	11 - 12 Jun
PETRONAS Group Board Conversation Series Webinar: "COP28 Reflection"	PETRONAS	11 Jun
Leveraging Ai in the Fight Against Financial Crime	FIDE Forum	25 Jun
PETRONAS Group online training and certification on: 1. Sanctions 2. Competition Law 3. PDPA 4. Human Rights	PETRONAS	27 Jun
CGM Masterclass: Latest Developments in Climate-Aligned Executive	FIDE Forum	17 Jul
Leading the leap: Trust-driven strategies to shape reinvention	PWC & Asia School of Business	18 Jul
BNM Compliance Training AML/CFT/CPF, FSA, E-Money Policy Documents and MCIPD: An Overview and Obligations for BODs	Setel	14 Aug
Distinguished Board Leadership Series – Digital Transformation of the world	FIDE Forum	3 Sept
KPMG Board Leadership Center Exclusive – Cybersecurity Oversight	KPMG	11 Sept
Demystifying the digital future: Payments, Banks and currency	AICB	10 Sept
Common offences by Directors under the Companies Act 2016	MIA	18 Sept
Building Sustainable Creditbility: Assurance Greenwashing and the Rise of Green-Hushing	ICDM & Bursa Malaysia	24 Sept
PETRONAS Board Excellence: Global Internal Audit Standard (GIAS) Training	PETRONAS	1 Oct
E-Invoicing application – inhouse training	PETRONAS	2 Oct
PDB: Training Session on "Sustainability and Reporting Standard" given by PETRONAS Group and Ernst & Young	PDB	3 Oct
PDB: Board Upskilling by KPMG on "Accounting: MFRS 9 and ECL, Cybersecurity Act, Global Internal Audit Standards and Sales Service Tax"	PDB KPMG	11 Oct
Cyber Security & You	PETRONAS	13 Oct
Economic Outlook & Post Budget 2025 Forum	FIDE Forum	14 Nov
PETRONAS Board Conversation Series: Sustainability Talk on Just Transition	PETRONAS	28 Nov

### Tang Saw Hua

Development Programmes	Organisers	Date (2024)
PETRONAS Board Conversation Series: Sustainability Talk (01/): Human Rights & The Role of Business by Mr Niloy Banerjee, Resident Representative of United Nations Development Programme (UNDP)	PETRONAS	29 Jan
Firm Foundations of Growth: East Asia and Pacific Economic Update	The World Bank	4 Apr
PETRONAS Board Excellence Programme: 7 <sup>th</sup> Audit Committee Forum	PETRONAS	22 Apr
What Amounts to A Conflict of Interest by Directors?	ASB	8 May
PDB: Board Upskilling Session: Financial Overview Series on "Pricing Impact to PDB's Profitability"	PDB	10 May
PETRONAS Board Conversation Series Webinar: "Towards Net Zero: Understanding Carbon Markets"	PETRONAS	15 May
Kuala Lumpur International Sustainability Conference	ASB	7 Jun
SBTi & Climate Symposium	Global Compact Network Malaysia & Brunei	11 Jun
Navigating Climate Transition Risk in a circular economy	KPMG	11 Jul
Whistle-Blower Protection in Business	United Nation office on Drug and Crime(UNODC)	16 Jul
CGM Masterclass Series – "Latest Development in climate: aligned executive compensation"	ASB	17 Jul
PETRONAS Board Excellence: New Global Internal Audit Standards (GIAS)	PETRONAS	1 Oct
PDB: Training Session on "Sustainability and Reporting Standard" given by PETRONAS Group and Ernst & Young	PDB	3 Oct
Enhance compliance through Malaysia's Tax corporate governance program	KPMG	4 Oct
PDB: Board Upskilling by KPMG on "Accounting: MFRS 9 and ECL, Cybersecurity Act, Global Internal Audit Standards and Sales Service Tax"	PDB KPMG	11 Oct
PETRONAS Board Conversation Series: Sustainability Talk on Just Transition	PETRONAS	28 Nov
Year-end audit Committee webcast	PWC	10 Dec

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### Datin Arni Laily Anwarudin

Development Programmes	Organisers	Date (2024)
PETRONAS Board Conversation Series: Sustainability Talk: Human Rights and The Role of Business by Mr Niloy Banerjee, Resident Representative of United Nations Development Programme	PETRONAS	29 Jan
CERAWeek: Multidimensional Energy Transition – Markets, Climate, Technology and Geopolitics	S&P Global	18 - 23 Mar
PETRONAS Board Excellence Programme: 7 <sup>th</sup> Audit Committee Forum	PETRONAS	22 Apr
PDB: Board Upskilling: Financial Overview Series on "Pricing Impact to PDB's Profitability"	PDB	10 May
Energy Asia 2025 Multi Stakeholder Dialogue at Japan Energy Summit: Getting the Policy Signals Right	PETRONAS Woodmac	4 Jun
Energy Asia 2025 Multi Stakeholder Dialogue in Kuala Lumpur: Powering Economic Prosperity through Equitable Transition	PETRONAS S&P Global	24 Aug
Energy Asia 2025 Multi Stakeholder Dialogue in Singapore: On Pole Position – Spearheading Growth Through Innovation	PETRONAS	20 Sept
PETRONAS Board Excellence: New Global Internal Audit Standards (GIAS)	PETRONAS	1 Oct
PDB: Training Session on "Sustainability and Reporting Standard" given by PETRONAS Group and Ernst & Young	PDB	3 Oct
PDB: Board Upskilling by KPMG on "Accounting: MFRS 9 and ECL, Cybersecurity Act, Global Internal Audit Standards and Sales Service Tax"	PDB KPMG	11 Oct
Abu Dhabi International Petroleum Exhibition & Conference (ADIPEC): Decarbonise. Faster. Together.	ADNOC DMG	4 - 7 Nov
Energy Asia 2025 Multi Stakeholder Dialogue at ADIPEC: Cross Border Energy Trade – Making Transition Possible	PETRONAS BCG	5 Nov
Energy AI Leadership Roundtable on AI in the Energy Transition	Accenture	6 Nov
Energy Asia x CNBC Sustainable Future Private Networking Session	CNBC	6 Nov
Energy Asia 2025 Multi Stakeholder Dialogue in Tokyo: Forging Partnerships to Scale Decarbonisation Technologies	PETRONAS Institute of Energy Economic Japan	8 Nov
PETRONAS Board Conversation Series: Sustainability Talk on Just Transition	PETRONAS	28 Nov
International Energy Executive Forum in Beijing	CNPC ETRI S&P Global	9 - 10 Dec

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### Datuk Sazali Hamzah

Development Programmes	Organisers	Date (2024)
PCSB Board Workshop on PCSB Strategic Review	PETRONAS	12 Jan
PETRONAS Board Conversation Series: Sustainability Talk (01/): Human Rights & The Role of Business by Mr Niloy Banerjee, Resident Representative of United Nations Development Programme (UNDP)	PETRONAS	29 Jan
Cybersecurity Ransomware Crisis Management Awareness Session	PETRONAS	20 Mar
PDB: Board Upskilling Session: Financial Overview Series on "Pricing Impact to PDB's Profitability"	PDB	10 May
PETRONAS Board Conversation Series Webinar: "Towards Net Zero: Understanding Carbon Markets"	PETRONAS	15 May
Top Leader's Dialogue RESET: Time to Make Tough Calls	PETRONAS	27 - 28 May
Pengerang Integrated Complex – PETRONAS Board Conversation	PETRONAS	5 Jun
Bi-Annual Conversation with the CEO of Public Companies & Related Companies	PETRONAS	11 Jun
PETRONAS Group Board Conversation Series Webinar: "COP28 Reflection"	PETRONAS	11 Jun
Mandatory Accreditation Programme Part II: Leading For Impact (LIP)	ICDM	12 - 13 Jun
Board Conversation with HSBC	HSBC	30 Jul
PDB: Training Session on "Sustainability and Reporting Standard" given by PETRONAS Group and Ernst & Young	PDB	3 Oct
PDB: Board Upskilling by KPMG on "Accounting: MFRS 9 and ECL, Cybersecurity Act, Global Internal Audit Standards and Sales Service Tax"	PDB KPMG	11 Oct



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### Mohd Yuzaidi Mohd Yusoff

Development Programmes	Organisers	Date (2024)
Mandatory Accreditation Programme Part II: Leading For Impact (LIP)	ICDM	23 - 24 Jan
PETRONAS Board Conversation Series: Sustainability Talk (01/): Human Rights & The Role of Business by Mr Niloy Banerjee, Resident Representative of United Nations Development Programme (UNDP)	PETRONAS	29 Jan
ICDM Advocacy Dialogue & Networking : The Launch of ASEAN Board Trends Report & The ASEAN Directors Registry	ICDM	22 Feb
BNM – FIDE FORUM Engagement Session with Board of Directors of Islamic Financial Institutions: Hajah and Darurah Policy Document	FIDE FORUM	7 Mar
Bank Islam Malaysia - Directors Training on The Dark Pattern, How Big Corporate Scandals Happened and What Bards Can Do to Prevent It	Bank Islam	5 Apr
Beyond Box-Ticking: Enhancing Effectiveness of Nominating Committees	ASB	24 Apr
PETRONAS Board Excellence Programme: 7 <sup>th</sup> Audit Committee Forum	PETRONAS	22 Apr
Tabung Haji Group Summit - Business Transformation Towards Sustainability	Tabung Haji	7 - 8 May
Risk Management Committee – Banking Sector	ASB	13 - 14 May
Global Forum on Islamic Economic and Finance (GFIEF)	Bank Negara	28 - 29 May
FIDE - Data Innovation To Drive Financial Inclusion - Pushing New Frontiers	FIDE FORUM	21 Jun
ICDM Training: A Delicate Balance – Board & Management Relationship	ICDM	27 Jun
Bank Islam Malaysia - Directors Training/Engagement on BNM's Hajah and Darurah Policy Document	Bank Islam	5 Jul
KPMG Online Seminar: Model Risk Management for AI - Challenges and Opportunities	KPMG	1 Aug
PAMB Training - Cyber Security Risk & Control Training	Prudential Assurance Malaysia	5 Aug
Market Risk Management – Banking Sector	ASB	6 - 7 Aug
Bank Islam- Directors Training/Engagement on AML/CFT/CPF and TFS: Key Challenges and Trend Updates	Bank Islam	9 Aug
"Humility: The most Powerful Leadership Quality" in partnership with Simmons & Simmons	Women in Islamic & Ethical Finance Forum(WIEFF)	3 Sept
KPMG Board Leadership Center Exclusive   Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Act	KPMG	11 Sept
ICDM Advocacy Dialogue & Networking Session (in collaboration with Capital Markets Malaysia) - Corporate Venture Capital (CVC)	ICDM	19 Sept
BIMB Directors Training	Bank Islam	1 Oct
PDB: Training Session on "Sustainability and Reporting Standard" given by PETRONAS Group and Ernst & Young	PDB	3 Oct
Climate Risk Management: What Insurance Company Directors Should Know	ASB	9 Oct
PDB: Board Upskilling by KPMG on "Accounting: MFRS 9 and ECL, Cybersecurity Act, Global Internal Audit Standards and Sales Service Tax"SST)	PDB KPMG	11 Oct
Update om Technology and Cybersecurity Riks by EY	Bank Islam	18 Oct
Sustainability Strategy Update	Prudential PLC	28 Oct
Singapore Fintech Festival	Singapore GFTN/ MAS (Global Finance & Technology Network/Money Authority of Singapore)	6 - 8 Nov
Director's Remuneration Report	FIDE FORUM	11 Nov

### Tunku Alizakri Raja Muhammad Alias

Development Programmes	Organisers	Date (2024)
Training on Effective Shariah-Decision Making at Islamic Financial Institutions.	PRUBSN	10 Jan
Cornell Sustainability Panel	CORNELL University, NY	28 Jan
PETRONAS Board Conversation Series: Sustainability Talk (01/): Human Rights & The Role of Business by Mr Niloy Banerjee, Resident Representative of United Nations Development Programme (UNDP)	PETRONAS	29 Jan
Tech Nexus Event with 42 Geeks	Endeavour Consult Sdn. Bhd.	28 Feb
B Impact Event: Building a Better Future	Bintang Capital Partners	6 Mar
Emerging Trends Shaping Business Sustainability & Humanity	Top Glove	6 Mar
Board on Hajjah and Darrurah	Securities Commission	7 Mar
AVPN Global Conference : Invitation to AVPN Impact Investing Focused Connect & Learn EventEvent	AVPN	22 - 25 April
PDB: Board Upskilling Session: Financial Overview Series on "Pricing Impact to PDB's Profitability	PDB	10 May
PETRONAS Board Conversation Series Webinar: "Towards Net Zero: Understanding Carbon Markets"	PETRONAS	15 May
MFRS17 Training, Embedded Value Matric, Medical repricing, Risk Pooling for Community Coverage	PRUBSN	27 May
FIDE FORUM: Engagement Session with BNM - Annual Report 2023, Economic and Monetary Review 2023 and Financial Stability Review 2H 2023	FIDE & ASB	30 May
Toward Sustainable Finance: The Role of Reporting Companies and Institutional Investors	ASB	7 Jun
ICDM x Human Inc Masterclass - Transform Your Organisation: Unleashing The AI Revolution	ICDM	10 Jun
PETRONAS Group Board Conversation Series Webinar: "COP28 Reflection"	PETRONAS	11 Jun
SRI Conference - Session ' Suite Debate: Doing Bad While Doing Good'	SIDC	20 Jun
Info Sharing & Engagement Session on Board Culture	FIDE	24 Jun
RoundTable: Investing For Impact in Malaysia	Malaysia Impact Alliance (MyImpact) and MVCA	2 Jul
FIDE FORUM-CGM: Masterclass: Latest Developments in Climate-Aligned Executive Compensation	FIDE	17 Jul
Catalyst Series: Transforming The Global Digital Economy with Generative AI	Seccom	30 Jul
[Future Forum 2.0] - The Appeal of Malaysia: Insights into Global Companies Establishing Local Offices	Endeavour	13 Aug
InvestED TED Talk @ Monash University Malaysia – Switching Frequencies	SIDC	14 Aug
AtmosTalk "Insights from Nature Based Solutions Projects in Malaysia and Opportunities for Climate Technology"	ATMOS	3 Sept
[YESS] Interactive Intergenerational Forum: 'Perspectives on Personal and Enterprise Changemakers for Impact'	UNHCR	10 Sept
FIDE FORUM Masterclass   Boardroom Climate Essentials	FIDE	11 Sept
PruBSN SC Engagement, Internal Training for Board of Directors and Shariah Committee	PRUBSN	27 Sept
PDB: Training Session on "Sustainability and Reporting Standard" given by PETRONAS Group and Ernst & Young	PDB	3 Oct
INPHO Venture Summit	Bluphormo France/ HIVE Climate	24 - 25 Oct

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### Tunku Alizakri Raja Muhammad Alias

Development Programmes	Organisers	Date (2024)
OLA Leadership Insights	DJungle	8 Nov
QED Changemaker Forum: The Innovation Differentiator	QED Singapore	13 Nov
PETRONAS Group Training on "Sustainability Deep-Dive: Scope 3"	PETRONAS	20 Nov
Jane Goodall's Root & Shoots Symposium of Hope	Berjaya Group	24 Nov
PETRONAS Board Conversation Series: Sustainability Talk on Just Transition	PETRONAS	28 Nov
Sovereignty and Fair Interdependence The Global South and Democratisation	Khazanah Research Institute	2 Dec
Selangor Sustainability Talk	UNCHR	10 Dec

### DIRECTOR'S REMUNERATION

The Directors' fees structure, aligning with prevailing market practices, is crafted to attract and retain accomplished Board members, ensuring they receive fair compensation for their time and contributions.

A formal and transparent Directors' Remuneration Framework has been established by the Board, encompassing retainer fees, meeting allowances and benefits in-kind. In adherence to Section 230(1) of the CA 2016, the resolution for the payment of Directors' fees, covering the period from the 42<sup>nd</sup> AGM until the forthcoming 43<sup>rd</sup> AGM, was procured at the 42<sup>nd</sup> AGM based on the following NEDs Remuneration package:

	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	RM24,000	RM3,500	RM3,500	RM3,500	RM3,500	RM3,500
Member	RM12,000	RM3,500	RM3,500	RM3,500	RM3,500	RM3,500

Note: Malaysian Resident INEDs are entitled to fuel allowance of RM6,000 per annum

The fees and allowances for NEDs are determined by the Board and are subject to the approval of the Shareholders of PDB. The Company also reimburses all expenses incurred by the Directors, where relevant, in the course of carrying out their duties as Directors. PDB noted on the departure from the Guidance 7.2 of MCCG 2021 as the Company does not have any plan to table separate resolutions on the approval of the fees of each NED and may explore ways to meet the intended outcome in future.

The Directors' fees and meeting allowances for NINEDs who are also employees of PETRONAS are paid directly to PETRONAS. The breakdown of the detailed Directors' remuneration paid during the year under review is disclosed in the Corporate Governance Report 2023 which is accessible via PDB's corporate website, [www.mymesra.com.my](http://www.mymesra.com.my).

The NRC at its meeting held on 10 February 2025, reviewed the NEDs Remuneration Framework and Package and recommended the revised Framework and Package for Board's approval to present the same to the Shareholders for approval at the forthcoming 43<sup>rd</sup> AGM. Please refer to the 43<sup>rd</sup> AGM notice and the relevant Explanatory Notes for further details.

Azrul Osman Rani, the MD/CEO and Executive Director of PDB, is an employee of PETRONAS and is seconded to PDB. During the year, he was remunerated an amount of RM1,846,620.00 as MD/CEO of PDB. Please refer to the CG Report for the breakdown of the Remuneration.

### SENIOR MANAGEMENT REMUNERATION

The Senior Management's remuneration philosophy underscores the Group's dedication to adhering to best practices in remuneration, retention and reward, aimed at attracting and retaining exceptional talent. The remuneration packages and incentives undergo regular evaluations, benchmarked against market-related surveys to ensure competitiveness.

### PETRONAS REMUNERATION PHILOSOPHY AND GUIDING PRINCIPLES

Ensuring competitive and distinctive remuneration to attract and retain talent for meeting business needs is a key priority. The pay structure is aligned with job roles and performance, ensuring competitiveness benchmarked within the relevant industry. Internal equity considerations are taken into account, adhering to statutory requirements and ensuring affordability in line with the Company's resources.

Company employees, seconded from PETRONAS, have their remuneration benchmarked against industry standards with a focus on market alignment. Their training, succession planning and performance evaluations follow PETRONAS Human Resources Policies and Strategies. The Board emphasises the appointment of qualified individuals with relevant skills and experience to management roles at PDB.

Remuneration is guided by PETRONAS' prevailing Remuneration Philosophy and Guiding Principles, available on PDB's corporate website at [www.mymesra.com.my](http://www.mymesra.com.my).

PDB acknowledges a deviation from Practice 8.2 of MCCG 2021 related to the disclosure of Senior Management's remuneration components (salary, bonus, benefits and other emoluments) due to compliance with the Personal Data Protection Act (PDPA) 2010. PETRONAS Group, including its listed companies, chooses not to disclose personal data of Senior Management to the public. Currently, there is no alternative plan in place to achieve this intended outcome.

### PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

#### ACCOUNTABILITY AND AUDIT

##### Financial Reporting

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.

##### Related Party Transactions and Conflict of Interest Situations

The Company has in place, the Policy, Guideline and Procedures governing RPTs and CoI, which encompass Recurrent Related Party Transaction (RRPT). These measures are in place to ensure that all RPTs/RRPTs are conducted on an arm's length basis, adhere to normal commercial terms and are not detrimental to the Company's Minority Shareholders.

For detailed information on the Policy, Guideline and Procedures on RPTs and CoI, Risk Management processes and Internal Control procedures, refer to the relevant sections in the BAC Report and the Statement on Risk Management and Internal Control (SORMIC) on page 240 and page 259 of this <IR>, respectively.

All RPTs, including RRPTs, entered into by the Company or its subsidiaries are subject to review by the BAC. In the event that the transaction requires approval from the Board or the shareholders, the interested Director, Major Shareholder or Person Connected with such Director or Major Shareholder with any interest, direct or indirect, must not vote on the resolution approving the transaction. The Director and/or interested Major Shareholder must also ensure that persons connected with them abstain from voting on the resolution approving the transaction.

A comprehensive list of transactions with related parties is provided in the Audited Financial Statements, specifically on pages 320 to 322 of this <IR>.

##### Risk Management and Internal Control

The Board consistently upholds and evaluates its risk management processes and internal control procedures. This ongoing commitment is aimed at establishing a robust framework for risk management and internal control, with the primary objective of safeguarding the investments of Shareholders and the assets of the Group.

For further details on risk management and internal controls, refer to pages 247 to 261.

##### Trading on Insider Information

On a quarterly basis and to ensure compliance with the requirements under Chapter 14 of the MMLR of Bursa Malaysia, the Company Secretary issues a Notice of Closed Period to Directors and LT (Principal Officers), highlighting the requirements with regard to dealing in the Company's shares during "Closed Period"/"Outside Closed Period" as they are in possession of price sensitive information relating to PDB. During the year under review, there was no trading activity undertaken by the Principal Officers of the Company.



# Corporate Governance Overview Statement

## PRINCIPLE C - EFFECTIVE COMMUNICATION WITH STAKEHOLDERS

### RELATIONSHIP WITH SHAREHOLDERS

#### Communications between PDB and Investors

The Board maintains an open and constructive relationship with all its stakeholders – large and small, institutional and private. We define our key stakeholders as those who have an interest in, are impacted, whether positively or negatively and exert significant influence on or are influenced by our businesses such as investors, governments, customers, suppliers, vendors, business partners, employees, local communities, regulatory authorities, the media, NGOs and international bodies. These stakeholders have a stake in our businesses and can affect them through direct or indirect influence.

The Board does not distinguish between institutional and private investors and treats all shareholders equally. In line with this, steps are taken to ensure that all investors have access to the same information and disclosures such as Bursa Malaysia announcements,

postings on PDB’s website, press releases, Integrated Report issuance and occasional press conferences. Following the AGM, PDB conducts a press conference and materials distributed are promptly made available on the corporate website.

The Chairman, supported by the Management, has the overall responsibility of ensuring that the Company listens to and effectively communicates with its stakeholders.

Regular dialogues led by the MD/CEO, COO, CFO and the Investor Relations Unit with institutional Shareholders and analysts, along with quarterly briefings, deepens the understanding of the Group’s financial results and operations.

PDB proactively updates its corporate website, [www.mymesra.com.my](http://www.mymesra.com.my), with comprehensive information on corporate and business aspects, including press releases, Bursa Malaysia announcements, analyst briefings and quarterly results. This commitment ensures accessible information for PDB’s shareholders and stakeholders.

Event	Date	Format	Audience	
			Fund Manager/Analyst	Company
<b>CORPORATE CONFERENCE</b>				
Kenanga Webinar: Oil and Gas Sector: Embracing Sustainability	11 Jun 2024	Virtual Meeting	15	8
<b>ANALYST BRIEFING</b>				
Q4 2023	27 Feb 2024	Virtual Meeting	18	15
Q1 2024	23 May 2024		19	18
Q2 2024	21 Aug 2024		36	29
Q3 2024	26 Nov 2024		27	21
<b>GROUP MEETING</b>				
Terminal Visit @ PG with Investment Community	8 Mar 2024		8	5
Terminal Visit @ KK with Investment Community	11 - 12 Jul 2024		13	8
Meeting with UBS	26 Jul 2024	Virtual Meeting	20	13
Terminal Visit @ Bintulu with Investment Community	4 Sept 2024		10	8
MIDF Roundtable Discussion	9 Oct 2024		11	6
<b>INDIVIDUAL MEETING</b>				
Meeting with EPF	30 May 2024		6	1
Social Sustainability Discussion with EPF	30 May 2024		3	1
Social Sustainability Discussion with PNB	10 Jul 2024		4	1
Meeting with Wellington SG	25 Jul 2024		1	1
Meeting with EPF	3 Sept 2024	Virtual Meeting	16	1
Meeting with GIC SG	2 Oct 2024		1	1
Meeting with EPF	9 Dec 2024		6	1
Meeting with PNB	10 Dec 2024		10	1
<b>ANNUAL GENERAL MEETING</b>				
PDB 42 <sup>nd</sup> AGM	29 Apr 2024	Virtual Meeting	2,240 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 42<sup>nd</sup> 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 42<sup>nd</sup> AGM was held virtually on Monday, 29 April 2024 as PDB continued leveraging on technology and offer remote shareholders’ participation in PDB’s general meetings. The Company had notified the Shareholders on the conduct of the virtual AGM via the Remote Participation Voting (RPV) application, together with the instructions in the Administrative Guide on 29 March 2024. The same was also published through the announcement to Bursa Malaysia and the PDB’s corporate website respectively.

During the virtual 42<sup>nd</sup> 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 virtual 42<sup>nd</sup> 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 42<sup>nd</sup> 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 42<sup>nd</sup> AGM.

The Company received 118 live and 26 pre-submitted questions. During the meeting, the Company addressed 12 live questions from Shareholders. The remaining questions, along with the Minutes of the 42<sup>nd</sup> 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 42<sup>nd</sup> AGM were also shared with Shareholders during the 42<sup>nd</sup> 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 42<sup>nd</sup> AGM will be put to vote on a poll. At the 42<sup>nd</sup> AGM, PDB had engaged Tricor Investor and Issuing House Services Sdn. Bhd. as the Poll Administrator and Boardroom Corporate Services 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 42<sup>nd</sup> AGM. The Shareholders who participated through RPV facilities were also able to cast their votes online. A total number of 2,240 Shareholders and proxies logged in through RPV, which represented a total of 201,782,196 shares.

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	906,305,697	98.8514%	10,531,233	1.1486	Accepted
Resolution 2	916,673,190	99.9822	163,637	0.0178	Accepted
Resolution 3	900,691,532	98.2642	15,910,495	1.7358	Accepted
Resolution 4	916,736,016	99.9911	81,608	0.0089	Accepted
Resolution 5	915,874,855	99.8944	967,852	0.1056	Accepted

The 43<sup>rd</sup> AGM of the Company will be held physically in response to the new requirements as announced by Securities Commission Malaysia (SC) and by Bursa Malaysia on 30 August 2024. These new requirements stipulate that all public listed companies (PLC) shall conduct hybrid or physical general meetings starting from 1 March 2025. Please refer to 43<sup>rd</sup> AGM notice for the further details on the date, time and venue of the 43<sup>rd</sup> AGM.

Minutes of AGMs is accessible via PDB’s corporate website, [www.mymesra.com.my](http://www.mymesra.com.my).

# Corporate Governance Overview Statement

## Financial Calendar

2025

**20 February**

Announcement of the unaudited consolidated results for the 4<sup>th</sup> quarter ended 31 December 2025

**26 February**

Announcements of the audited financial statements for the financial year ended 31 December 2024

**21 March**

Date of payment of the Interim Dividend and Special Dividend for the 4<sup>th</sup> quarter ended 31 December 2024

**24 March**

Date of Notice of 43<sup>rd</sup> Annual General Meeting and date of issuance of FY2024 Integrated Report

**24 April**

43<sup>rd</sup> Annual General Meeting

2024

**26 February**

Announcements of the unaudited consolidated results for the 4<sup>th</sup> quarter ended 31 December 2023

**28 February**

Announcements of the audited financial statements for the financial year ended 31 December 2023

**26 March**

Date of payment of the Interim Dividend for the 4<sup>th</sup> quarter ended 31 December 2023

**29 March**

Date of Notice of 42<sup>nd</sup> Annual General Meeting and date of issuance of FY2023 Integrated Report

**29 April**

42<sup>nd</sup> Annual General Meeting

**21 May**

Announcements of the unaudited consolidated results for the 1<sup>st</sup> quarter ended 31 December 2024

**19 June**

Date of payment of the interim dividend for the 1<sup>st</sup> quarter ended 31 December 2024

**20 August**

Announcements of the unaudited consolidated results for the 2<sup>nd</sup> quarter ended 31 December 2024

**18 September**

Date of payment of the interim dividend for the 2<sup>nd</sup> quarter ended 31 December 2024

**25 November**

Announcements of the unaudited consolidated results for the 3<sup>rd</sup> quarter ended 31 December 2024

**24 December**

Date of payment of the interim dividend for the 3<sup>rd</sup> quarter ended 31 December 2024

# 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 Dividend	26 February 2024	12 March 2024	26 March 2024
Interim Dividend	21 May 2024	7 June 2024	19 June 2024
Interim Dividend	20 August 2024	4 September 2024	18 September 2024
Interim Dividend	25 November 2024	10 December 2024	24 December 2024

## RELATIONSHIP WITH EXTERNAL AUDITORS

### External Auditors

Through the BAC, PDB maintains a professional and transparent relationship with its External Auditors, KPMG PLT. The BAC met the External Auditors during the year under review without the presence of the Management, to review the scope and adequacy of the Group's audit process, the annual financial statements and their audit findings. There were no major matters that warranted BAC's attention.

[The role of the BAC in relation to the external auditors is described in the BAC Report on page 238.](#)

### Directors' Responsibility Statement

The Directors have provided assurance that the financial statements prepared for each financial year give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the results and cash flow of the Group for the financial year as required by the CA 2016.

[The Statement of Responsibility by Directors for the Audited Financial Statements of the Company and Group is as outlined on page 264. Details of the Company and Group financial statements for the financial year ended 31 December 2024 are set out on pages 262 to 343 of the Financial Report 2024.](#)

### Internal Audit Division

The Internal Audit Division (IAD) supports the BAC in safeguarding the PDB Group's value by providing risk-based advice, insight and foresight. IAD reports directly to the BAC and BAC has full and unrestricted access to all functions, records, properties and personnel.

IAD conducts both planned and ad hoc assurance and advisory activities to offer an objective and independent perspective on the Governance, Risk Management and Internal Control (GRC) of the Group's activities. Additionally, IAD monitors compliance with policies and procedures implemented by Management, regulatory requirements set by the authority and adheres to the standards of internal auditing established by the Institute of Internal Auditors.

Audit reports, which detail findings, recommendations and Management feedback, are presented to the BAC on a quarterly basis.

## 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 2021 Principles and Practices. The Corporate Governance (CG) Report 2024 details the ways in which the Company applied its practices and adopted the MCCG 2021 Principles during the reviewed year which is available on [www.mymesra.com.my](http://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 2024, 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 2024 or entered into since the end of the previous financial year.

### Status of Utilisation of Proceeds Raised from Corporate Proposal

#### Utilisation

In the previous financial year, PDB had issued RM2.0 million for the Sukuk Wakalah Programmes on 31 July 2023 and subsequently redeemed RM1.0 million on 25 August 2023. PDB had fully redeemed the remaining IMTN outstanding amount of RM1.0 million on 31 July 2024.

[For more information, refer to Note 14 on page 68 of the Financial Report.](#)

This Statement is made in accordance with a resolution of the Board of Directors dated 20 February 2025.

**DATUK ANUAR AHMAD**  
Chairman



# Nomination and Remuneration Committee Report

# Nomination and Remuneration Committee Report

Dear Valued Shareholders,

I am pleased to present the NRC report for the financial year ended 31 December 2024. This report highlights the NRC activities throughout the year, which focused on enhancing governance processes and documents to align with best practices and regulatory requirements.

On behalf of the NRC, I would also like to express our heartfelt gratitude to Datuk Shafie Shamsuddin, the former Senior Independent Non-Executive Director (SINED) and NRC Chairman, for his invaluable contributions throughout the period of his tenure.

**MOHD YUZAI MOHD YUSOFF**  
Chairman



## OVERVIEW

This report provides shareholders comprehensive insight into activities of the NRC during the year under review, in line with the requirements of Paragraph 15.08A(3) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia). It highlights the important role the NRC plays in managing the Board composition, remuneration and evaluation process for the effectiveness of the Board, Board Committees and individual Directors. Additionally, it underlines the NRC's crucial involvement in overseeing key leadership positions and succession planning.

## TERMS OF REFERENCE

The NRC's Terms of Reference (ToR) outlines its authority, duties and responsibilities, as required by the MMLR of Bursa Malaysia and recommended by the Malaysian Code on Corporate Governance 2021 (MCCG 2021).

The NRC shall review its ToR from time to time to ensure its ToR is in line with Bursa Malaysia's MMLR and MCCG 2021 and to ensure all activities carried out by the NRC fall within the defined scope of the ToR.

During the year under review, the NRC reviewed and endorsed the revision to its ToR, aligning its terms with industry practice and the recent amendments to MMLR of Bursa Malaysia.

The ToR of the NRC is accessible via PDB's corporate website, [www.mymesra.com.my](http://www.mymesra.com.my).

## COMPOSITION

The NRC comprises three Independent Non-Executive Directors (INEDs) and is chaired by Mohd Yuzaidi Mohd Yusoff. This composition complies with Practice 5.8 of the MCCG 2021, which recommended the NRC to be chaired by an INED. The NRC composition exceeds the minimum requirement stipulated in Paragraph 15.08A(1) of the MMLR of Bursa Malaysia, that requires NRC to comprise Non-Executive Directors (NED) with the majority being INEDs.

PDB also adhered to Practice 1.4 of MCCG 2021, which stipulates that the Chairman of the Board should not be a member of the NRC.

During the year under review, the NRC composition had changed as follows:

- i) Resignation of Datuk Shafie Shamsuddin as the member and Chairman of NRC on 29 February 2024.
- ii) Appointment of Mohd Yuzaidi Mohd Yusoff as the new member and Chairman of NRC, in place of Datuk Shafie Shamsuddin on 29 February 2024.

As at the date of this report, the composition of the NRC is as follows:

Members	Date of Appointment as NRC Member	Tenure on the NRC
<b>Mohd Yuzaidi Mohd Yusoff</b> Chairman, INED	29 February 2024	1 year
<b>Alvin Michael Hew Thai Kheam</b> SINED	17 November 2020	4 years 3 months
<b>Tang Saw Hua</b> INED	17 November 2020	4 years 3 months

## MEETINGS AND ATTENDANCE

The NRC meetings for FY2024 were prescheduled in November 2023, allowing members to plan ahead and incorporate the meeting dates into their schedules, providing ample notice of the meetings.

A total of five meetings were held during the financial under review and met the requisite quorum as stipulated in the NRC's ToR. All NRC members attended the meetings held in 2024.

The agenda and meeting papers were distributed to NRC members through a collaborative software. By providing these documents electronically on the average of five days before the meeting, the members have sufficient time to review the materials. This approach not only streamlines the distribution process but also enhances security by reducing the risk of sensitive information leakage.

The Managing Director/Chief Executive Officer (MD/CEO), along with the Head of Human Resources Management and any other individuals deemed pertinent by the NRC, were invited to attend NRC meetings. Their presence is intended to provide the NRC with essential information and clarification on agenda items.

Thorough records of all NRC meetings, including discussions and comments made by NRC Members, were documented in the minutes of each meeting. The signed minutes of each NRC meeting were appropriately retained by the Secretary and Human Resources Management, where relevant. All minutes from both NRC meetings and NRC Circular Resolutions were presented for confirmation at the subsequent NRC meeting. The minutes of the NRC meetings was also presented to the Board at its meeting for notation.

## ROLES AND RESPONSIBILITIES OF THE NRC AND RELATED ACTIVITIES IN 2024

### 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 Independent Non-Executive Directors (INEDs).

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 Leadership Team.

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:

- i) Resignation of Datuk Shafie Shamsuddin as the SINED effective 29 February 2024.
- ii) Appointment of Alvin Michael Hew Thai Kheam as the new SINED effective 1 March 2024.
- iii) Resignation of Khalil Jaffri Muhammad Muri as the Chief Operating Officer (COO) of PDB on 1 June 2024.
- iv) Appointment of Azureen Azita Abdullah as the new COO of PDB on 1 June 2024.

### 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.

# Nomination and Remuneration Committee Report

## Re-election of Directors at the 42<sup>nd</sup> AGM held on 29 April 2024 and Renewal of INED appointment terms during financial year 2024

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 Datuk Anuar Ahmad, Tang Saw Hua and Datin Arni Laily Anwarrudin in accordance with Article 107 of the Company's Constitution
- 2 Renewal of the INED terms of appointment for Alvin Michael Hew Thai Kheam and Datuk Shafiee Shamsuddin

## 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 BEE. 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 24 April 2025 had consented for their re-election and signed the Fit and Proper Declaration prior to NRC's assessment, endorsement and recommendation to the Board for subsequent presentation to the shareholders for approval.

At the forthcoming AGM, Azrul Osman Rani, Nirmala Doraisamy and Mohd Yuzaidi Mohd Yusoff 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. 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 10 February 2025 and 20 February 2025, endorsed and approved the aforesaid re-election of Directors.

## Training for the Board

During the year 2024 the NRC had been proactive in reviewing and addressing the training needs of Board members. NRC believes that continuous education is essential for keeping abreast of industry development and new regulations.

The NRC also reviewed the guideline for Directors' training to encourage Directors participation and facilitate their enrolment in both local and international training programmes.

## MD/CEO and Leadership Team (LT) Performance Appraisal

During the year under review and up to the date of this report, the NRC deliberated, reviewed and evaluated:

- (i) the MD/CEO Scorecard and the Key LT performance for the financial year 2023 and 2024 against the set targets; and
- (ii) the MD/CEO Scorecard for financial year 2024 and 2025.

## 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 firm of consultants as recommended by MCCG 2021. 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.

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

- Assessed the BEE findings for year assessment (YA) 2023;
- Reviewed the follow up actions on BEE YA2023 recommendations;
- Endorsed the appointment of external independent consultant for the BEE YA2024; and
- Assessed the BEE findings for YA2024.

## Board Effectiveness Evaluation YA2024

During the year under review, the NRC endorsed the appointment of an external independent consultant (Consultant) to conduct the BEE for YA2024. This is in line with Practice 6.1 of MCCG 2021 whereby the Board is recommended to engage an independent third-party consulting firm at least every three years to facilitate an objective and candid Board evaluation.

# Nomination and Remuneration Committee Report

This BEE offers a comprehensive and effective 360° assessment framework and methodology. This approach 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:



The process of gathering feedback began with the distribution of comprehensive online questionnaires through a digital platform in December 2024. These questionnaires, aligned with the latest enhancements of the MCCG 2021 and incorporating best practices, covered ten key assessment parameters comprising:



The Consultant conducted one-on-one interview sessions with all Board members and selected members of the LT and Company Secretary, to evaluate the Board and Board Committees' effectiveness based on their interactions and engagements with Board members.

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 10 February 2025 and 20 February 2025 respectively. The presentation focused on discussing the observations and prioritising recommendations aligned with corporate governance best practices. Additionally, individual reports were provided to each Board member and the Chairman of the Board, enabling the Chairman of the Board to effectively guide the professional development of the respective Directors.

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 2025.

## Board Effectiveness Evaluation YA2023

The NRC reviewed the results of the BEE YA2023 and acknowledged that PDB continued to be led by an effective, committed and well-run Board. The findings of the BEE YA2023 were presented at the

NRC and Board meetings on 8 February 2024 and 26 February 2024, respectively. The Board acknowledged the findings and identified areas that require further improvement in 2024.

One of the key areas for improvement highlighted in the BEE YA2023 was the element on the Board's focus on Sustainability. Based on the feedback from the BEE YA2023, Management had during the financial year 2024, addressed amongst others:

- (i) **Training and Awareness.** The Sustainability team has collaborated with Ernst & Young (EY) to deliver comprehensive training on sustainability-related topics. Sustainability Change agents have been established as of July/August 2024. Training sessions were conducted at various organisational levels including specific sustainability training for the Board and LT.
- (ii) **Targets and Benchmarking.** The Sustainability team, in collaboration with EY, benchmarked PDB's approach and identified gaps. Since FY2023, KPIs have been refined for FY2024 and integrated into the new Sustainability framework. Goals and KPIs are monitored at each Sustainability Action Council (SAC) meeting. The Sustainability team also works with the Risk team to assess IFRS S1 and S2 gaps annually as part of the CRP.
- (iii) **Talent Development.** PDB's sustainability practitioners attended the GRI certification programme and received comprehensive training from EY and GSRC on critical areas such as sustainability communication and materiality. The talent issue was also deliberated at the PDB Talent Council, resulting in the allocation of additional managerial resources to manage the increasing demand for sustainability deliverables.



## Nomination and Remuneration Committee Report

### 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 FY2023 and FY2024. The NRC also reviewed and endorsed the Corporate Governance Overview Statement FY2024, ensuring the reports were prepared in compliance with the relevant regulatory requirements and guidelines in particular Bursa Malaysia MMLR and MCGG 2021.

### BOARD APPOINTMENT PROCESS

NRC plays a pivotal role in the process of the Board's appointment, developing and deliberating on selection criteria based on the competencies and attributes required for effective Board membership. The NRC conducts screening, initial selection and presents their findings on candidates to the Board for consideration. Before making recommendations, potential candidates shortlisted by the NRC undergo comprehensive background checks, including assessments of financial and character integrity.

The NRC ensures that all candidates for Board positions undergo a thorough evaluation, considering a mix of skills, competencies, experience, integrity, personal attributes and the time commitment required for effective directorship. The selection process also takes into account diversity in terms of age and gender.

Additionally, the Board Selection Criteria stipulates a 3-year cooling-off period for individuals, such as existing or former officers, advisers, or transacting parties of PDB or its related corporation, before being appointed as an INED. This cooling-off period is also a requirement for NINEDs.

NRC also adopts a recruitment and sourcing process; evaluates the appropriate mix of diversity, considering gender, age, skills, experience and expertise required on the Board and addresses identified gaps; provides recommendations to the Board regarding appointments, ensuring the maintenance of an appropriate mix of diversity, skills, experience and expertise and periodically reviews and reports to the Board on diversity requirements, if any.

When necessary, the NRC may leverage independent sources to identify candidates with the appropriate qualifications for potential appointments as INEDs. The rigorous selection process for INED is in place to ensure that individuals possess the requisite qualifications, skills and experience suitable for a position on PDB's Board.

Throughout the candidate selection process, the NRC adheres to the guidelines outlined in the Board Succession Planning Framework as delineated in the Board Appointment Process. This commitment underscores the NRC's dedication to maintaining a robust and qualified composition of the Board in accordance with established governance practices.

After a thorough examination of the Board composition, the NRC has acknowledged that PDB's Board aligns with Practice 5.2 of the MCGG 2021, which mandates that the boards of large companies should predominantly consist of majority of Independent Directors.

### FIT AND PROPER POLICY

Pursuant to paragraph 15.01A of the MMLR, listed issuers are required to establish a comprehensive fit and proper policy to govern the appointment and re-election processes of Directors for both the listed issuer and its subsidiaries. The Fit and Proper Policy of PDB outlines the criteria for assessing Directors' re-election and the process for selecting candidates for new appointments.

During the financial year under review and up to the date of this report, the NRC assessed the fitness and propriety of Directors in line with this Policy, prior to recommending any re-election of Directors or renewal of INED's terms of appointment to the Board for approval.

### NRC'S EFFECTIVENESS REVIEW AND PERFORMANCE

Based on the BEE YA2024 findings, the Board believes that the NRC has played an effective role and fulfilled the functions under its ToR, providing valuable contribution to the Board. The Board strongly agrees with the performance and effectiveness of the NRC in providing sound advice and recommendations to the Board in managing competencies and succession planning for the Directors and LT.

### NRC PRIORITY AREAS IN FY2025

The NRC will ensure that review of the remuneration framework and package for Non-Executive Directors be undertaken to ensure the remuneration offered to NEDs remains competitive and in line with industry standards and the best practices of peer companies within the sector.

Based on the BEE YA2024 findings, it is recommended that the NRC review its ToR to include the role of stewardship and continuous monitoring of the skills required for PDB LTs and MD/CEO. This ensures that future successors for the MD/CEO and/or LTs meet the criterion required by the NRC and the Board before an appointment.

Given that the tenure of several Independent Directors is set to conclude within the next three years, the NRC will place a particular emphasis on Board Succession Planning. This will ensure a seamless transition and maintenance of robust governance practices when the time comes.

### MOHD YUZAIDI MOHD YUSOFF

Chairman  
Nomination and Remuneration Committee

## Board Audit Committee Report

Dear Valued Shareholders,

I am pleased to share the Board Audit Committee (BAC) Report for 2024, highlighting the key areas of focus of the BAC during the year.



TANG SAW HUA  
Chairman

### OVERVIEW

The BAC report outlines the Committee's activities during the year under review. The BAC is responsible to assist the Board of Directors (Board) in fulfilling its oversight responsibilities for the financial reporting process, internal and external audit functions, internal control system and review audit results.

### TERMS OF REFERENCE

The BAC is governed by its own Terms of Reference (ToR), which is consistent with the requirements of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia) and best practices of the Malaysian Code on Corporate Governance 2021 (MCGG 2021). All activities carried out by the BAC during the year under review are in compliance with its ToR.

For more information on BAC's ToR, refer to PDB's corporate website at [www.mymesra.com.my](http://www.mymesra.com.my).

### COMPOSITION

As of the report date, the BAC comprises four members, all of them are Non-Executive Directors (NEDs) with majority being independent. This composition complies with Paragraph 15.09(1)(b) of Bursa Malaysia's MMLR and also the MCGG. No alternate director has been appointed as member of the BAC.

In line with MCGG 2021, the BAC Selection Criteria includes the requirement to ensure the independence by enforcing a three-year cooling-off period for former partners of the Company's external auditors before being eligible for the appointment as a BAC member. This requirement will prevent any potential conflicts of interest and maintain the integrity of the audit process.

# Board Audit Committee Report

# Board Audit Committee Report

As at the date of this report, the BAC composition is as follows:

Members	Date of Appointment as BAC Member	Tenure on the BAC	Number of Meetings Attended
<b>Tang Saw Hua</b> <i>Chairman, Independent Non-Executive Director (INED)</i>	1 July 2020	4 years 7 months	4/4
<b>Nirmala Doraisamy</b> <i>INED</i>	19 February 2021	4 years	4/4
<b>Datin Arni Laily Anwarrudin</b> <i>Non-Independent Non-Executive Director</i>	1 June 2021	3 years 8 months	4/4
<b>Mohd Yuzaidi Mohd Yusoff</b> <i>INED</i>	1 June 2022	2 years 8 months	4/4

The majority of BAC members hold professional qualifications in accountancy, detailed as below:

- i) Tang Saw Hua, the Chairperson is a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants;
- ii) 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 Standard Board of MIA; and
- iii) Datin Arni Laily Anwarrudin, is a Fellow of the Institute of Chartered Accountants in England and Wales.

The composition of the BAC members significantly surpasses the minimum requirement outlined in Paragraph 15.09(c)(i) of the MMLR of Bursa Malaysia, which requires at least one member must have professional accountancy qualifications. This ensures that the Company is well-equipped with experts who have a deep understanding of financial reporting and management, thereby strengthening its financial governance.

### MEETINGS AND ATTENDANCE

The BAC held four meetings during the financial year 2024, with full attendance at each meeting, surpassing the required quorum as stipulated in the BAC ToR.

The BAC ensures it reports its activities to the Board, which holds ultimate oversight responsibility. To facilitate this, BAC meetings are scheduled prior to Board meetings to ensure that critical issues, significant findings and irregularities are promptly communicated to the Board.

The Managing Director/Chief Executive Officer (MD/CEO), Chief Financial Officer (CFO), Head of Internal Audit Department (IAD), Head of Legal, External Auditors and other necessary individuals were invited to BAC meetings to provide update and clarifications on audit issues, financials, internal controls as well as other matters within the BAC's ToR. In addition, the Company Secretary acts as the secretary to the BAC.

The Head of IAD presented internal audit reports to the BAC, while members of the Leadership Team (LT) were invited when required to brief the BAC on issues stemming from audit findings or areas impacting the Company's financial results. External Auditors also attended BAC meetings, presenting the external audit plan for the year and outcomes of statutory audits conducted on the Company and its subsidiaries. Both Internal and External Auditors provided integral support to the BAC by acting as a sounding board.

In the reviewed year, the BAC had a private session with External Auditors on 21 February 2024, without Management's presence and noted that there were no unusual findings.

BAC meetings is scheduled in advance of any new financial year, allowing the BAC members to plan ahead and incorporate the year's meetings into their respective schedules. The agenda and meeting papers are distributed to the BAC members via a secured collaborative software, which eases the process of distribution of meeting papers and minimises leakage of sensitive information, as well as enabling the BAC members to have access to the papers electronically, anytime and anywhere. This practice also ensures consistency with the Board's and Company's commitment to sustainable practices.

Deliberations encompassed the review of the Company's proposed annual and quarterly financial reporting to Bursa Malaysia, assessments on related party transactions (RPTs) and recurrent related party transactions (RRPTs) transacted by PDB and its subsidiaries (Group), external and internal audit reports, the status of open audit findings along with agreed corrective actions and matters on internal control.

All proceedings of the BAC meetings are meticulously recorded in the minutes, with the signed minutes properly kept by the Company Secretary. Minutes and BAC Circular Resolutions (if any) were presented for notation at subsequent BAC meetings, after which the minutes were submitted to the Board for notation.

### CONTINUOUS TRAINING

The BAC members recognised the need for ongoing education and training. The BAC members continuously attended training on the developments in accounting and auditing standards practices and rules, which is in line with Practice 9.5 of the MCCG 2021 during the year under review.

### SUMMARY OF THE BAC'S ACTIVITIES IN 2024

Summary of the BAC's activities performed during the year under review were as follows:

#### 1. Financial Reporting

- a) Reviewed the quarterly financial results 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. The key areas deliberated include assessments on impairment of trade receivables and inventory.

#### 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	2024		2023	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Statutory Audit Fees	913	599	889	582
Non-Audit Fees	362	318	112	112
Percentage of Non-Audit Fees over Statutory Audit Fees	39%	53%*	13%	19%

\* Relates to other assurance services performed by the External Auditors

#### 3. Internal Audit

- a) Reviewed and approved the risk-based Financial Year 2024 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) Assessed the performance of the IAD with regards to their ability to provide independent and objective assurance in conformance with recognised international standards.

#### 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.



# Board Audit Committee Report

## 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.

## 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 2023 for inclusion in the Integrated Report 2023.

## EXTERNAL AUDIT


To uphold the external auditors' independence, the Audit Engagement Partner overseeing the Company undergoes rotation every seven years, adhering to a five-year cooling-off period before potential reappointment, in accordance with the MIA's requirements. Internally, the external auditors conduct an Independent Partner Review to further ensure their independence.

Written assurance was provided by the external auditors to the BAC, confirming their adherence to all relevant professional and regulatory requirements, ensuring independence throughout the audit engagement.

The BAC conducted assessment of the external auditors' performance, suitability and independence, focusing on four key areas: the quality of the audit engagement team and services, adequacy of resources, quality of communication and interaction and independence, objectivity and professional scepticism. This assessment is an ongoing annual practice to maintain rigorous oversight.

## ANNUAL REPORTING

The BAC reviewed the CGOS, BAC Report and SORMIC for the financial year ended 31 December 2024 for inclusion in the Integrated Report 2024, to ensure that they were prepared in compliance with the relevant regulatory requirements and guidelines.

 These statements are set out on pages 200 to 229, 235 to 240 and 247 to 261.

## INTERNAL AUDIT FUNCTION

The BAC is supported by an in-house internal audit function, known as Internal Audit Division (IAD). This function is tasked to undertake governance responsibilities outlined in the BAC's ToR with unrestricted access to the Group's functions and assets within the BAC's purview. IAD's mission is to safeguard, protect and enhance the Group's value by providing risk-based and objective assurance, advisory and insights. The IAD contributes to the Group's goals by systematically evaluating and improving the effectiveness of governance, risk management and control processes within the Group.

Reporting functionally to the BAC and administratively to the MD/CEO, the Head of IAD, Nik Fariza Nik Hamdan, ensures impartiality and independence in fulfilling the role outlined in the BAC approved Audit Charter. She is a member of the Association of Chartered Certified Accountants (ACCA) and holds a Bachelor of Commerce majoring in Accounting and Finance from Liverpool John Moores University, United Kingdom.

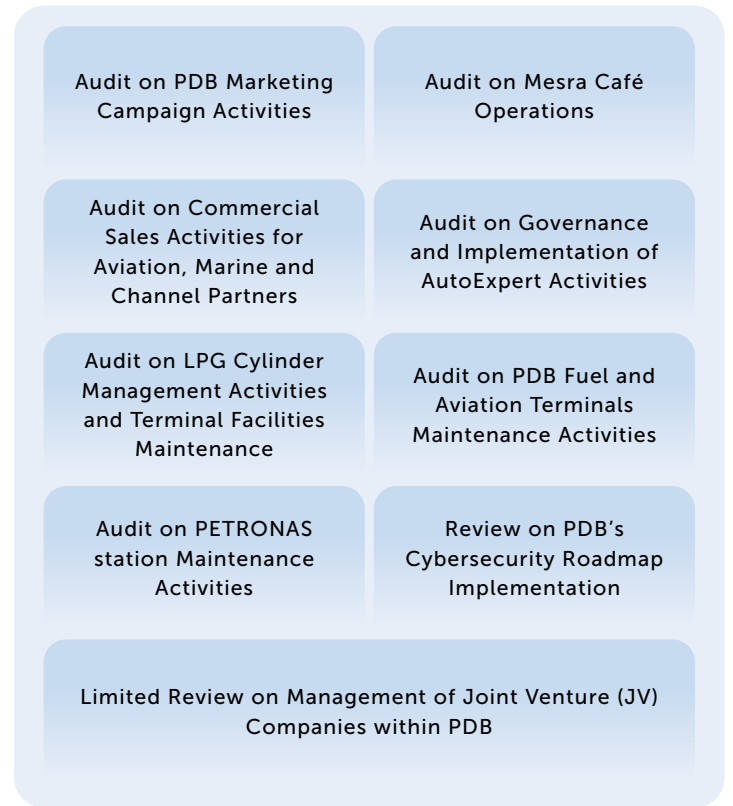
The IAD operates within the framework of its Audit Charter, defining its responsibilities, authority and scope of work within the Group. Annual declaration is made on the independence, objectivity and freedom from any conflict-of-interest in complying with International Professional Practices Framework (IPPF) Code of Ethics. Any potential conflict of interest arises after the annual declaration will be reported immediately to the Head of IAD.

The audit activities are guided by the audit manual and adopts the five components set out in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organisations (COSO):

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities

The IAD employs a risk-based approach, prioritising audit plans based on the Group's key risks covering critical areas and functions to support business strategic objectives. The audit plan is derived from various sources, including group risk profiles, PETRONAS Downstream emerging risks, group strategy and objectives, business development, materiality and criticality of business operations, previous audit history and feedback and input from BAC and PDB LT.

During the year under review, the IAD performed seven audits and two reviews based on the FY2024 Annual Audit and Assurance Plan and presented to the BAC on quarterly basis, as follows:



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, there have been improvements in the overall state of governance, risk management and internal control at the Group.

During the year, BAC approved IAD three-year Digital Roadmap with the objectives to enhance the analytic foundation within the division. This initiative is focused on building capabilities, improving data and information processing and upgrading systems and tools. The following initiatives were completed in 2024:

1. Established a dedicated analytics role and enhanced basic analytical skills for over 80% of Internal Auditors, which resulted in reduced data cleaning time by 20%, improving customer experience and initial audit observations.

2. Achieved full automation in tracking audit recommendations using a real-time Application Programming Interface (API) for the QASR, enabling continuous daily tracking and smooth periodic reporting.
3. Established the Audit360 Platform (A360) dashboard which provides a single source of truth that enhances business acumen, streamlines audit recommendations monitoring and enables effective decision-making.
4. Conducted Analytical Assessment (AA) on the myInsights platform, which resulted in reduced time and effort by 67% in addressing integrity issues and identifying critical focus areas, eliminating the need for onsite interviews and reducing operational expenses.

These enhancements have strengthened the IAD's ability to conduct thematic and value-chain audits, providing deeper insights and holistic assurance to support the the Group's strategic objectives.

The Quality Assurance and Improvement Programme (QAIP) is essential for evaluating the quality of audit processes, encompassing both ongoing and periodic assessments across all IAD activities. In 2024, IAD together with other PETRONAS's Internal Audit Fraternity, led by the PETRONAS Group Internal Audit (GIA), performed a gap assessment initiative in preparation for the adoption of the Global Internal Audit Standards (GIAS) in January 2025. This internal gap assessment was completed and reviewed by an appointed independent assessor in December 2024 and the outcome is to be reported to the BAC in May 2025.

The Group remains committed to empowering Internal Auditors with the right technical skillsets and business knowledge to discharge their duties and responsibilities. IAD supports continuous professional development through certification and upskilling programmes, enabling them to pursue the following relevant internal auditor certifications:



## Board Audit Committee Report

The IAD is staffed by twenty individuals from diverse backgrounds and disciplines, ensuring a comprehensive mix of knowledge, skills and competencies. To date, ten of IAD personnel are equipped with the relevant certifications from the Institute of Internal Auditors (CIA and ESG), Association of Certified Fraud Examiners (ACFE) and COSO.

Additionally, to ensure adequate skillset in discharging their duties effectively, Internal Auditors undergo training to enhance business acumen and adopt standard practices, utilising resources from in-house and external accredited training providers. Online e-learning programmes and continuous on-the-job observations served as platforms for assessing auditor capability and competency. IAD often collaborates with external experts and resources from PETRONAS Group and other independent technical assessors.

Annually at Group level, IAD personnels are assessed via individual Superior Managed Assessments (SMA) to identify their strengths and development areas. Subsequently, a Personal Development Plan is generated based on the SMA result. The BAC conducts annual review of IAD performance, including Head of IAD's individual performance as per its Term of Reference.

Throughout the year, the BAC and Head of IAD engaged in private sessions on a regular basis for timely exchange of insights over the dynamics of the industry, including changes in regulatory requirements. The sessions were organised by the Company Secretary and recorded for good governance. This is aligned with the GIAS requirement under Domain III, Principle 6.3 on the Board and Senior Management Support for Head of IAD to conduct a private session with BAC without senior management present. It ensures that the IAD's activities are closely aligned with the strategic objectives and compliance standards set by the BAC, thereby enhancing the overall effectiveness and accountability of audit activities in supporting the Group.

The total costs incurred by the Group internal audit function for the financial year 2024 was RM6.094 million.

### RELATED PARTY TRANSACTIONS

The BAC reviewed RPTs and RRPTs of the Group to ensure compliance with the Companies Act 2016, the MMLR of Bursa Malaysia and the Malaysian Financial Reporting Standards. The objective of the review is to ensure that RPTs and RRPTs are not accorded terms more favourable than that generally available to the public and that they are not detrimental to the interest of Minority Shareholders of PDB.

The BAC is satisfied that the Policy, and Guideline on RPT and Col provided adequate procedures and processes to identify, monitor and track all RPTs/RRPTs in a timely and orderly manner to ensure that the 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 from time to time reviews any RPTs/RRPTs that could arise within the Group in accordance with the Policy and the Guideline.

During the year under review, while there were no RPTs, the BAC was satisfied that all the RRPTs were fairly concluded on the prevailing market rate/prices, had been carried out on an arm's length basis, on normal commercial terms and are not detrimental to the Minority Shareholders of PDB.

### CONFLICT OF INTEREST / POTENTIAL CONFLICT OF INTEREST

There is a process in place to address Col and potential Col including any Col in competing business with PDB and/or its subsidiaries. Based on the declaration of the Directors and Key Senior Management, there were no Col identified during the year under review save as disclosed under their respective profiles.

### BAC EFFECTIVENESS REVIEW AND PERFORMANCE

During the year under review, the Board assessed the performance of the BAC through an annual Board Effectiveness Evaluation. The Board strongly agrees that the BAC had fulfilled its duties, responsibilities and functions in accordance with its ToR. Moreover, the Board acknowledged that the BAC had continued to provide valuable assistance to the Board in reviewing financial and audit matters, which contributed to the overall effectiveness of the decision-making process.

### REPORTING TO THE EXCHANGE

In 2024, the BAC was of the view that PDB had complied fully with the MMLR of Bursa Malaysia and as such, the reporting to Bursa Malaysia under Paragraph 15.16 of the MMLR is not required.

### TANG SAW HUA

Chairman  
Board Audit Committee

## Board Sustainability and Risk Committee Report

Dear Valued Shareholders,

On behalf of the Board Sustainability and Risk Committee (BSRC), I am pleased to present PETRONAS Dagangan Berhad (PDB)'s BSRC Report for the financial year ended 31 December 2024.

In 2024, the BSRC continued to maintain its oversight of PDB's risk appetite and strategy. In addition, the Committee also tracked and ensured that PDB's and the Group's sustainability strategy and reporting were implemented across the entire organisation.



ALVIN MICHAEL HEW THAI KHEAM  
Chairman

### OVERVIEW

This report provides information about the BSRC's activities as it tracked and oversaw PDB's sustainability strategies and risk management practices for the year under review.

### TERMS OF REFERENCE

The Terms of Reference (ToR) of the BSRC outlines its authority, duties and functions. From time to time, the BSRC would review its ToR as it deems appropriate to ensure all activities carried out by the BSRC fall within a clear, relevant and defined scope for the Committee.

The ToR of the BSRC is accessible via PDB's corporate website, [www.mymesra.com.my](http://www.mymesra.com.my).

### COMPOSITION

The BSRC is made up of five members. Four are Independent Non-Executive Directors (INEDs) of which one is a Senior Independent Non-Executive Director (SINED). One is a Non-Independent Non-Executive Director (NINED).

All Committee members possess sound judgment, objectivity, independent attitude, management experience, professionalism, integrity and knowledge of the industry. No alternate director has been appointed as member of the BSRC.



## Board Sustainability and Risk Committee Report

## Board Sustainability and Risk Committee Report

As at the date of this report, the composition of the BSRC is as follows:

Members	Date of Appointment as BSRC Member	Tenure on the BSRC	Number of Meetings Attended
<b>Alvin Michael Hew Thai Kheam</b> <i>Chairman, SINED</i>	26 February 2019	6 years	4/4
<b>Nirmala Doraisamy</b> <i>INED</i>	15 October 2019	5 years 4 months	4/4
<b>Tang Saw Hua</b> <i>INED</i>	17 November 2020	4 years 3 months	4/4
<b>Datuk Sazali Hamzah</b> <i>NINED</i>	1 June 2022	2 years 8 months	3/4
<b>Tunku Alizakri Raja Muhammad Alias</b> <i>INED</i>	1 June 2022	2 years 8 months	4/4

### MEETINGS AND ATTENDANCE

All BSRC meetings held during 2024 were pre-scheduled in November 2023. This helped Committee members plan for the entire year and have these meetings incorporated into their schedules. In so doing, this provides Committee members with ample notice. BSRC meetings are convened quarterly, with additional meetings held as needed. During the year under review, the BSRC convened four meetings to discharge its duties and functions as a Board committee.

Furthermore, the BSRC Chairman, along with several members, also engaged in a number of syndication meetings with Management to gain deeper insights as well as provide guidance on pertinent issues, including matters relating to sustainability.

The attendance records of the BSRC members are provided in the table above.

For greater productivity and to facilitate discussions on risk-related matters, key Executives of the Management team, including the Managing Director/Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Head of Risk & Governance department (R&G), Head of Legal and Head of Strategy attended all BSRC meetings to provide inputs, advice, relevant information, context and clarifications on agenda items. The Company Secretary served as the Secretary to the BSRC.

The Head of R&G presented risk management reports to the BSRC. This included updates on risk monitoring and the corporate risk profile. Selected members of the Leadership Team were also occasionally invited when necessary to brief the BSRC on specific agenda matters that are strategic or high-impact in nature.

Meeting agenda and papers, comprising both qualitative and quantitative information, were distributed electronically to BSRC members on an average of five days before the scheduled meetings through a secure collaborative software. This not only streamlined the distribution process, it also minimised the risk of sensitive information leakage.

BSRC meeting discussions systematically encompassed the review of the PDB's risk appetite, corporate risk profile, risk monitoring through business risk reports, efforts to strengthen risk culture in PDB and matters related to risk management. Prospective businesses requiring the BSRC's review and guidance on risk aspects were also deliberated.

All BSRC meetings were minuted and all signed minutes are duly maintained by the Secretary. Minutes and BSRC Circular Resolutions (if any) were tabled for confirmation at subsequent BSRC meetings, after which these minutes are submitted to the Board for notation.

In regard to Sustainability, the BSRC ensured that PDB obtained precise and pertinent data regarding Environmental, Economic, Social and Governance (EESG) matters. The Committee oversaw the reporting process to ensure transparency and consistency in EESG disclosures. The Committee worked closely with the Management to develop impactful EESG reports and disclosures, ensuring these disclosures were in line with the Company's overarching strategy and mission. The BSRC closely monitored the Company's EESG performance, tracked progress towards PDB's sustainability goals and managed EESG risks by proactively identifying potential risks and opportunities.

The BSRC also played an important role to assess whether the Company's purpose was clearly defined and was closely linked to its overall strategy. Drawing on its unique perspective, the Committee determined whether the Company successfully integrated its purpose into its overarching goals.

### ANNUAL REPORTING

The BSRC reviewed this BSRC report and the Statement on Risk Management and Internal Control (SORMIC) for the financial year ended 31 December 2024 for inclusion in the Integrated Report 2024, to ensure that they were prepared in compliance with the relevant regulatory requirements and guidelines.

### ACTIVITIES OF THE BSRC DURING THE FINANCIAL YEAR 2024

During the year under review, the BSRC carried out the following activities in discharging its functions and duties:

#### i. Sustainability Matters

The BSRC discussed and provided guidance and oversight on various EESG topics in financial year 2024 amongst others:

- a) The importance of deciding which measures and key indicators to be tracked.
- b) The urgency of updating its Scope 3 baseline and monitoring sustainable supply chains.
- c) The importance for Management to have the accuracy and consistency in disclosures and urged the Management to improve environmental scoring and close gaps in EESG reporting.
- d) Sustainability team's action plans and data collection procedures for EESG and emissions, validation processes and cascading of sustainability KPIs to ensure consistency and integration into long-term 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, deliberated and endorsed PDB's critical risks as registered in the Corporate Risk Profile for the Board's approval.

- a) 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).
- b) 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

#### vi. Emerging Critical Risks

Deliberated emerging risks manifested from internal or external environment that could potentially impact delivery of business objectives.

The BSRC plays 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 2023 for inclusion in the Integrated Report 2023.

### BSRC EFFECTIVENESS REVIEW AND PERFORMANCE

During the year under review, the Board assessed the performance of the BSRC through its annual Board Effectiveness Evaluation.

The Board strongly agreed that the BSRC was well structured and represented, with an appropriate mix of skills, expertise and experience which contributed to the overall effectiveness of the decision-making process for the Company and the Group.

The Board is wholly satisfied that the BSRC effectively discharged its functions, duties and responsibilities in accordance with the ToR of the BSRC.

**ALVIN MICHAEL HEW THAI KHEAM**  
*Chairman*  
Board Sustainability and Risk Committee

# Corporate Integrity and Ethics

## Corporate Integrity and Ethics

### INTEGRITY AND ETHICS

#### PDB Integrity Programmes

In light of the constantly evolving regulatory environment, it is essential for PDB to embed Integrity and Ethics values within its policies and procedures, ensuring that Adequate Procedures are effectively in place to safeguard the *Amanah* entrusted to us, ensuring the continued sustainability of our business for generations to come.

Recognising this, PDB steadfastly prioritises Integrity and Ethics as the cornerstone of our business and operational governance. In our unwavering commitment to upholding these values, we have employed a comprehensive range of Integrity Programmes designed to promote and instill the highest standards of integrity, transparency and accountability in every aspect of our business conduct and operations.

Since the establishment of the PDB Ethics and Integrity Committee in 2022, the Compliance Department, in close collaboration with the Strategy and Sustainability Division, Human Resource Management Division and Internal Audit Department, has been at the forefront of refining Integrity Programmes for both PDB employees and counterparties. These programmes and its refinement fosters greater awareness and drive compliance, ultimately cultivating a Generative Culture of Integrity and Ethics throughout the organisation.

The following PDB Integrity Programmes 2024 were successfully executed:

Programme	No. of Sessions	Duration	Audience
<b>PDB Integrity Month 2024</b>			
Integrity Contest			
• PDB Integrity Photo Challenge via Dot App	1	October 2024	
Integrity Engagements			
• Launching of PDB Integrity Month 2024	1		
• Exclusive Sharing by Chief Integrity Officer	1	November 2024	
• Keeping It Real with CEO & CIO	1		
• Integrity Bean Bag Session with MACC	1		PDB Group Employees
PDB Integrity Campaigns (Online Communication)	8	March - August 2024	
PDB Integrity Lessons Learnt (Online Communication)	3		
Integrity Check-in with PDB LT (Video Clip)	3	February - April 2024	
Integrity Reels by Warga PDB (Video Clip)	4	June - October 2024	
Integrity Reflection for PDB Group Employees	16	April - September 2024	
Integrity Reflection for PDB Group Counterparties	11		PDB Group Counterparties

PDB Integrity Month 2024 serves as a celebration for PDB Employees to commemorate the vital role that Integrity and Ethics play in their daily responsibilities, reinforcing their commitment to maintaining high standards that drive our business and operations forward. Through a series of organised Integrity Programmes, aligned with this year's theme, "Integrity In Every Breath," we continue to emphasise the importance of ethical values and the shared responsibility of safeguarding the integrity of our organisation.

#### Corporate Liability Provision

The Corporate Liability Provision under Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 came into full implementation effective 1 June 2020. The Corporate Liability Provision deems a commercial organisation as committing an offence if an associated person commits corruption for the benefit of the organisation. Corruption can be in the form of an associated person corruptly giving, offering to give or promising gratification to any person with the intent "to obtain or retain business" or "to obtain or retain advantage in the conduct of business".

In view of the above, 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**

Top-level management plays a vital role in creating awareness and elevating competency among employees with the aim of promoting strong and consistent ethical and integrity practices with regards to effectively managing the key corruption risks of the organisation while adhering to the prevailing anti-corruption laws and regulations.

R

**Risk Assessment**

Comprehensive corruption risk assessment is conducted periodically with the intention of identifying and mitigating corruption risks within the organisation.

U

**Undertake Control Measures**

Based on the corruption risk assessment, the organisation is required to establish appropriate controls and contingency measures to effectively address the corruption risks identified which include due diligence, reporting channels as well as policies and procedures. These controls and contingency measures ought to be updated in accordance with the current business and regulatory requirements.

S

**Systematic Review, Monitoring and Enforcement**

In view of the organisation's growth and expansion, regular review and assessment of the assessment should be conducted on the current anti-corruption policies, procedures and programmes. For the purpose of corporate governance and compliance, the outcome of those regular reviews should be properly documented, serving as evidence to defend the organisation if required.

T

**Training and Communication**

Training and communication, for both internal and external stakeholders, on the organisation's Anti-corruption Policy would help the employees and other associated persons (contractors, suppliers, vendors etc) to better understand about the forms of corruption, the mitigations against risks of corruption and the consequences of corruption.

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## Corporate Integrity and Ethics

### Anti-Bribery and Corruption Policy And Manual

Apart from the sound adoption of PETRONAS' Anti-Bribery and Corruption (ABC) Policy, PDB also practices a zero - tolerance policy against all forms of bribery and corruption. The PETRONAS ABC Manual elaborates on those principles and provides guidance to employees on how to handle situations involving improper solicitation, bribery and other forms of corruption as well as issues relating to unethical business dealings.

Although the ABC Manual is developed for PETRONAS Directors and employees, PETRONAS also expects that contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of PETRONAS to fully adhere to the ABC Policy and Procedures accordingly. Therefore, clauses in relation to compliance with the ABC Manual are incorporated into all agreements formalised with counterparties (customers, suppliers, partners and vendors).

For more information on ABC, refer to the PDB Corporate Website at [www.mymesra.com.my](http://www.mymesra.com.my).

### PDB Integrity Management Standards (IMS)

In further amplifying our Ethics and Integrity practices, PDB implements its Integrity Management Standards (IMS) which ensures the minimum requirements of Guidelines on Adequate Procedures issued by the Prime Minister's Office. The IMS is structured in line with the ISO 37001:2016 ABMS and is being supported by the underlying management system, guidelines and procedures that exists at PETRONAS Corporate Division and other PDB Divisions. Being one of the PETRONAS Shared Values, Integrity is critical to the efforts and success of the organisation whilst pursuing its objectives.

The IMS provides guidance to prevent, detect and respond to integrity risks which includes both corruption and non-corruption risk. This further amplifies PDB's commitment towards integrity by reflecting the practices into a management system, solidifying the continuous improvement of our compliance programme.

### Whistleblowing

With the establishment of Section 17A of Malaysian Anti - Corruption Commission Act 2009, it is a requirement for corporate organisations in Malaysia to have adequate procedures in place via the T.R.U.S.T. implementation. Under T.R.U.S.T. Principles, Top Management is required to promote the use of available reporting channels to disclose any actual or suspected corruption and integrity misconducts within the organisation.

In line with PETRONAS' aspiration to achieve the highest standard of Integrity in the conduct of its business and operations, PDB had adopted the Whistleblowing (WB) Policy which provides a platform for all PETRONAS employees and members of the public to disclose any improper conduct within PETRONAS. The WB Policy also provides protection for PETRONAS employees and members of the public for reporting such allegations without fear of repercussion. Such improper conduct (misconduct or criminal offence may include the following:

- Fraud
- Bribery
- Abuse of Power
- Conflict of Interest
- Theft or Embezzlement
- Misuse of Company's Property
- Non-compliance with Procedure

PETRONAS' current WB platform is managed through Whispli, a secured and confidential communication channel. The platform protects the whistleblower's identity through the following:

- You are in control of what you share and submit
- Robust information and data security so that your identity is safe
- Making the entire process completely anonymous for you if you wish to remain anonymous
- No potential identifying information (IP address, personal information, language, etc.) is passed through to PETRONAS

For more information on the PETRONAS Whistleblowing Policy, refer to PDB Corporate Website at [www.mymesra.com.my](http://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 made in accordance with paragraph 15.26(B) of Bursa Malaysia's Main Market Listing Requirements (MMLR), which requires the Board of Directors of public listed companies to publish a statement on the state of risk management and internal control of the listed issuer.

PDB and its subsidiaries (collectively known as the Group) have adopted and embedded risk management frameworks and internal control systems to safeguard our assets and protect our investments.

We aim to manage our business and key risks effectively to be able to maximise business opportunities.

### Responsibility and Accountability

The Board acknowledges the importance of maintaining a sound internal control system and robust risk management practices for good corporate governance with the objective of safeguarding the shareholders' investments and the Group's assets.

The Board affirms its overall responsibility for establishing a sound risk management and internal control system, as well as reviewing its adequacy and effectiveness in identifying, assessing and responding to risks which may hinder the Group from achieving its objectives.

The Board is supported by the Board Audit Committee (BAC) and Board Sustainability and Risk Committee (BSRC) in carrying out its risk oversight responsibilities.

### RISK OVERSIGHT STRUCTURE

The Group's risk oversight structure allows for risk information flow which yields effective monitoring of risk management implementation at all levels. Risk management and governance frameworks and guidelines are approved at the management level while risk management policy is reviewed at the Risk Management and Governance Committee (RMGC) before it is deliberated at BSRC for recommendation and approval by the PDB Board.

#### 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

**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

**Growth Initiatives and Steering Committee**

- Responsible for the overall oversight and strategic direction of growth projects

**Risk Management & Governance Committee (RMGC)**

- Responsible for the overall oversight of risk management and governance activities

#### Operational Level

**Business Information Technology Committee**

- Provides strategic direction and endorsement for Digital and Information Communication Technology (ICT) investments across businesses

**HSE Steering Committee**

- Reviews and deliberates on HSE performance and risks
- Tracks and monitors the closure progress of HSE incidents and assurance action items

**Change Review Committee**

- Review and monitor risks on any project change proposal

**Credit Control Committee**

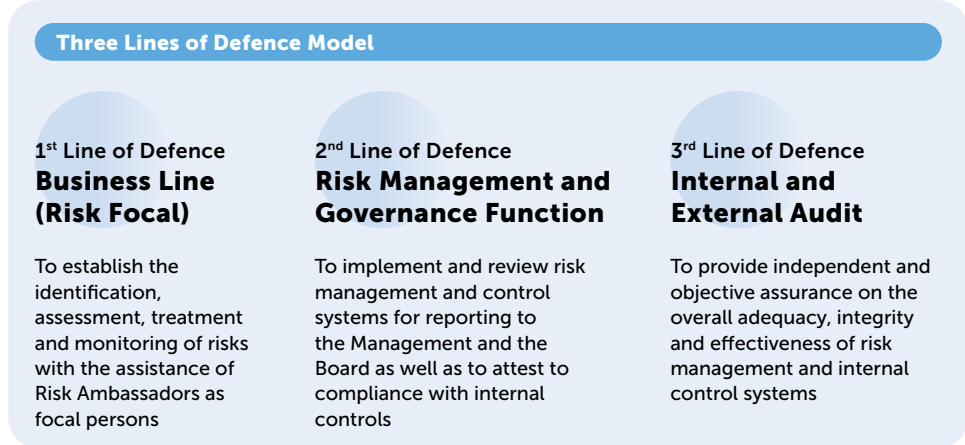
- Reviews, monitors and reports credit risk

**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 risk oversight structure is supported by the Three Lines of Defence Model that distinguishes the three groups involved in effective risk management and governance function. The Group has in place a risk and governance operating mechanism covering the areas of system, processes, knowledge management and assurance activities.



The Risk and Governance Department (R&G) is entrusted with the responsibility of ensuring effective risk and governance implementation of the Group. Risk management is an integral part of the Group's activities and processes, designed to identify, assess and mitigate risks that may impact the achievement of its business objectives. This process continues for the year under review and up to the date of approval of this statement.

In addition, the Head of R&G oversees the implementation of internal controls in a structured and integrated manner to ensure adherence to Group's policies, standards and guidelines. Periodic reviews are conducted for continuous improvement providing a balance between operational efficiency and sound internal controls. R&G is also responsible for strengthening the risk management culture by, among others, communicating the importance of risk management in decision-making and adherence to internal controls.

During the year under review, R&G formally appointed representatives from each division and subsidiary as a Risk Focal to strengthen risk management practices across all levels of the organisation. These individuals are tasked to drive risk management processes and practices based on the Enterprise Risk Management (ERM), Crisis Management (CM) and Business Continuity Management (BCM) frameworks and guidelines within their divisions and companies with the support of R&G.

### PDB RISK POLICY

The Group's risk policy provides the general principles and guidelines for actions, which ultimately influence decisions. It clearly communicates the management's expectations in relation to risk management practices throughout the Group.

PDB is committed to becoming a risk-resilient organisation

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

Managing risk is everyone's responsibility

## Statement on Risk Management and Internal Control

### PETRONAS RESILIENCY MODEL

The Group has adopted the PETRONAS Resiliency Model that provides an integrated view of the overall strategy to manage the Group's risks, focusing on three areas of business resilience, namely Enterprise Risk Management, Crisis Management and Business Continuity Management. These are supported by the risk management frameworks and the relevant guidelines to govern, guide and institutionalise risk management practices across the Group. The monitoring of risk management practices and implementation across the Group is reported to the RMGC, BSRC and the Board.

#### 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)

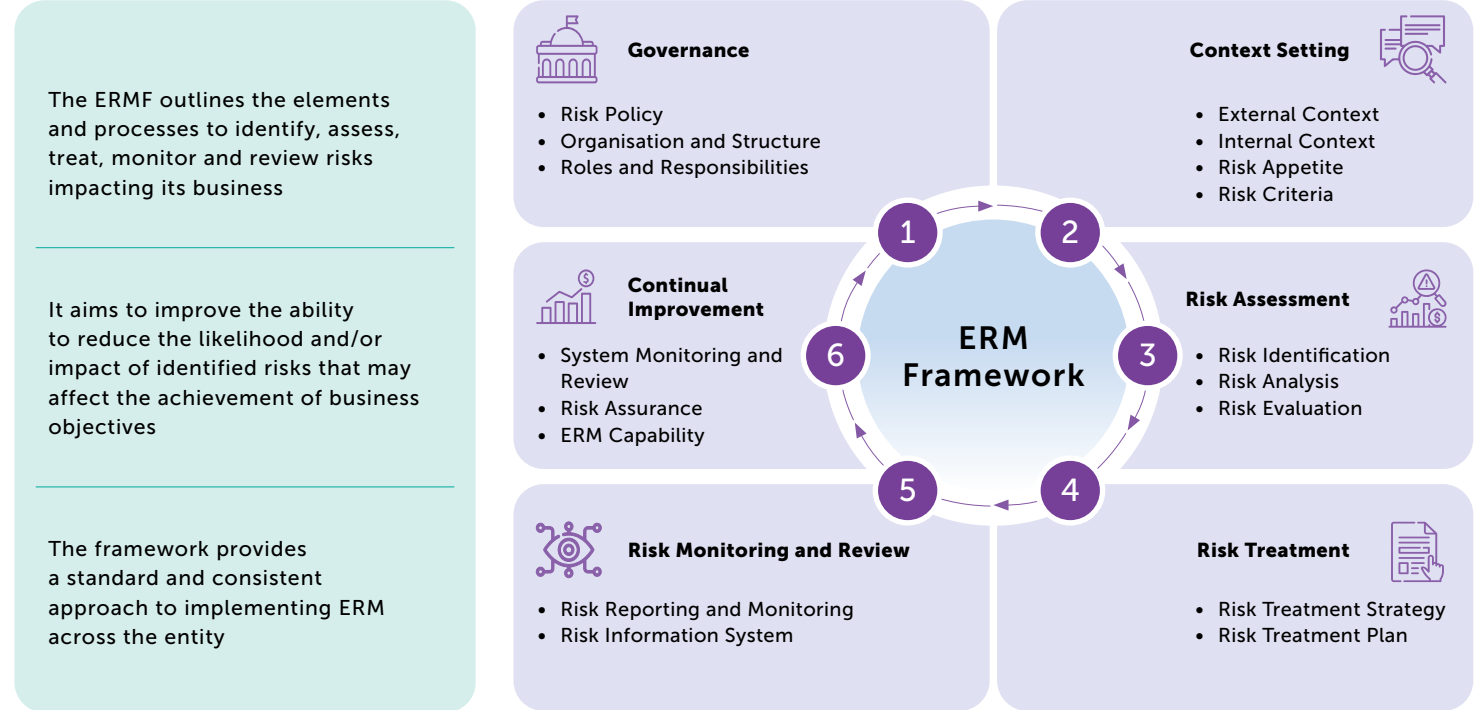
CM is a comprehensive set of processes by which the organisation responds and manages crises that threaten to harm people, environment, assets and reputation.

#### 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:



### Corporate Risk Profile (CRP)

Risk profiles, which consist of identified principal risks and their corresponding risk mitigations, as well as key risk indicators (KRIs), are reviewed annually based on the ERM process. It ensures actions are taken to effectively manage risks with the status of PDB's CRP, including KRIs and mitigation plans of principal risks, are deliberated at RMGC, BSRC and the Board during their quarterly meetings.

During the year under review, risk profiling exercises were conducted across the Group with involvement from the Management and Subject Matter Experts. These exercises involved analysing various inputs to set the context, including external environment scanning and internal assessments to identify both internal and external risk factors that may impact the Group's businesses and operations, including risks related to sustainability and climate change. The annual risk profiling and assessment process is guided by business strategies and plans. Risks with high likelihood and significant impact will be escalated as a principal risk under the CRP and appropriate response and mitigation plans will be developed accordingly. Each principal risk is assigned to the dedicated risk owners to ensure identified risks are monitored and subsequently managed.

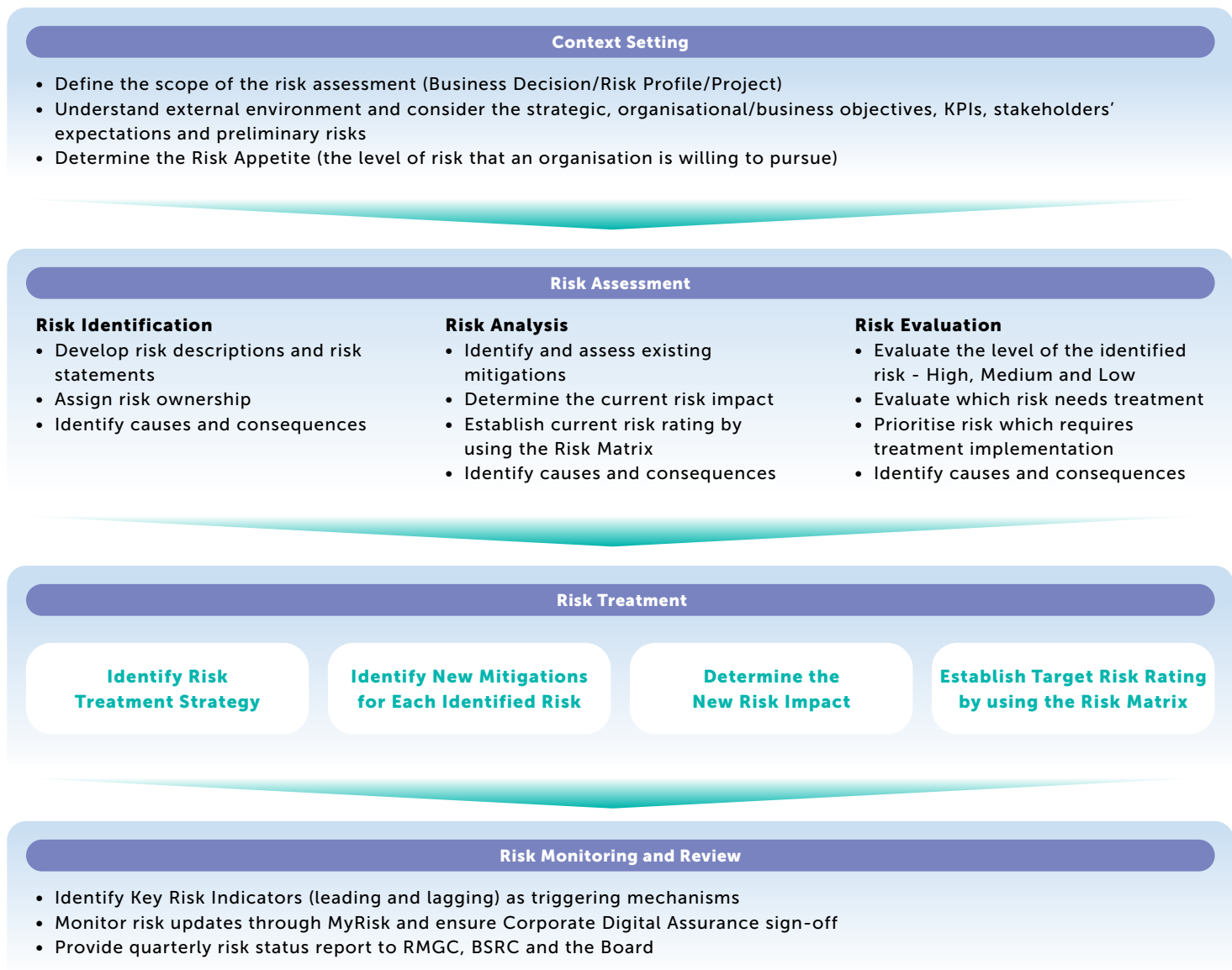
Risk Profiling activities, which support the development of the CRP, are established at the divisional level through the creation of a Divisional Risk Profile (DRP) endorsed by their respective Head of Divisions. Critical operational risks identified in the DRP are then registered in PDB's Operational Risk Profile and subsequently monitored and deliberated on a quarterly basis in RMGC.

During the year, PDB piloted the usage of myRisk, a revamped PETRONAS risk management information system, to enhance risk reporting and monitoring activities, serving as a single source of truth for risk management information.



## Statement on Risk Management and Internal Control

The following structured process within the ERMF was adopted:



With regards to Sustainability, materiality validation exercises were conducted during the year by benchmarking our current position against relevant standards and frameworks to assess its relevancy. While no changes were required, refinement was made to align each Material Matters against PETRONAS' Sustainability Approach: Creating Sustainable Value through Responsible Governance, Delivering Net Zero, Thriving with Nature and Fostering a Just Transition.

### Risk Assessment in Decision-Making

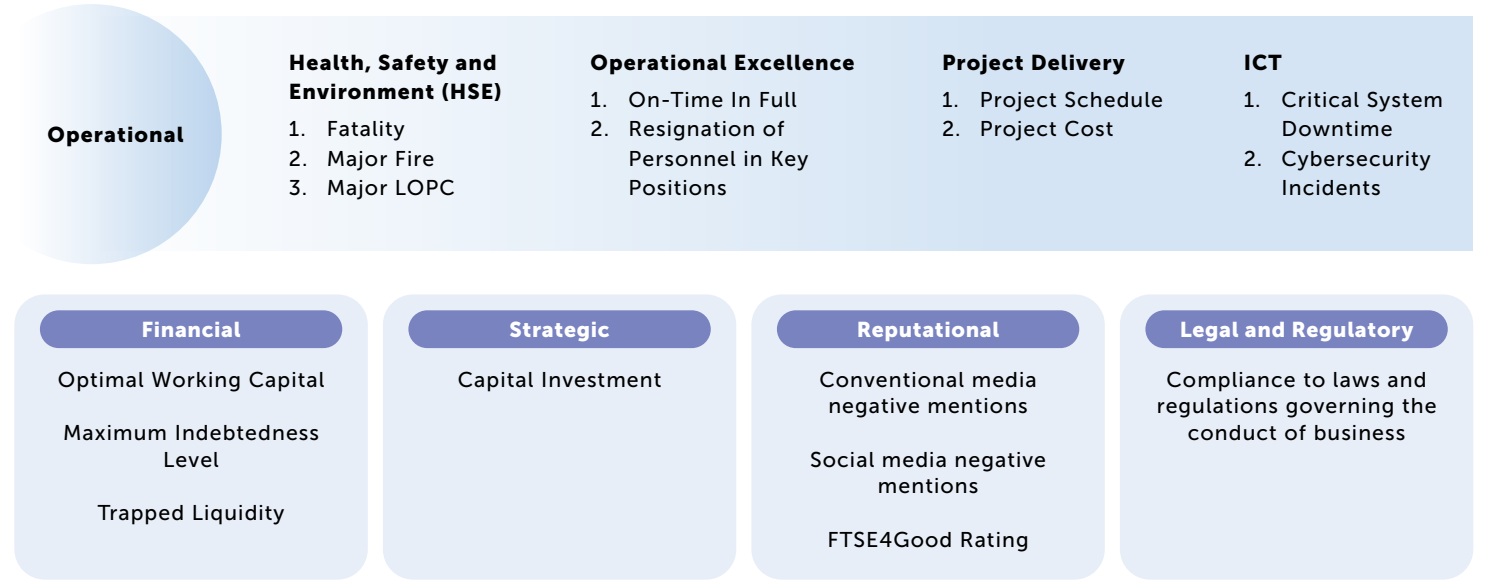
The Group mandated that all Board and Management decision papers include a risk assessment to ensure decision-makers make informed decision, considering the level of risks they are willing to undertake and implementing necessary controls to achieve the desired business objectives. During the year, BSRC assisted the Board in deliberating and evaluating business proposals and key strategic projects prior to approval by the Board.

## Statement on Risk Management and Internal Control

### Risk Appetite

The Group's risk appetite reflects its stance on the acceptable level of risk or boundaries the Group is willing to assume within its risk capacity in pursuing strategic and business objectives. The Group's risk appetite is reflected in the Risk Appetite Statement which expresses the Group's philosophy in managing or taking risk and is further supported by its Risk Tolerance and corresponding Risk Threshold.

PDB's Risk Appetite was developed by aligning its business strategies with the five Risk Appetite Areas to ensure risks undertaken in pursuit of strategic and business objectives are consistently within acceptable levels.



Risk Appetite monitoring and reporting were established to ensure that any breach of the Risk Threshold is escalated to the Management and Board on a timely basis to trigger deliberation for specific action or decision.

During the year under review, PDB enhanced its Risk Appetite under its operational area, pertaining to the management of key personnel to ensure that any potential risks arising from such resignations are effectively managed to minimise business disruption.

### Crisis Management (CM)

The Group adheres to PETRONAS' CM Framework (CMF) as depicted in the diagram below:



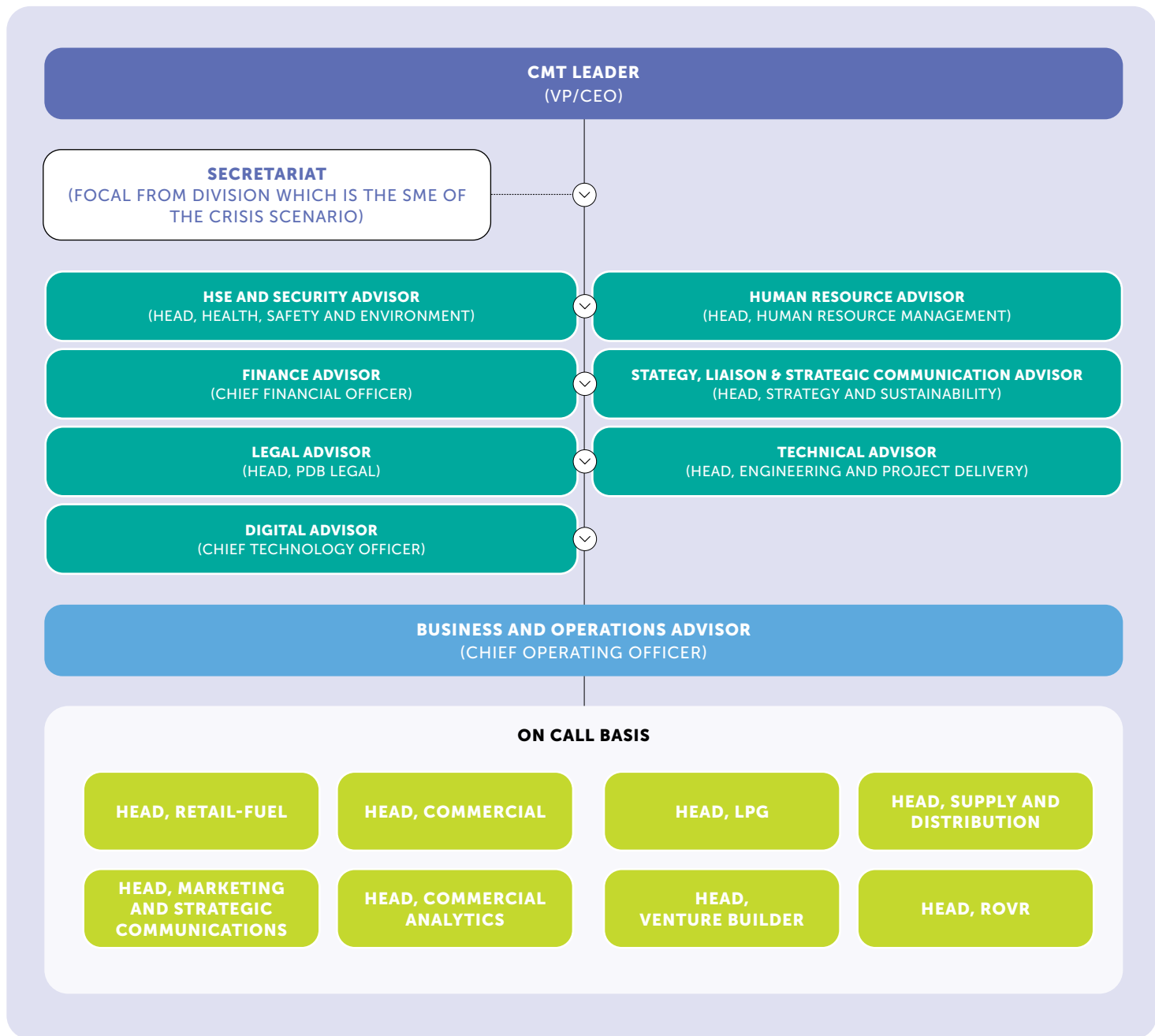
## Statement on Risk Management and Internal Control

The Group implements the PETRONAS CMF, a comprehensive set of processes that aims to prepare the Group to respond to and manage crises.

The Group has reviewed and updated the PDB Crisis Management Plan (CMP) in compliance with PETRONAS CMF to provide strategic support, control and mitigate crises including detailing the roles and responsibilities of the Crisis Management Team (CMT). PDB CMT has been updated to reflect the best practices in managing crisis.

The Group implements a three-tiered response protocol which provides clear demarcation of response control practices and the required capability of emergency/crisis team members. Response priorities during emergency/crisis are to protect and save the People, Environment, Assets and Reputation (PEAR).

The key elements of the CMP are crisis assessments on HSE and non-HSE areas, its identified credible scenarios, threshold and response strategies, as well as the PDB CMT as the highest-level team in PDB to provide strategic directions to proactively address the crisis.

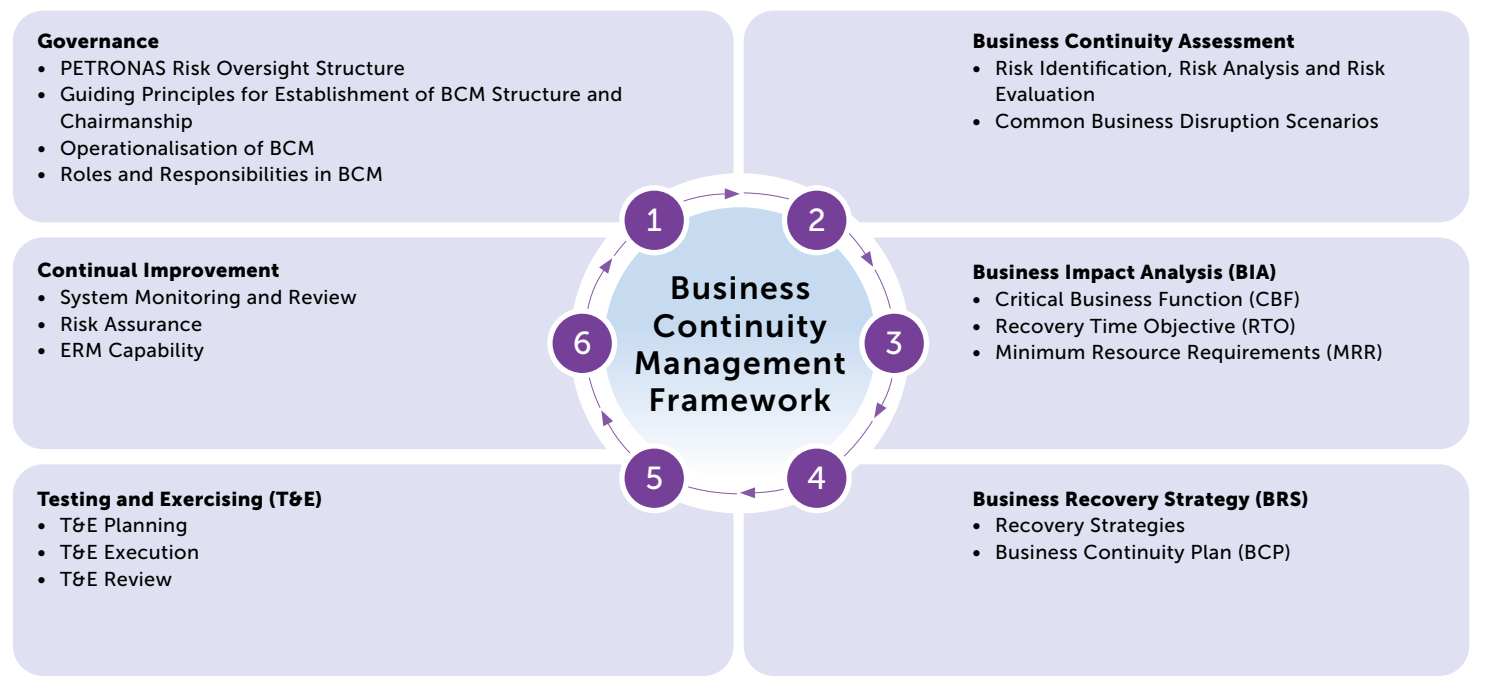


## Statement on Risk Management and Internal Control

During the year under review, the Group also conducted an integrated emergency/crisis testing involving a major spill incident and multiple sites affected by a flood disaster. The objectives of this exercise were to test the effectiveness of the Incident Action Plan, evaluate the readiness of the Emergency Response Team (ERT) and Emergency Management Team (EMT) in managing the crisis and validate the Group's recovery strategy.

### Business Continuity Management

The Group implements the PETRONAS BCM Framework (BCMF) as a systematic approach for consistent BCM practices to ensure effective recovery and continuation of business operations during prolonged disruption or crisis.



The BCMF consists of six key elements that make up the basic requirements to implement and operate BCM within an entity. This framework aims to provide a standard and consistent approach across the organisation to achieve key attributes in business continuity.

During the year under review, the Group continued to review the Business Impact Analysis (BIA) and Business Recovery Strategy (BRS) of relevant departments or divisions to ensure the validity of the current Business Continuity Plan (BCP).

Business disruption scenarios identified are workplace, workforce, ICT, supply, facility and key interdependencies failure. During the year under review, the BCP was enhanced to provide clarity on the PDB Business Continuity Team activation thresholds as well as PDB-level business recovery strategy. This is to ensure better coordination and more efficient allocation of resources during a prolonged business disruption. The Group also conducted call tree testing to ensure system readiness to effectively and immediately notify all critical business function employees in the event of a PDB BCP activation. The outcomes and findings from the testing activities were then gathered to identify areas for continual improvement.

### CONTINUAL IMPROVEMENTS UNDER THE RISK MANAGEMENT FRAMEWORK

PDB recognises that fostering a Generative Risk Culture is a crucial component to ensure the successful execution of risk management practices and initiatives throughout the organisation. To this end, a Resiliency Roadmap was developed based on inputs generated from a risk maturity survey and focus group discussions which sought to address business pain points and identify opportunities to instil a Generative Risk Culture.

The Resiliency Roadmap outlined several initiatives across all levels, including a Risk Masterclass programme for Leadership Team on emerging risks and opportunities from artificial intelligence. At the working level, bespoke training programmes were conducted to address any competency gaps among Risk Focals, as well as sharing sessions by industry leaders and Risk Clinics for all staff throughout the year. The objective of these programmes is to promote accountability on risk management to ensure that risk management is an integral part of the decision-making processes, ultimately leading to better risk management outcomes.



## Statement on Risk Management and Internal Control

PDB acknowledges the importance of risk assurance programmes to provide assurance to stakeholders on the adequacy and effectiveness of risk management practices. For the year under review, PDB established its risk assurance programme based on the Annual Assurance Masterplan (AAM) that was endorsed by RMGC. The Group has performed a self-assessment on their compliance to the requirement stipulated under risk frameworks.

The continuous efforts towards incorporating a Generative Risk Culture in 2024 have been recognised by established risk practitioners and organisations. PDB was honoured as the Runner-Up for the "ASEAN Risk Champion" category at the ASEAN Risk Awards 2024 by the Enterprise Risk Management Academy, Singapore. At the national level, PDB was awarded the Overall Winner for the "Public Listed & Big Corporations Risk Mastery" category from the Malaysian Association of Risk and Insurance Management (MARIM).



### INTERNAL AUDIT

The Internal Audit Division (IAD) of PDB provides independent assurance with a mission to protect PDB's value by delivering risk-based, objective assurance, advice and insight that supports the achievement of PDB's objectives. IAD ensures its impartiality, objectivity, proficiency and due professional care by having its plans and reports directly under the purview of the Board Audit Committee (BAC).

The IAD processes and activities are guided by the following references:

- > International Professional Practices Framework (IPPF) of Institute of Internal Auditors (IIA). The guideline will be replaced by The Global Internal Audit Standard (GIAS) effective January 2025
- > Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control Framework
- > Internal Audit Charter

IAD employs a systematic and disciplined approach to evaluate and improve the design and effectiveness of PDB's Governance, Risk and Internal Control (GRC) within the auditable entity. It adopts Risk-Based Auditing (RBA) to assess PDB's system of internal controls, anti-corruption measures and coordinates whistleblowing activities, operations and critical activities based on the audit plan approved by the BAC.

IAD also collaborates with PETRONAS Group Internal Audit (GIA) and external parties on specialised areas such as Information Technology (IT), Cyber Security, Corporate Liability and Sustainability Reporting.

The BAC reviews IAD audit reports, which include opinions on the adequacy and effectiveness of governance, risk management and internal controls and recommendation of sustainable corrective actions to be undertaken by the management. The status of the recommendations and action plans are reported to the BAC on a quarterly basis.

The Board and the Management are committed to maintaining an effective internal control environment by enhancing the design of internal control systems to ensure they are relevant and effective, promoting operational agility while ensuring good corporate governance and compliance with regulatory guidelines and meeting the organisational objectives.

### Key Elements of Internal Control Systems

In delivering the Board's commitment to maintaining a sound system of internal control, the Board continues to maintain and implement a strong control structure and environment for the proper conduct of the Group's business operations as follows:

#### Organisation Structure

An organisation structure, which is aligned to business needs, meeting operational/regulatory requirements and with defined roles and responsibilities, accountabilities and levels of authority. The structure is put in place to carry out the Group's strategies, objectives and day-to-day business activities.

#### Limits of Authority

The Limits of Authority (LOA) is an instrument of delegation of the Board's powers which defines the decision-making limits within the Group, providing a balance between effective and quality decision-making and appropriate management control. The Group has established the LOA with clear lines of accountability and responsibility, which serves as a tool of reference to identify the appropriate approving authority levels for effective decision making within the Group, including matters that require the Board's approval. Additionally, PDB also has line of sight on key decision-making at its subsidiaries to ensure alignment to overall Group strategic objectives.

## Statement on Risk Management and Internal Control

The LOA is reviewed on a periodical basis to reflect any changes to its organisational structure and business requirement.

The Group has established the PDB Governance Management Guideline (PDBGMG) and PDB Governance Adoption & Deviation Management Guideline (PDBGADMG) which prescribe the standard requirement and provide guidance on the governance document management as well as adoption and deviation management for the Group.

The myGovernance system is currently being used to manage Level 1, Level 2 and Level 3 governance documents, governance adoption and deviation management, as well as Legal Register management within the Group. The system interfaces risk management and assurance platforms for an integrated Governance, Risk and Compliance (GRC).

### HSE Management System

PDB utilises the PETRONAS Health, Safety and Environment Management System (HSE MS) as a key tool for effective HSE risk management, safeguarding People, Environment, Asset and Reputation (PEAR) in its operation. The system provides a structured, consistent approach for identifying, assessing and mitigating risk, while promoting a robust safety culture and environmental responsibility throughout PDB's operations.

Major HSE risks are identified, with corresponding mitigation actions monitored through the Hazard and Effects Management Process (HEMP) and Enterprise Risk Management (ERM). Adequate control and mitigation measures are implemented to reduce risk exposure in areas such as operating facilities, projects, new non-traditional business and hazardous products transportation, ensuring risks are minimised to "As Low As Reasonably Practicable" (ALARP).

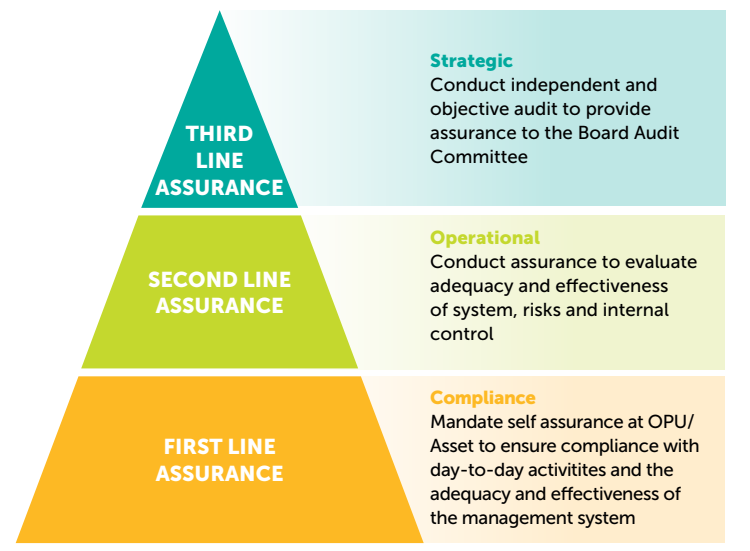
PDB has implemented a comprehensive approach in fostering a Generative HSE Culture through the I.CARE initiative. This empowers individuals to take responsibility for their own and others' safety. The I.CARE framework focuses on cultural development and strategic interventions for leaders and staffs.

To protect the company from operational, reputational and legal risks, a series of assurance programmes have been conducted to ensure PDB's adherence to the PETRONAS HSEMS, PETRONAS Technical Standards, as well as compliance with OSHA 2022 and EQA 2024 amendments.

### Integrated Assurance

PDB adopts the PETRONAS Assurance Framework with the objective of providing new ways in conducting assurance at all levels through structured and consistent approach relating to the documentation and periodical evaluation of the internal control effectiveness. This will give better line of sight for effective and informed decisions to the Management and Board.

The scope of the PETRONAS Assurance Framework shall cover PDB and its subsidiaries for First, Second and Third line of Assurance.



PDB Group conducts self-assurance to provide reasonable assurance to its holding company in ensuring the enterprise risks mitigation are adequately and effectively controlled and mitigated for risk areas or assurance categories through the myASSURANCE digital platform.

PDB subsidiaries, PS Pipeline Sdn. Bhd. (PSP) and PS Terminal Sdn. Bhd. (PST) also established its own assurance team to manage the risk, conduct self-assessment and provide assurance to its own management.

During the year, PDB established the PDB First Line Assurance Guideline with the objective of setting the minimum requirements on First Line Assurance (FLA) activities to ensure consistency in the planning and implementation at PDB Group, aligned with PETRONAS Assurance Framework.

## 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.



### Human Resource Policies and Procedures

The Group Human Resource (HR) policies and procedures are guided by PETRONAS policies and procedures. Additionally, diversity and inclusion (D&I) elements have also been established. In respect of the subsidiaries, the HR policies and procedures are aligned with the respective market and industries practices. All the measures are taken to ensure that the Group practises best in class HR policies and procedures including Organisation Design and Job Management, People Planning, Talent Sourcing, Capability Management and Learning Solutions, Succession Planning, Leadership Development, People Development, Remuneration, Employee Relations and Industrial Relations.

### Code of Conduct and Business Ethics

The Group adopts and practises the PETRONAS Code of Conduct and Business Ethics (CoBE) which emphasises and advances the principles of discipline, good conduct, professionalism, loyalty, integrity and cohesiveness that are critical to the success and well-being of the Group. The CoBE contains detailed policy statements on the standards of behaviour and ethical conduct expected of each individual of the Group. The Group also expects that contractors, sub-contractors, consultants, agents and representatives and others performing work or services for or on behalf of the Group to comply with the relevant parts of the CoBE when performing such work or services. The CoBE expressly prohibits improper solicitation, bribery and other corrupt activity not only by employees and Directors but also by third parties performing work or services for or on behalf of companies in the PETRONAS Group.

As CoBE sets out the Group's core principles, the Anti-Bribery and Corruption Manual (ABC Manual) elaborates upon those principles, providing guidance to employees on how to deal with improper solicitation, bribery, giving and receiving of facilitation payments in all business dealings and other corrupt activities and issues that may arise in the course of business.

### PETRONAS Integrity Management System

The PETRONAS Integrity Management System (PIMS) is a document that provides guidance to prevent, detect and respond to corruption. It complies with anti-corruption laws and any voluntary commitment applicable to PDB's activities.

The PIMS is structured in accordance with the ISO 37001:2016 ABMS and is supported by underlying management system, guidelines and procedures that exists at PETRONAS and within the Group. This is to complement the application of PETRONAS' Code of Conduct and Business Ethics (CoBE) and the Anti-Bribery & Corruption Manual (ABC).

Introduction of the IMS elevates PDB's overall integrity management and enhances PDB's defense against corporate liability as per Section 17A MACC (Amendment) Act 2018, ensuring the organisation's continuous improvement of its compliance programme.

### Employee Performance Management

PDB adopts the PETRONAS Employee Performance Management (EPM) that emphasises the importance of continuous engagement with employees in managing their performance. Its framework focuses on Coaching, Review and Feedback that accelerate the journey towards becoming a high-performance organisation. This approach empowers employees to drive and manage their performance, aligned with the Group's business and organisational goals.

### PDB Financial Policy

PDB Group subscribes to PDB's Financial Policy which sets forth the policy for financial management activities embedding the principles of financial risk management. The PDB Financial Policy governs financial risk management practices across the Group. It prescribes a framework in which financial risk exposure is identified and managed towards efficient capital and liquidity management practices.

### Business Plan and Budget

The Group annual plans and budget are formulated with consideration of short-to-long-term business strategies. This translates to allocated resources over five years horizon and key performance indicators (KPIs). The plans and budget are presented to the Board for approval prior to the commencement of a new financial year, followed by the establishment of the Group scorecard early of the operating year.

The Group's business performances are reported to the PDB Leadership Team (LT) and circulated to the Board monthly. On a quarterly basis, management presents the PDB Group business performances and scorecard. The reports track actual and forecasted results against approved targets and prior periods, covering all business segments within the Group.

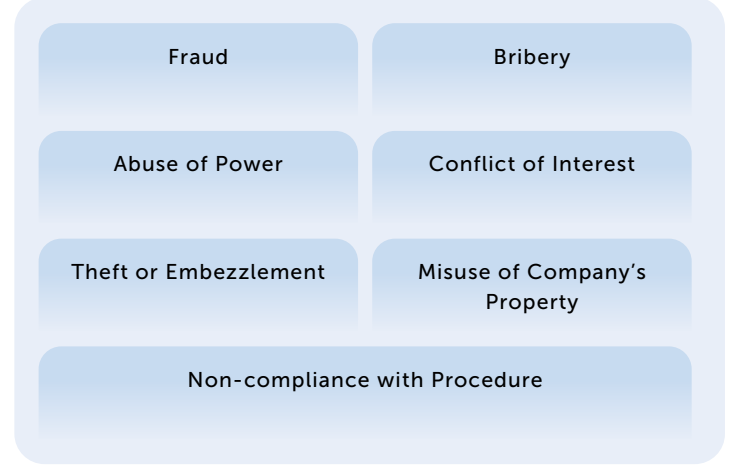
## Statement on Risk Management and Internal Control

Additional budget requirements are addressed through budget transfers or supplementary budgets, governed by the Group Limits of Authority.

The Group continuously reviews its strategic focus areas amid the evolving business landscape. This includes continuous assessment of risks and opportunities for possible mitigation and exploring new possibilities.

### Whistleblowing Policy

In line with PETRONAS' aspiration to achieve the highest standard of Integrity in the conduct of its business and operations, PDB had adopted the Whistleblowing (WB) Policy which provides a platform for all PETRONAS employees and members of the public to disclose any improper conduct within PETRONAS. The WB Policy also provides protection for PETRONAS employees and members of the public for reporting such allegations without fear of repercussion. Such improper conduct (misconduct or criminal offence) may include the following:



PETRONAS' current WB platform is managed through Whispli, a secured and confidential communication channel which protects the whistleblower's identity.

For more information on PETRONAS Whistleblowing Policy, refer to the PDB Corporate Website at [www.mymesra.com.my](http://www.mymesra.com.my).

### Data Privacy and Protection Compliance

PDB has adopted the PETRONAS Corporate Privacy Policy (CPP) to adequately safeguard the privacy and personal data of its employees as well as third parties. This robust CPP and its related implementation framework, including the Master Guidelines to the Corporate Privacy Policy (MGCPP), enables PDB to meet and comply with applicable privacy and personal data protection laws in Malaysia and other jurisdictions in which PDB operates.

To complement the CPP and MGCPP, PDB has developed and rolled out the PDB Data Privacy Manual (DPM) to ensure that personal data is processed safely and in compliance with the applicable

personal data protection and privacy laws. In this regard, practical recommendations were provided in the DPM to ensure full compliance with the Personal Data Protection Act 2010 (PDPA 2010) and that the principles and rights enshrined in the PDPA 2010 are protected and upheld.

PDB has also developed and rolled out the Data Secrecy Manual (DSM), a written document that sets out the requirements with regards to PDB's measures and controls in handling SmartPay customer data throughout the information lifecycle of customer data. This manual is in accordance with Bank Negara Malaysia's (BNM) Management of Customer Information and Permitted Disclosures (MCIPD) requirements.

The Data Privacy Officer (DPO) function in PDB continues to play a pivotal role in ensuring adherence to the Group's policies, standards and guidelines as well as compliance to legislative and statutory requirements. As part of capability building in PDB, the Head of Data Privacy in PDB has obtained the Certified Information Privacy Manager (CIPM) certification by the International Association of Privacy Professional.

PDB has also developed PDB's Privacy Statement on the MyMesra website, ensuring that comprehensive notice is given to the data subject on the processing of their personal data.

In addition to the above, PDB has also established a cookie preference tool on the MyMesra website. This helps to inform the user on the processing of their personal data via online identifier. This tool obtains consent from the data subject on the processing of his/her personal data and empowers users with the right to withdraw consent at any time and to stop the processing of their personal data.

PDB has introduced and rolled out the Data Protection Impact Assessment (DPIA) as part of their privacy risk management initiative. This assessment process outlines how personal data is processed for risk management. It considers the potential adverse impact on individuals and any harm or damage to the rights of data subjects. It is also designed to ensure that the necessary data privacy controls are incorporated in the identified personal data processing activities.

PDB has also established and rolled out the Personal Data Mapping Record (Inventory) for the purpose of maintaining a proper record of personal data processing activities in PDB to comply with regulatory requirements under PDPA 2010 and BNM Policy Document on MCIPD. The Inventory will allow PDB to identify what and how personal data is being captured, processed, stored, retained and deleted within PDB. This will also allow PDB to identify and subsequently minimise the risk associated with data privacy.



## Statement on Risk Management and Internal Control

Evaluation on third parties' data handling practices are conducted which include reviewing their privacy policies, data security measures and compliance with relevant regulations. Subsequent due diligence process may be conducted for detailed examination of third-party practices to ensure they meet PDB's privacy standards.

Additionally, clear contractual agreements with third parties are established to enforce privacy compliance which outline specific data protection requirements, including data processing terms, breach notification protocols and rights to audit.

PDB continuously monitors third-party activities and conduct regular audits to ensure sustained compliance. This includes tracking regulatory changes and updating agreements and practices accordingly.

Despite the best efforts in data management, data breaches may still occur. In this regard, PDB has robust incident management plans in place to address any breaches involving third parties. This includes swift breach notification, thorough investigation and remediation efforts to minimise impact and prevent recurrence.

Conducting privacy compliance reviews as part of third-party risk management enhances data protection, ensures regulatory compliance and reduces legal penalties. It also safeguards the organisation's reputation by demonstrating a commitment to data privacy and holds third parties accountable. From the risk mitigation point of view, the privacy compliance review will allow potential privacy risks to be identified and addressed accordingly before they result in data breaches or other incidents.

### Competition Law Guidelines

PDB has adopted the PETRONAS Competition Law Guidelines to manage competition law related risks applicable to all business transactions and ensure compliance with the competition laws of every jurisdiction in which PDB operates. This document serves as a guide to ensure PDB's action towards business partners (e.g., customers and suppliers), competitors and enforcement authorities always reflect fair and proper business practices and comply with laws and regulations governing free and fair competition.

In addition, PDB has also adopted the Competition Law Compliance Protocols which have been issued to supplement the Competition Law Guidelines as per below:

#### a) Protocol on Meetings and Information Sharing

General guidance on competition law for attending meetings with competitors and information sharing during those meetings, which is applicable to all meetings held under PETRONAS business and operations, whether conducted in PETRONAS premises or outside. Informal discussions before, during and after the meetings are also covered under this protocol.

#### b) Protocol on Merger and Acquisition (M&A) Transactions

General guidance on competition law which requires PETRONAS to secure prior clearance or formal approval from the relevant competition authorities in the market in which PDB operates. Obtaining prior approval is often a prerequisite for concluding a M&A transaction which must be notified to the relevant competition authorities.

#### Economic Sanctions and Export Control Policy and 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's position in adhering to the applicable sanctions and export control regulations, which is consistent with international norms and standards;
- > Principle measures that PDB adopts vis a vis sanctions and export control that include how PDB identifies, mitigates and manages sanction risks in the jurisdiction where it operates;
- > The guidance on the application of sanctions and export control as reflected in rules by the regulatory authorities; and
- > The consequences of failing to comply with sanctions and export control regulations as a whole

In 2024, PETRONAS has enhanced its Sanctions Guidelines through the introduction of Maritime and Shipping Guidance. It was developed to provide insight on sanctions affecting the maritime industry and provide recommendations for mitigating associated risks, which include:

- > a) Dealing with sanctioned vessels or sanctioned owners;
- > b) Providing services to non-sanctioned vessels transporting sanctioned goods; and
- > c) Dealings with non-sanctioned vessels that engage in suspicious activities

## 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 need to be recognised as their presence may indicate an attempt to evade sanctions and put the Group at risk of violating sanctions.

With the introduction of the Guidance, PDB has initiated a review exercise in enhancing sanction controls through identifying maritime and services within PDB's supply chain, benchmarking current controls to the Guidance and enhancing the identified gaps where relevant in ensuring a more proactive management of sanctions risks.

#### Anti-Money Laundering and Counter Financing of Terrorism

The Group is dedicated to maintaining an effective internal control system for Anti-Money Laundering, ensuring compliance with all related laws and regulations. The Group has in place an Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) framework to adhere to pertinent legal and regulatory requirements. As an approved issuer of a designated payment instrument, PDB has implemented the AML/CFT framework, supported by relevant processes, to mitigate any risks of Money Laundering and Financing of Terrorism associated with the SmartPay Fleetcard operations.

#### Third-Party Risk Management

PDB adopts the PETRONAS Third-Party Risk Management (TPRM) process which forms part of PETRONAS Legal Compliance Framework. The TPRM process comprises a Know Your Counterparty (KYC) process and inclusion of Compliance Clauses relating to five Critical Legal Areas (CLAs) namely Ethics and Integrity, Data Privacy and Protection, Competition, Sanctions and Export Control in PDB's agreement with the third party.

The TPRM process is a crucial measure which allows PDB to assess and safeguard itself against any legal and reputational risks in relation to five CLAs posed by parties outside of the organisation. To this end, PDB continues to strengthen the TPRM process by enhancing PDB's KYC Guidebook, which incorporates risk-based assessment approach, to determine the level of assessment and action it requires for each counterparty while ensuring efficiency of the overall process.

#### Communication and Training for Critical Legal Areas

PDB has published videos and posters on topics relevant to CLAs via the PDB Compliance Universe channel. The videos strategically convey key messages and fundamental principles while addressing common issues for the benefit of PDB constituents throughout the year. Additionally, PDB has been offering online training modules focusing on CLAs topics to solidify the grasp and understanding of PDB's directors, management and employees.

As part of its commitment to advocate the upholding of Ethics and Integrity, PDB had conducted Integrity Reflection sessions, designed to empower employees and counterparties. These sessions aim to reinforce Integrity values within their daily roles and responsibilities, guided by PETRONAS CoBE and PETRONAS Anti-Bribery and Corruption Manual.

PDB has conducted awareness sessions for departments and divisions that are heavily involved in the processing of personal data, to reinforce their comprehension on the relevant regulatory requirements, compliance controls and consequences of any violation of the prevailing Data Privacy laws and regulations. Additionally, similar communication and training sessions were extended to our business partners i.e., PETRONAS AutoExpert partners.

PDB also hosted sessions of Sanction Clinic, partnering with subject matter experts from Group Legal. These sessions served as a collaborative platform to engage in meaningful discussions, exchange insights and better understand the specific nature of their operations, as well as the complexity of current sanction laws.

With regards to the Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) training, PDB had organised bespoke training sessions, to enhance staff comprehension of the associated risks related to their specific roles and function. Given the dynamic nature of these risks, this tailored training is a crucial investment in maintaining a well informed and prepared workforce, ultimately safeguarding PDB from the threat of non-compliance.

#### Related Party Transactions and Conflict of Interest

The Group has established a comprehensive Policy on Related Party Transactions (RPTs), Conflict of Interest (CoI) Situations (the Policy) and Guideline and Procedures for RPTs and CoI Situations (the Guideline) to foster continuous awareness and a cohesive methodology for managing all RPTs, Recurrent Related Party Transactions (RRPTs) and CoI scenarios.

The Guideline lays out the principles and procedures that govern activities to RPTs/RRPTs and CoI Situations across the PDB Group to ensure compliance with the MMLR and other applicable laws and regulations in implementing the Policy.

The Guideline has simplified process flow on RPTs/RRPTs and requires the adherence to various processes to ensure that RPTs/RRPTs are conducted on normal commercial terms and on arm's length basis, which are consistent with the Group's normal business practices and policies and are not detrimental to the Group's minority shareholders. It aims to provide guidelines under which certain transactions and situations must be reviewed and endorsed by the various governing parties of the Group and/or disclosed to the regulators and governing bodies.

The Guideline also prescribes the processes required to identify, evaluate, approve, monitor and report RPTs/RRPTs as well as manage CoI. Such processes include identification and screening of transactions, negotiation of transaction and approval/mandate mechanism mechanism. It also includes monitoring and reporting

## Statement on Risk Management and Internal Control

principles and renewal or changes in the terms or termination of such dealings. In principle, the Guideline sets forth the following:

- All sourcing and sales of the Group's products, general merchandise and/or shared facilities/services shall be based on market, industry or negotiated pricing formulas and the terms are not more favourable to the related party than those generally applied to a third party, in order to ensure that the transactions are on an arm's length basis;
- Database is maintained to capture the list of related parties and RPTs/RRPTs which have been entered into;
- If a Director or a related party has an interest in a transaction, he or she will abstain from any deliberation and decision-making at the Board, Board Committee or subsidiary company's Board (as the case may be) in respect of such transaction;
- The BAC is responsible for ensuring that the Policy and the Guideline are sufficient to ensure that RPTs/RRPTs are carried out on normal commercial terms, on arm's length basis and are not detrimental to the Group's minority shareholders;
- The Board has the overall responsibility to ensure compliance with the established guidelines and procedures to approve and monitor RPTs/RRPTs and Col situations.
- On an annual basis, all Directors and any related party of the Group will declare in a written form, designed to elicit information about current/potential relationships and/or Col situations, involving their interest, either directly or indirectly. All Directors and any related party of the Group shall also notify in writing of any interest in RPT or Col situation when it becomes immediately known to them;

Col may arise in a situation where:

- The Director has current/potential Col, including interest either directly or indirectly, in any competing business of the Group; or
  - There is no competing interest in the business, but the Director derives or receives commission or fees by virtue of him providing consultancy or advisory services to the transacting party having business with the Group; or
  - Where the Director conducts or has interest in business transactions involving goods or services, either directly or indirectly, with the Group; or
  - Where the Director provides or receives financial assistance from the Group.
- The Directors have completed their declaration of interest forms for the financial year under review in line with the Guideline; and
  - Bursa Malaysia has granted PDB exemption from having to seek shareholders' mandate for RRPT with Petroliaam Nasional Berhad (PETRONAS), Minister of Finance (Incorporated) and Khazanah Nasional Berhad and their group of companies. The exemption essentially states that the exempted RRPTs must be transacted on an arm's length basis.

The Company has taken steps to make sure that all employees have easy access to Policy and the Guideline on PDB's internal website. This can help in enhancing understanding and compliance among employees.

### Corporate Disclosure Guideline

As part of PDB Group's endeavours to ensure corporate information is disclosed effectively through Bursa Malaysia, the Corporate Disclosure Guide (the Guide) was established.

The Guide is designed to help employees understand their obligations under the MMLR. Ensuring compliance with these legal regulatory requirements is crucial for accurate, transparent and timely information disclosure.

### Credit Risk Framework and Guidelines

PDB adopts the PETRONAS Credit Risk Framework and Guidelines to facilitate the management of credit risk exposures from customers which allow credit exposure to be tracked as a monitoring and control tool to guide credit risk decisions. To reduce its credit risk exposures, PDB applies Credit Risk Management methodology as set in the above-mentioned guidelines whereby the customers are assessed using the PETRONAS Credit Risk Rating System to ensure alignment with the credit assessment process adopted by the PETRONAS Group. The system evaluates the creditworthiness and assigns credit risk ratings to all PDB's external customers. In addition, reviews are conducted on the assigned credit risk ratings of these customers while the trend of the customers' financials are also analysed to detect early signs of financial distress and to provide early warning to the Management. Customised assessment was also introduced for customers under the Skim Kawalan Diesel Bersubsidi 2.0 (SKDS 2.0) to accelerate and cater to the Small Medium Enterprise (SME) segment. Trade receivables ageing is also deliberated monthly at the PDB Business Credit Control Committee.

### Procurement Guideline

PETRONAS's procurement objectives are to ensure continuous support of business via execution of pre and post award activities in a timely and cost-effective manner while ensuring compliance with PETRONAS Procurement Standard (PPS) for PETRONAS Group of Companies, PDB Business compliance requirements and Limits of Authority, whichever is applicable.

### Information Technology

The PDB Digital Division prioritises risk management and cybersecurity to safeguard assets and maintain operational integrity. Key measures include risk assurance programmes, independent audits and robust data governance and cybersecurity controls. A systematic approach is employed to identify and manage risks through self-assessments, risk management and the Three Lines of Defence Model. Reviews are carried out by the Board Sustainability and Risk Committee (BSRC) and Board Audit Committee (BAC) to ensure the system control effectiveness, with corrective actions implemented as needed.

Cybersecurity efforts focus on safeguarding IT and OT systems by addressing emerging threats and enhancing business continuity. Initiatives include employee upskilling and continuous education via online learning platforms. Cybersecurity clauses have been embedded in contracts through improved onboarding processes, while collaboration with digital vendors ensures compliance. The Group has also fostered a cyber-safe culture across the digital landscape through regular reassessments and engagements.

Data governance emphasises the delivery of high-quality, secure data while aligning with regulatory standards through the PETRONAS Data Framework. Measures include encryption, access controls, employee training, data cleansing tools and monitoring user activity. Governance policies, audits and compliance systems ensure robust data management and facilitate inter-departmental collaboration for seamless data exchange.

### Standard Operating Procedures

The Group has developed and maintained Standard Operating Procedures (SOP) covering PDB's business and operations, including but not limited to financial operations, marketing and sales, supply chain management, human resource management, information systems and health, safety and environment. These SOPs define the agreed work process and procedures which will govern day-to-day operations and ensure necessary controls are in place. The SOPs are also reviewed on a regular basis or as and when required, to ensure the effectiveness and relevancy to current business arrangements.

### Raid Protocol

PDB adopts the PETRONAS Raid Protocol to guide and facilitate PDB and its employee's interaction with authorities and enforcement agencies in connection to raids that may happen within PDB's premises, ensuring the compliance procedures are sufficiently robust to avoid any regulatory breaches and to warrant efficient coordination and corporation with authorities in connection to their investigation.

PDB had identified designated executives throughout the regions where PDB is operating, in handling interactions with and submission of information to the authorities in the events carried out, while working closely with the head office.

### 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 2024. 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:

- has not been prepared in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- 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 20 February 2025.



# How We Approach Our Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2024

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 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 2024. 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”**

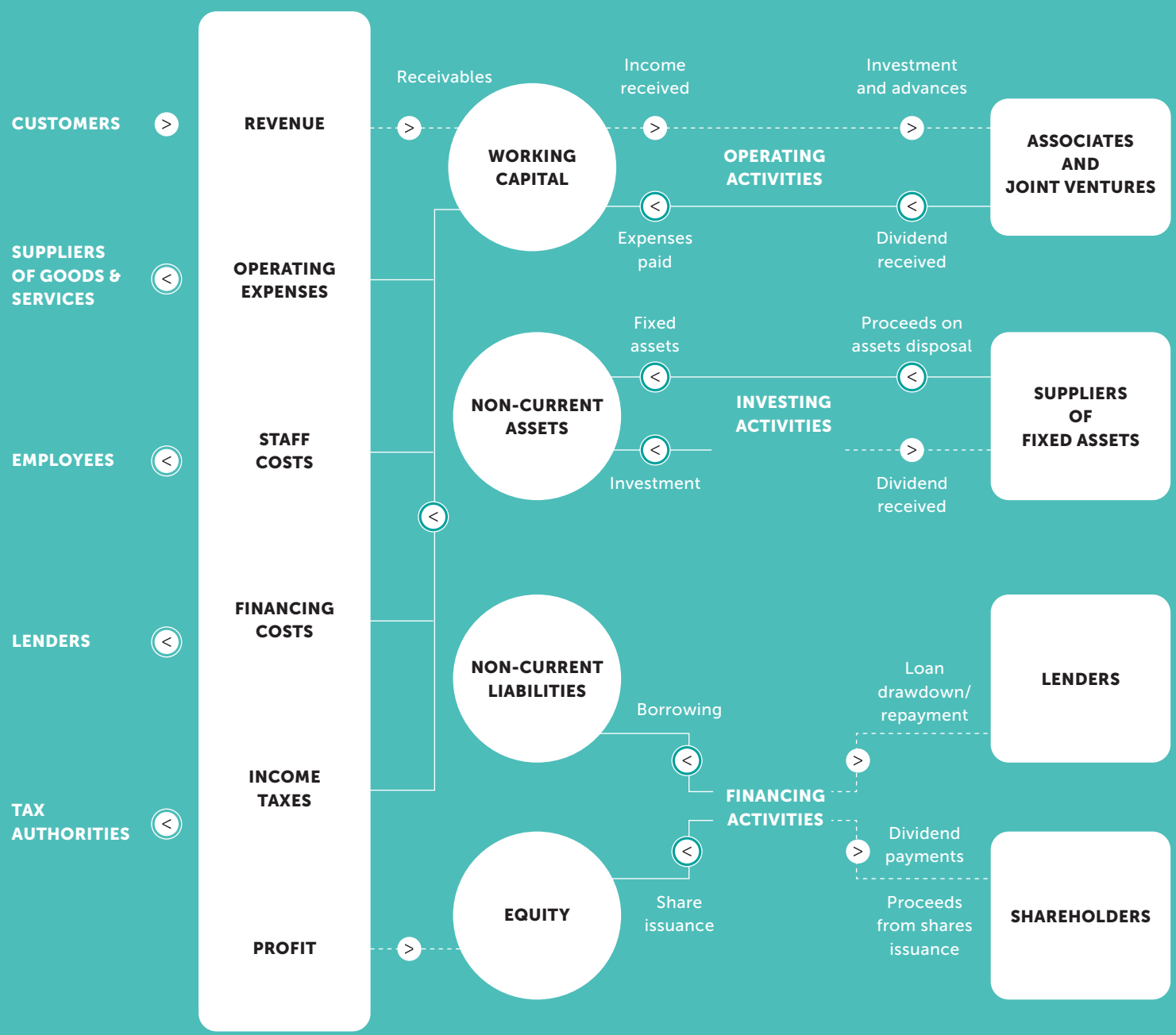
This statement divides the cash flows into operating, investing and financing. While the operating profit reflects the operating cash flows, certain non-cash charges or credits, such as depreciation, amortisation and impairment losses, resulting the operating cash flows and the operating profit to be 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 YEAR ENDED 31 DECEMBER 2024

The diagram below illustrates the relationships between the statement of profit or loss and 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 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 272 to 340, 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 2024 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 MFRS Accounting Standards as issued by Malaysian Accounting Standards Board, 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 YEAR ENDED 31 DECEMBER 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2024.

## 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 31, Note 32 and Note 33 to the financial statements respectively and the Board of Directors 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 31 to the financial statements.

## RESULTS

In RM'000	Group	Company
Profit for the year	1,116,632	1,062,385
Attributable to:		
Shareholders of the Company	1,086,628	1,062,385
Non-controlling interests	30,004	-

## 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 2023 as reported in the Directors' Report of that year:
  - i. an interim dividend of 27.0 sen per ordinary share amounting to RM268,232,580 declared on 26 February 2024 and paid on 26 March 2024; and
- b) In respect of the financial year ended 31 December 2024:
  - i. an interim dividend of 18.0 sen per ordinary share amounting to RM178,821,720 declared on 21 May 2024 and paid on 19 June 2024;
  - ii. an interim dividend of 20.0 sen per ordinary share amounting to RM198,690,800 declared on 20 August 2024 and paid on 18 September 2024; and
  - iii. an interim dividend of 24.0 sen per ordinary share amounting to RM238,428,960 declared on 25 November 2024 and paid on 24 December 2024.

The Directors had on 20 February 2025 declared an interim dividend of 25.0 sen per ordinary share amounting to RM248,363,500 in respect of the financial year ended 31 December 2024.

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 2024.

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 2025.

Further details on dividends are disclosed in Note 23.



# Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2024

# Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2024

## 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
- Datuk Shafie bin Shamsuddin (resigned on 29 February 2024)

In accordance with Article 107 of the Company's Constitution, Azrul bin Osman Rani, Nirmala a/p Doraisamy and Mohd Yuzaidi bin Mohd Yusoff are due for retirement by rotation at the forthcoming Annual General Meeting ("AGM") of the Company. Azrul bin Osman Rani, Nirmala a/p Doraisamy and Mohd Yuzaidi bin Mohd Yusoff, being eligible for re-election have given their consent for re-election at 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 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:

Name	Number of ordinary shares in PETRONAS Chemicals Group Berhad			Balance at 31.12.2024
	Balance at 1.1.2024	Bought	Sold	
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 2024 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 2024 were RM3,639,000 comprising fees and other short-term employee benefits.

## 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 RM113,000 and RM108,000 respectively.

**Directors' Report**  
FOR THE YEAR ENDED 31 DECEMBER 2024

**Directors' Report**  
FOR THE YEAR ENDED 31 DECEMBER 2024

**OTHER STATUTORY INFORMATION**

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain:

- (i) that 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) that 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 2024 have 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.

**AUDITORS**

The auditors, KPMG PLT, have indicated their willingness to accept reappointment.

The auditors' remuneration paid or payable to KPMG PLT and Local affiliates of KPMG PLT for the financial year ended 31 December 2024 are as follows:

In RM'000	Group	Company
<b>Audit fees</b>		
KPMG PLT	913	599
<b>Non audit service fees</b>		
KPMG PLT	318	318
Local affiliates of KPMG PLT	44	-
	362	318

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

**DATUK ANUAR BIN AHMAD**  
Chairman

**AZRUL BIN OSMAN RANI**  
Director

Kuala Lumpur,  
Date: 20 February 2025



# Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 272 to 340, are drawn up in accordance with MFRS Accounting Standards as issued by 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 2024 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**  
Chairman

**AZRUL BIN OSMAN RANI**  
Director

Kuala Lumpur,  
Date: 20 February 2025

# Statutory Declaration

I, **FARZLINA BINTI AHMAD MURAD**, 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 272 to 340 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

**FARZLINA BINTI AHMAD MURAD**,  
at Kuala Lumpur in Wilayah Persekutuan  
on 20 February 2025

BEFORE ME:



No. 5A, Jalan 53,  
Desa Jaya, Kepong  
52100 Kuala Lumpur.

## Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2024

In RM'000	Note	2024	2023
<b>ASSETS</b>			
Property, plant and equipment	3	3,995,256	4,116,879
Intangible asset	4	-	97
Investments in associates	6	2,339	2,075
Investments in joint ventures	7	55,630	61,452
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,053,225</b>	4,180,503
Trade and other inventories	8	168,533	148,745
Trade and other receivables	9	4,763,460	5,634,024
Cash and cash equivalents	10	2,114,078	1,507,053
		<b>7,046,071</b>	7,289,822
Assets classified as held for sale		16,384	16,634
<b>TOTAL CURRENT ASSETS</b>		<b>7,062,455</b>	7,306,456
<b>TOTAL ASSETS</b>		<b>11,115,680</b>	11,486,959
<b>EQUITY</b>			
Share capital	11	993,454	993,454
Reserves	12	4,977,399	4,774,945
<b>Total equity attributable to shareholders of the Company</b>		<b>5,970,853</b>	5,768,399
Non-controlling interests	13	98,327	68,323
<b>TOTAL EQUITY</b>		<b>6,069,180</b>	5,836,722
<b>LIABILITIES</b>			
Borrowings	14	95,204	99,823
Deferred tax liabilities	15	72,741	69,870
Other long-term liabilities and provisions	16	45,354	40,268
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>213,299</b>	209,961
Trade and other payables	17	4,732,328	5,356,895
Borrowings	14	12,758	52,396
Taxation		88,115	30,985
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,833,201</b>	5,440,276
<b>TOTAL LIABILITIES</b>		<b>5,046,500</b>	5,650,237
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,115,680</b>	11,486,959

## Consolidated Statement of Profit or Loss

FOR THE YEAR ENDED 31 DECEMBER 2024

In RM'000	Note	2024	2023
Revenue	18	37,950,762	37,549,338
Cost of revenue		(33,469,835)	(33,539,412)
<b>Gross profit</b>		<b>4,480,927</b>	4,009,926
Selling and distribution expenses		(1,568,696)	(1,429,330)
Administration expenses		(1,680,198)	(1,544,061)
Other income		316,109	314,552
<b>Operating profit</b>	19	<b>1,548,142</b>	1,351,087
Financing costs	20	(13,062)	(14,567)
Share of loss after tax of equity accounted associates and joint ventures		(4,418)	(4,902)
<b>Profit before taxation</b>		<b>1,530,662</b>	1,331,618
Tax expense	21	(414,030)	(364,840)
<b>Profit for the year</b>		<b>1,116,632</b>	966,778
<b>Profit attributable to:</b>			
Shareholders of the Company		1,086,628	943,076
Non-controlling interests		30,004	23,702
<b>PROFIT FOR THE YEAR</b>		<b>1,116,632</b>	966,778
<b>Basic earnings per ordinary share (sen)</b>	22	<b>109.4</b>	94.9

The notes set out on pages 284 to 340 are an integral part of these financial statements.

The notes set out on pages 284 to 340 are an integral part of these financial statements.



## Consolidated Statement of Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2024

In RM'000	Note	2024	2023
<b>Profit for the year</b>		<b>1,116,632</b>	966,778
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising from translation of financial statements of foreign operation		-	249
Reclassification of foreign currency translation differences to profit or loss on dissolution of a subsidiary		-	6,242
<b>Total other comprehensive income for the year, net of tax</b>		<b>-</b>	6,491
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>1,116,632</b>	973,269
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Company		<b>1,086,628</b>	949,567
Non-controlling interests		<b>30,004</b>	23,702
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>1,116,632</b>	973,269

## Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2024

In RM'000	Note	Attributable to shareholders of the Company				Non-controlling Interests	Total Equity
		Share Capital	Capital Reserves	Retained Profits	Total		
<b>Balance at 1 January 2024</b>		<b>993,454</b>	<b>(305)</b>	<b>4,775,250</b>	<b>5,768,399</b>	<b>68,323</b>	<b>5,836,722</b>
Profit for the year		-	-	<b>1,086,628</b>	<b>1,086,628</b>	<b>30,004</b>	<b>1,116,632</b>
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>1,086,628</b>	<b>1,086,628</b>	<b>30,004</b>	<b>1,116,632</b>
Dividends to shareholders of the Company	23	-	-	<b>(884,174)</b>	<b>(884,174)</b>	-	<b>(884,174)</b>
<b>Total transactions with owners of the Group</b>		<b>-</b>	<b>-</b>	<b>(884,174)</b>	<b>(884,174)</b>	<b>-</b>	<b>(884,174)</b>
<b>Balance at 31 December 2024</b>		<b>993,454</b>	<b>(305)</b>	<b>4,977,704</b>	<b>5,970,853</b>	<b>98,327</b>	<b>6,069,180</b>
		Note 11	Note 12			Note 13	

## Consolidated Statement of Changes in Equity (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

In RM'000	Note	Attributable to shareholders of the Company		
		Non-distributable		
		Share Capital	Foreign Currency Translation Reserve	Capital Reserves
<b>Balance at 1 January 2023</b>		993,454	(6,491)	(305)
Exchange differences arising from translation of financial statements of foreign operation		-	249	-
Dissolution of a foreign operation subsidiary		-	6,242	-
Total other comprehensive income for the year		-	6,491	-
Profit for the year		-	-	-
<b>Total comprehensive income for the year</b>		-	6,491	-
Dividends to shareholders of the Company	23	-	-	-
<b>Total transactions with owners of the Group</b>		-	-	-
<b>Balance at 31 December 2023</b>		993,454	-	(305)
		Note 11	Note 12	Note 12

continue below

In RM'000	Note	Attributable to shareholders of the Company			Total Equity
		Distributable		Non-controlling Interests	
		Retained Profits	Total		
<b>Balance at 1 January 2023</b>		4,756,087	5,742,745	44,621	5,787,366
Exchange differences arising from translation of financial statements of foreign operation		-	249	-	249
Dissolution of a foreign operation subsidiary		-	6,242	-	6,242
Total other comprehensive income for the year		-	6,491	-	6,491
Profit for the year		943,076	943,076	23,702	966,778
<b>Total comprehensive income for the year</b>		943,076	949,567	23,702	973,269
Dividends to shareholders of the Company	23	(923,913)	(923,913)	-	(923,913)
<b>Total transactions with owners of the Group</b>		(923,913)	(923,913)	-	(923,913)
<b>Balance at 31 December 2023</b>		4,775,250	5,768,399	68,323	5,836,722

Note 13

continued from above

## Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2024

In RM'000	Note	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before taxation</b>		<b>1,530,662</b>	1,331,618
Adjustments for:			
Depreciation of property, plant and equipment		<b>475,212</b>	462,757
Amortisation of intangible asset		<b>97</b>	387
Net impairment (reversals)/losses on:			
- Trade and other receivables		<b>(12,092)</b>	10,541
- Property, plant and equipment		<b>9,796</b>	5,745
Share of loss after tax of equity accounted associates and joint ventures		<b>4,418</b>	4,902
Net gain on disposal of property, plant and equipment		<b>(2,377)</b>	(5,797)
Bad debts written off		<b>1,045</b>	3,575
Interest income		<b>(160,852)</b>	(145,724)
Financing costs		<b>13,062</b>	14,567
Property, plant and equipment written off		<b>22,923</b>	9,599
Property, plant and equipment expensed off		<b>1,521</b>	1,862
Net unrealised foreign exchange loss/(gain)		<b>1,972</b>	(1,072)
Write down of inventories to net realisable value		<b>3,732</b>	-
<b>Operating profit before changes in working capital</b>		<b>1,889,119</b>	1,692,960
Changes in working capital:			
Trade and other receivables		<b>881,863</b>	(1,609,327)
Trade and other inventories		<b>(23,520)</b>	(9,206)
Trade and other payables		<b>(624,278)</b>	335,368
<b>Cash generated from operations</b>		<b>2,123,184</b>	409,795
Taxation paid		<b>(353,938)</b>	(497,040)
<b>Net cash generated from/(used in) from operating activities</b>		<b>1,769,246</b>	(87,245)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income		<b>160,852</b>	145,724
Purchase of property, plant and equipment		<b>(375,462)</b>	(466,852)
Proceeds from disposal of property, plant and equipment		<b>2,922</b>	10,886
<b>Net cash used in investing activities</b>		<b>(211,688)</b>	(310,242)

continue to next page



## Consolidated Statement of Cash Flows (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

In RM'000	Note	2024	2023
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	23	(884,174)	(923,913)
Drawdown of Sukuk facilities		-	1,997
Repayment of Sukuk facilities		(1,000)	(997)
Payment of lease liabilities		(56,566)	(51,372)
Profit margin paid for Sukuk facilities		(21)	(18)
Interest paid on lease liabilities		(8,772)	(10,318)
<b>Net cash used in financing activities</b>	14	<b>(950,533)</b>	(984,621)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		<b>607,025</b>	(1,382,108)
<b>(INCREASE)/DECREASE IN CASH AND CASH EQUIVALENTS RESTRICTED</b>			
		<b>(37,563)</b>	9,898
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>			
		<b>1,478,837</b>	2,851,047
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>			
		<b>2,048,299</b>	1,478,837
<b>CASH AND CASH EQUIVALENTS</b>			
Cash with PETRONAS Integrated Financial Shared Services Centre		<b>1,848,612</b>	1,263,612
Cash and bank balances		<b>265,466</b>	243,441
	10	<b>2,114,078</b>	1,507,053
Less: Cash and cash equivalents restricted		<b>(65,779)</b>	(28,216)
		<b>2,048,299</b>	1,478,837

continued from previous page

Total cash outflows for leases comprise:

- (i) Payment of principal and interest in relation to lease liabilities as financing activities amounting to RM65,338,000 (2023: RM61,690,000); and
- (ii) Payment of short-term lease, low-value assets and variable lease payments as operating activities amounting to RM270,273,000 (2023: RM213,126,000).

## Statement of Financial Position

AS AT 31 DECEMBER 2024

In RM'000	Note	2024	2023
<b>ASSETS</b>			
Property, plant and equipment	3	<b>3,655,248</b>	3,775,354
Investments in subsidiaries	5	<b>359,259</b>	337,870
Investments in associates	6	<b>530</b>	530
Investments in joint ventures	7	<b>52,474</b>	52,474
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,067,511</b>	4,166,228
Trade inventories	8	<b>156,792</b>	140,843
Trade and other receivables	9	<b>4,563,618</b>	5,438,437
Cash and cash equivalents	10	<b>1,626,271</b>	1,105,370
Assets classified as held for sale		<b>945</b>	1,195
<b>TOTAL CURRENT ASSETS</b>		<b>6,347,626</b>	6,685,845
<b>TOTAL ASSETS</b>		<b>10,415,137</b>	10,852,073
<b>EQUITY</b>			
Share capital	11	<b>993,454</b>	993,454
Reserves	12	<b>4,700,012</b>	4,521,801
<b>TOTAL EQUITY</b>		<b>5,693,466</b>	5,515,255
<b>LIABILITIES</b>			
Borrowings	14	<b>21,239</b>	24,973
Deferred tax liabilities	15	<b>55,020</b>	51,518
Other long-term liability and provision	16	<b>45,354</b>	40,268
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>121,613</b>	116,759
Trade and other payables	17	<b>4,520,768</b>	5,156,222
Borrowings	14	<b>9,229</b>	49,546
Taxation		<b>70,061</b>	14,291
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,600,058</b>	5,220,059
<b>TOTAL LIABILITIES</b>		<b>4,721,671</b>	5,336,818
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,415,137</b>	10,852,073

## Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2024

In RM'000	Note	2024	2023
Revenue	18	<b>37,020,107</b>	36,714,994
Cost of revenue		<b>(32,982,165)</b>	(33,095,640)
<b>Gross profit</b>		<b>4,037,942</b>	3,619,354
Selling and distribution expenses		<b>(1,554,528)</b>	(1,413,360)
Administration expenses		<b>(1,497,072)</b>	(1,389,885)
Other income		<b>426,949</b>	368,784
<b>Operating profit</b>	19	<b>1,413,291</b>	1,184,893
Financing costs	20	<b>(6,715)</b>	(8,212)
<b>Profit before taxation</b>		<b>1,406,576</b>	1,176,681
Tax expense	21	<b>(344,191)</b>	(301,046)
<b>PROFIT FOR THE YEAR REPRESENTING COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>1,062,385</b>	875,635

## Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2024

In RM'000	Note	Attributable to shareholders of the Company		
		Non-distributable	Distributable	Total Equity
<b>Balance at 1 January 2024</b>		<b>993,454</b>	<b>4,521,801</b>	<b>5,515,255</b>
Profit for the year representing comprehensive income for the year		-	<b>1,062,385</b>	<b>1,062,385</b>
Dividends paid	23	-	<b>(884,174)</b>	<b>(884,174)</b>
<b>Balance at 31 December 2024</b>		<b>993,454</b>	<b>4,700,012</b>	<b>5,693,466</b>
<b>Balance at 1 January 2023</b>		993,454	4,570,079	5,563,533
Profit for the year representing comprehensive income for the year		-	875,635	875,635
Dividends paid	23	-	(923,913)	(923,913)
<b>Balance at 31 December 2023</b>		993,454	4,521,801	5,515,255

Note 11



# Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2024

In RM'000	Note	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before taxation</b>		<b>1,406,576</b>	1,176,681
Adjustments for:			
Depreciation of property, plant and equipment		<b>418,861</b>	415,481
Net impairment (reversals)/losses on:			
- Trade and other receivables		<b>(12,281)</b>	10,142
- Investment in a subsidiary		<b>11,111</b>	-
- Property, plant and equipment		<b>9,796</b>	5,745
Net gain on disposal of property, plant and equipment		<b>(2,452)</b>	(5,797)
Bad debts written off		<b>1,032</b>	3,557
Interest income		<b>(148,042)</b>	(136,541)
Financing costs		<b>6,715</b>	8,212
Dividend income		<b>(121,140)</b>	(51,250)
Property, plant and equipment written off		<b>14,708</b>	9,110
Property, plant and equipment expensed off		<b>382</b>	429
Inventories written down to net realisable value		<b>3,732</b>	-
Net unrealised foreign exchange loss/(gain)		<b>1,978</b>	(1,075)
<b>Operating profit before changes in working capital</b>		<b>1,590,976</b>	1,434,694
Changes in working capital:			
Trade and other receivables		<b>886,319</b>	(1,572,745)
Trade inventories		<b>(19,681)</b>	(9,704)
Trade and other payables		<b>(635,285)</b>	299,482
<b>Cash generated from operations</b>		<b>1,822,329</b>	151,727
Taxation paid		<b>(284,919)</b>	(424,429)
<b>Net cash generated from/(used in) operating activities</b>		<b>1,537,410</b>	(272,702)

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# Statement of Cash Flows (continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

In RM'000	Note	2024	2023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received		<b>121,140</b>	51,250
Interest income		<b>148,042</b>	136,541
Investment in subsidiaries		<b>(32,500)</b>	(42,700)
Purchase of property, plant and equipment		<b>(314,721)</b>	(393,826)
Proceeds from disposal of property, plant and equipment		<b>2,908</b>	10,886
<b>Net cash used in investing activities</b>		<b>(75,131)</b>	(237,849)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	23	<b>(884,174)</b>	(923,913)
Drawdown of Sukuk facilities		<b>-</b>	1,997
Repayment of Sukuk facilities		<b>(1,000)</b>	(997)
Payment of lease liabilities		<b>(53,758)</b>	(49,507)
Profit margin paid for Sukuk facilities		<b>(21)</b>	(18)
Interest paid on lease liabilities		<b>(2,425)</b>	(3,963)
<b>Net cash used in financing activities</b>	14	<b>(941,378)</b>	(976,401)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>520,901</b>	(1,486,952)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>1,105,370</b>	2,592,322
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	10	<b>1,626,271</b>	1,105,370
<b>CASH AND CASH EQUIVALENTS</b>			
Cash with PETRONAS Integrated Financial Shared Services Centre		<b>1,484,085</b>	989,213
Cash and bank balances		<b>142,186</b>	116,157
	10	<b>1,626,271</b>	1,105,370

continued from previous page

Total cash outflows for leases comprise:

- (i) Payment of principal and interest in relation to lease liabilities as financing activities amounting to RM56,183,000 (2023: RM53,470,000); and
- (ii) Payment of short-term lease, low-value assets and variable lease payments as operating activities amounting to RM269,442,000 (2023: RM212,629,000).

# Notes to the Financial Statements

31 DECEMBER 2024

## 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 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.

These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

As of 1 January 2024, the Group and the Company had adopted Amendments to MFRSs ("pronouncements") that have been issued by the Malaysian Accounting Standards Board ("MASB") as described fully in Note 34.

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 35. Revised pronouncements that are not relevant to the operations of the Group and of the Company are set out in Note 36.

These financial statements were approved and authorised for issue by the Board of Directors on 20 February 2025.

### 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 individual financial statements of each entity in the Group are prepared using the currency of the primary economic environment in which the entity operates (the "functional 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 4 : Intangible assets;
- (iii) Note 5 : Investments in subsidiaries;
- (iv) Note 15 : Deferred tax;
- (v) Note 16 : Other long-term liabilities and provisions;
- (vi) Note 21 : Tax expense; and
- (vii) Note 28 : Financial instruments.

## 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.

#### *Business combinations*

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group. The identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date. The cost of an acquisition is measured as the aggregate of the fair value of the consideration. Non-controlling interests are stated either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

When a business combination is achieved in stages, the Group remeasures its previously held non-controlling equity interest in the acquiree at fair value at the acquisition date, with any resulting gain or loss recognised in the profit or loss. Increase in the Group's ownership interest in an existing subsidiary is accounted for as equity transactions with differences between the fair value of consideration paid and the Group's proportionate share of net assets acquired, recognised directly in equity.

The Group measures goodwill as the excess of the aggregate fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and any previously held interest in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Transaction costs, other than those associated with the issuance of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.



# Notes to the Financial Statements

31 DECEMBER 2024

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of consolidation (continued)

#### 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.

### 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.

# Notes to the Financial Statements

31 DECEMBER 2024

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 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 to 30 years or over the remaining land lease year, 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

#### Right-of-use ("ROU") assets and leases

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 - 5 years
- Other plant and equipment 3 - 5 years
- Motor vehicles 3 - 5 years
- Vessels 3 - 5 years

Depreciation of certain right-of-use assets are 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.

# Notes to the Financial Statements

31 DECEMBER 2024

# Notes to the Financial Statements

31 DECEMBER 2024

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.4 Property, plant and equipment and depreciation (continued)

#### 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 Investments

Long-term investments in subsidiaries, associates and joint ventures are stated at cost less impairment loss, if any, in the Company's financial statements unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

The carrying amount of these investments includes fair value adjustments on shareholder's loans and advances, if any (Note 2.7(i)).

### 2.6 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.

### 2.7 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 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.

Financial assets are classified at initial recognition and subsequently measured at amortised cost.

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.7 Financial instruments (continued)

#### Recognition and derecognition (continued)

##### (i) Financial assets (continued)

#### 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 subsequently 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.

##### (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.



# Notes to the Financial Statements

31 DECEMBER 2024

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.8 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 and deferred tax assets 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.

### 2.9 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 Company'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 2024

## 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.10 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.

### 2.11 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.

### 2.12 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.

### 2.13 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 2024

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.13 Foreign currency transactions (continued)

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.

#### 2.14 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.

#### 2.15 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.

#### 2.16 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 dilute potential ordinary shares.

#### 2.17 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.

#### 2.18 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 2024

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### 2.18 Fair value measurement (continued)

##### (i) Financial instruments

The fair value of financial instruments that are actively traded in organised financial markets are 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 are 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 2024

### 3. PROPERTY, PLANT AND EQUIPMENT

Group 2024 In RM'000	At 1.1.2024	Additions	Disposals/ Write-offs	Transfers	At 31.12.2024
<b>At cost:</b>					
<u>Own use</u>					
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
	<b>8,477,104</b>	<b>375,462</b>	<b>(59,440)</b>	<b>(28,037)</b>	<b>8,765,089</b>
<u>Right-of-use</u>					
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
	<b>1,575,239</b>	<b>11,893</b>	<b>(34,089)</b>	<b>28,037</b>	<b>1,581,080</b>
	<b>10,052,343</b>	<b>387,355</b>	<b>(93,529)</b>	<b>-</b>	<b>10,346,169</b>

## Notes to the Financial Statements

31 DECEMBER 2024

### 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
<b>Accumulated depreciation and impairment losses:</b>					
<u>Own use</u>					
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
	<b>5,411,895</b>	<b>383,980</b>	<b>(37,662)</b>	<b>822</b>	<b>5,759,035</b>
<u>Right-of-use</u>					
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
	<b>523,569</b>	<b>91,232</b>	<b>(31,897)</b>	<b>8,974</b>	<b>591,878</b>
	<b>5,935,464</b>	<b>475,212</b>	<b>(69,559)</b>	<b>9,796</b>	<b>6,350,913</b>

## Notes to the Financial Statements

31 DECEMBER 2024

### 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2023 In RM'000	At 1.1.2023	Additions	Disposals/ Write-offs	Transfers	At 31.12.2023
<b>At cost:</b>					
<u>Own use</u>					
Freehold land	1,045,002	-	-	15,322	1,060,324
Buildings	2,234,104	7,040	(1,486)	101,394	2,341,052
Plant, machinery, tankage and pipeline	2,968,992	42,188	(4,539)	214,982	3,221,623
Office equipment, furniture and fittings	568,594	12,667	(1,257)	19,234	599,238
Computer hardware and software	830,331	17,962	(45)	19,679	867,927
Motor vehicles	136,745	2,945	-	125	139,815
Projects-in-progress	256,074	384,050	(9,231)	(383,768)	247,125
	8,039,842	466,852	(16,558)	(13,032)	8,477,104
<u>Right-of-use</u>					
Leasehold land	1,240,204	306	(7,727)	11,837	1,244,620
Buildings	10,398	1,935	-	-	12,333
Other plant and equipment	5,372	5,750	-	-	11,122
Vessels	287,422	-	-	-	287,422
Motor vehicles	8,876	10,866	-	-	19,742
	1,552,272	18,857	(7,727)	11,837	1,575,239
	9,592,114	485,709	(24,285)	(1,195)*	10,052,343

\*The amount of RM1,195,000 comprised of transfer of freehold lands to asset held for sale.

## Notes to the Financial Statements

31 DECEMBER 2024

### 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2023 In RM'000	At 1.1.2023	Charge for the year	Disposals/ Write-offs	Impairment loss	Transfers	At 31.12.2023
<b>Accumulated depreciation and impairment losses:</b>						
<u>Own use</u>						
Freehold land	616	-	-	-	-	616
Buildings	1,753,474	82,028	(1,498)	-	(695)	1,833,309
Plant, machinery, tankage and pipeline	2,190,655	167,523	(4,785)	-	660	2,354,053
Office equipment, furniture and fittings	443,160	26,653	(829)	-	70	469,054
Computer hardware and software	554,991	88,593	(45)	-	-	643,539
Motor vehicles	98,036	9,199	-	-	(35)	107,200
Projects-in-progress	4,124	-	-	-	-	4,124
	5,045,056	373,996	(7,157)	-	-	5,411,895
<u>Right-of-use</u>						
Leasehold land	219,924	37,900	(2,649)	5,745	-	260,920
Buildings	3,252	2,314	-	-	-	5,566
Other plant and equipment	4,869	1,940	-	-	-	6,809
Vessels	196,537	44,499	-	-	-	241,036
Motor vehicles	7,130	2,108	-	-	-	9,238
	431,712	88,761	(2,649)	5,745	-	523,569
	5,476,768	462,757	(9,806)	5,745	-	5,935,464



## Notes to the Financial Statements

31 DECEMBER 2024

### 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2024 In RM'000	At 1.1.2024	Additions	Disposals/ Write-offs	Transfers	At 31.12.2024
<b>At cost:</b>					
<u>Own use</u>					
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
	<b>7,776,367</b>	<b>314,721</b>	<b>(31,726)</b>	<b>(28,037)</b>	<b>8,031,325</b>
<u>Right-of-use</u>					
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
	<b>1,523,269</b>	<b>9,006</b>	<b>(33,987)</b>	<b>28,037</b>	<b>1,526,325</b>
	<b>9,299,636</b>	<b>323,727</b>	<b>(65,713)</b>	<b>-</b>	<b>9,557,650</b>

## Notes to the Financial Statements

31 DECEMBER 2024

### 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
<b>Accumulated depreciation and impairment losses:</b>					
<u>Own use</u>					
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
	<b>5,012,234</b>	<b>332,182</b>	<b>(18,679)</b>	<b>822</b>	<b>5,326,559</b>
<u>Right-of-use</u>					
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
	<b>512,048</b>	<b>86,679</b>	<b>(31,858)</b>	<b>8,974</b>	<b>575,843</b>
	<b>5,524,282</b>	<b>418,861</b>	<b>(50,537)</b>	<b>9,796</b>	<b>5,902,402</b>

## Notes to the Financial Statements

31 DECEMBER 2024

### 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2023 In RM'000	At 1.1.2023	Additions	Disposals/ Write-offs	Transfers	At 31.12.2023
<b>At cost:</b>					
<u>Own use</u>					
Freehold land	1,045,002	-	-	15,322	1,060,324
Buildings	2,206,805	509	(1,486)	88,530	2,294,358
Plant, machinery, tankage and pipeline	2,553,018	15,553	(3,770)	209,809	2,774,610
Office equipment, furniture and fittings	534,583	3,733	(804)	23,601	561,113
Computer hardware and software	722,567	-	(45)	22,780	745,302
Motor vehicles	131,746	-	-	125	131,871
Projects-in-progress	217,188	374,031	(9,231)	(373,199)	208,789
	7,410,909	393,826	(15,336)	(13,032)	7,776,367
<u>Right-of-use</u>					
Leasehold land	1,199,415	306	(7,727)	11,837	1,203,831
Buildings	1,152	-	-	-	1,152
Other plant and equipment	5,372	5,750	-	-	11,122
Vessels	287,422	-	-	-	287,422
Motor vehicles	8,876	10,866	-	-	19,742
	1,502,237	16,922	(7,727)	11,837	1,523,269
	8,913,146	410,748	(23,063)	(1,195)*	9,299,636

\*The amount of RM1,195,000 comprised of transfer of freehold lands to asset held for sale.

## Notes to the Financial Statements

31 DECEMBER 2024

### 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2023 In RM'000	At 1.1.2023	Charge for the year	Disposals/ Write-offs	Impairment loss	Transfers	At 31.12.2023
<b>Accumulated depreciation and impairment losses:</b>						
<u>Own use</u>						
Freehold land	616	-	-	-	-	616
Buildings	1,726,014	80,579	(1,486)	-	695	1,805,802
Plant, machinery, tankage and pipeline	1,914,497	152,186	(4,424)	-	(660)	2,061,599
Office equipment, furniture and fittings	441,645	19,994	(804)	-	(70)	460,765
Computer hardware and software	508,884	68,471	(45)	-	-	577,310
Motor vehicles	93,045	8,938	-	-	35	102,018
Projects-in-progress	4,124	-	-	-	-	4,124
	4,688,825	330,168	(6,759)	-	-	5,012,234
<u>Right-of-use</u>						
Leasehold land	214,267	36,556	(2,649)	5,745	-	253,919
Buildings	836	210	-	-	-	1,046
Other plant and equipment	4,869	1,940	-	-	-	6,809
Vessels	196,537	44,499	-	-	-	241,036
Motor vehicles	7,130	2,108	-	-	-	9,238
	423,639	85,313	(2,649)	5,745	-	512,048
	5,112,464	415,481	(9,408)	5,745	-	5,524,282



## Notes to the Financial Statements

31 DECEMBER 2024

### 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

In RM'000	Group		Company	
	2024	2023	2024	2023
<b>Carrying amount</b>				
<u>Own use</u>				
Freehold land	1,058,886	1,059,708	1,058,886	1,059,708
Buildings	525,695	507,743	496,896	488,556
Plant, machinery, tankage and pipeline	934,561	867,570	758,144	713,011
Office equipment, furniture and fittings	140,765	130,184	108,681	100,348
Computer hardware and software	163,483	224,388	120,977	167,992
Motor vehicles	25,561	32,615	24,245	29,853
Projects-in-progress	157,103	243,001	136,937	204,665
	<b>3,006,054</b>	3,065,209	<b>2,704,766</b>	2,764,133
<u>Right-of-use</u>				
Leasehold land	970,207	983,700	937,761	949,912
Buildings	6,383	6,767	109	106
Other plant and equipment	2,396	4,313	2,396	4,313
Vessels	1,886	46,386	1,886	46,386
Motor vehicles	8,330	10,504	8,330	10,504
	<b>989,202</b>	1,051,670	<b>950,482</b>	1,011,221
	<b>3,995,256</b>	4,116,879	<b>3,655,248</b>	3,775,354

#### 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 assesses 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 exercise.

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.

### 4. INTANGIBLE ASSET

Group 2024 In RM'000	At		At	
	1.1.2024	Addition	31.12.2024	
<b>At cost:</b>				
License	806	-	806	
	<b>At</b>	<b>Charge for</b>	<b>At</b>	
	<b>1.1.2024</b>	<b>the year</b>	<b>31.12.2024</b>	
<b>Accumulated amortisation:</b>				
License	709	97	806	
<b>Group 2023 In RM'000</b>	<b>At</b>	<b>Addition</b>	<b>At</b>	
	<b>1.1.2023</b>		<b>31.12.2023</b>	
<b>At cost:</b>				
License	806	-	806	
	<b>At</b>	<b>Charge for</b>	<b>At</b>	
	<b>1.1.2023</b>	<b>the year</b>	<b>31.12.2023</b>	
<b>Accumulated amortisation:</b>				
License	322	387	709	
<b>Group In RM'000</b>	<b>Carrying amount</b>			
	<b>2024</b>	<b>2023</b>		
License	-	97		

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 FY2022. The license is amortised for period of 25 months until March 2024.

### 5. INVESTMENTS IN SUBSIDIARIES

In RM'000	Company	
	2024	2023
Unquoted shares at cost	370,370	337,870
Less: Impairment losses on unquoted shares	(11,111)	-
	<b>359,259</b>	337,870

During the year, the Company had further subscribed to 20,000 and 12,500 redeemable preference shares at RM1,000 each, issued by Setel Ventures Sdn. Bhd. and Setel Express Sdn. Bhd. via equity injection of RM20,000,000 and RM12,500,000 respectively.

Details of subsidiaries are stated in Note 31 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 RM11,111,000 (2023: Nil).

## Notes to the Financial Statements

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### 6. INVESTMENTS IN ASSOCIATES

In RM'000	Group		Company	
	2024	2023	2024	2023
Unquoted shares at cost	530	530	530	530
Share of post-acquisition profits and reserves	1,809	1,545	-	-
	<b>2,339</b>	2,075	<b>530</b>	530
Dividend received	-	500	-	500

Summary of financial information on associates:

In RM'000	2024	2023
<b>As at 31 December</b>		
Total assets	13,516	11,755
Total liabilities	(1,824)	(1,383)
Net assets	11,692	10,372
<b>Year ended 31 December</b>		
Revenue	26,280	27,955
Total comprehensive income	1,486	2,864

Details of the associates are stated in Note 32 to the financial statements.

### 7. INVESTMENTS IN JOINT VENTURES

In RM'000	Group		Company	
	2024	2023	2024	2023
Unquoted shares at cost	52,474	52,474	52,474	52,474
Share of post-acquisition profits and reserves	3,156	8,978	-	-
	<b>55,630</b>	61,452	<b>52,474</b>	52,474
Dividend received	1,140	750	1,140	750

## Notes to the Financial Statements

31 DECEMBER 2024

### 7. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Summary of financial information on joint ventures:

2024 In RM'000	Material joint venture	Other individually immaterial joint ventures	Total
<b>As at 31 December</b>			
Total assets	190,766	27,650	218,416
Total liabilities	(93,741)	(14,086)	(107,827)
Net assets	97,025	13,564	110,589
<b>Year ended 31 December</b>			
Revenue	449,157	66,834	515,991
Total comprehensive (loss)/income	(10,400)	3,073	(7,327)

2023 In RM'000	Material joint venture	Other individually immaterial joint ventures	Total
<b>As at 31 December</b>			
Total assets	181,096	29,253	210,349
Total liabilities	(71,620)	(16,315)	(87,935)
Net assets	109,476	12,938	122,414
<b>Year ended 31 December</b>			
Revenue	298,417	65,317	363,734
Total comprehensive (loss)/income	(7,523)	3,201	(4,322)

Details of the joint ventures are stated in Note 33 to the financial statements.

### 8. TRADE AND OTHER INVENTORIES

In RM'000	Group		Company	
	2024	2023	2024	2023
Petroleum products	156,571	140,906	156,792	140,843
Stores, spares and others	11,692	7,839	-	-
<b>Inventories at lower of cost or net realisable value</b>	<b>168,533</b>	148,745	<b>156,792</b>	140,843
Recognised in profit or loss:				
Inventories recognised as cost of revenue	32,966,918	33,138,068	32,525,214	32,731,077
Write-down to net realisable value	3,732	-	3,732	-



## Notes to the Financial Statements

31 DECEMBER 2024

### 9. TRADE AND OTHER RECEIVABLES

In RM'000	Group		Company	
	2024	2023	2024	2023
<b>Trade</b>				
Trade receivables	<b>1,435,645</b>	1,842,473	<b>1,245,560</b>	1,665,688
Amounts due from:				
- Holding company	<b>11,818</b>	24	-	-
- Subsidiaries	-	-	<b>7,795</b>	6,497
- Associates and joint ventures	<b>12,869</b>	16,843	<b>12,869</b>	16,843
- Related companies	<b>230,946</b>	229,151	<b>207,069</b>	200,168
Less: Impairment losses	<b>(55,698)</b>	(67,447)	<b>(45,375)</b>	(57,363)
	<b>1,635,580</b>	2,021,044	<b>1,427,918</b>	1,831,833
<b>Non-trade</b>				
Other receivables	<b>32,666</b>	51,104	<b>39,587</b>	43,062
Prepayments and non-refundable deposits	<b>23,533</b>	19,731	<b>10,224</b>	7,258
Advances and loans to:				
- Associates and joint ventures	<b>1,945</b>	2,557	<b>1,945</b>	2,557
Amounts due from:				
- Holding company	<b>1,095</b>	747	<b>1,094</b>	613
- Subsidiaries	-	-	<b>15,174</b>	13,490
- Related companies	<b>19,001</b>	154,356	<b>17,275</b>	154,328
Subsidy receivables	<b>3,054,017</b>	3,389,977	<b>3,054,017</b>	3,389,977
Less: Impairment losses	<b>(4,377)</b>	(5,492)	<b>(3,616)</b>	(4,681)
	<b>3,127,880</b>	3,612,980	<b>3,135,700</b>	3,606,604
<b>Trade and other receivables</b>	<b>4,763,460</b>	5,634,024	<b>4,563,618</b>	5,438,437

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 & joint ventures and non-trade amount due from holding company, subsidiaries and related companies are unsecured, interest free and repayable on demand.

The Group and the Company's non-trade receivables include subsidy receivables totalling RM3,054,017,000, of which RM2,788,575,000 was collected as of 31 January 2025.

## Notes to the Financial Statements

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### 10. CASH AND CASH EQUIVALENTS

In RM'000	Group		Company	
	2024	2023	2024	2023
Cash with PETRONAS Integrated Financial Shared Services Centre	<b>1,848,612</b>	1,263,612	<b>1,484,085</b>	989,213
Cash and bank balances	<b>265,466</b>	243,441	<b>142,186</b>	116,157
	<b>2,114,078</b>	1,507,053	<b>1,626,271</b>	1,105,370

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 RM1,991,881,000 (2023: RM1,349,663,000) and RM1,519,600,000 (2023: RM1,075,264,000) respectively.

Included in cash and cash equivalents of the Group are RM65,779,000 (2023: RM28,216,000) 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

Group and Company	No of shares '000	2024	No of shares '000	2023
		Amount RM'000		Amount RM'000
<b>Issued and fully paid shares with no par value classified as equity instruments:</b>				
Ordinary shares	<b>993,454</b>	<b>993,454</b>	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.

### 12. RESERVES

#### Capital reserves

Capital reserves arose as a result of business combination of entities under the common control of PETRONAS and comprises 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.

#### Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of subsidiaries whose functional currencies are different from that of the Company's functional currency as well as foreign currency differences arising from the translation of monetary items that are considered to form part of a net investment in a foreign operation.

In the previous financial year, the foreign currency translation reserve of RM6,491,000 was derecognised upon dissolution of a foreign operation subsidiary.

## 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

In RM'000	Group		Company	
	2024	2023	2024	2023
<b>Non-current</b>				
<b>Secured</b>				
Lease liabilities	95,204	99,823	21,239	24,973
<b>Total non-current borrowings</b>	<b>95,204</b>	<b>99,823</b>	<b>21,239</b>	<b>24,973</b>
<b>Current</b>				
<b>Secured</b>				
Lease liabilities	12,758	51,396	9,229	48,546
<b>Unsecured</b>				
Sukuk facilities	-	1,000	-	1,000
<b>Total current borrowings</b>	<b>12,758</b>	<b>52,396</b>	<b>9,229</b>	<b>49,546</b>
<b>Total borrowings</b>	<b>107,962</b>	<b>152,219</b>	<b>30,468</b>	<b>74,519</b>

#### Terms and debt repayment schedule

Group 2024 In RM'000	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
<b>Secured</b>					
Lease liabilities	107,962	12,758	7,277	11,356	76,571
<b>Unsecured</b>					
Sukuk facilities	-	-	-	-	-
	<b>107,962</b>	<b>12,758</b>	<b>7,277</b>	<b>11,356</b>	<b>76,571</b>

Group 2023 In RM'000	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
<b>Secured</b>					
Lease liabilities	151,219	51,396	8,751	12,318	78,754
<b>Unsecured</b>					
Sukuk facilities	1,000	1,000	-	-	-
	<b>152,219</b>	<b>52,396</b>	<b>8,751</b>	<b>12,318</b>	<b>78,754</b>

## Notes to the Financial Statements

31 DECEMBER 2024

### 14. BORROWINGS (CONTINUED)

#### Terms and debt repayment schedule (continued)

Company 2024 In RM'000	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
<b>Secured</b>					
Lease liabilities	30,468	9,229	4,527	8,546	8,166
<b>Unsecured</b>					
Sukuk facilities	-	-	-	-	-
	<b>30,468</b>	<b>9,229</b>	<b>4,527</b>	<b>8,546</b>	<b>8,166</b>

Company 2023 In RM'000	Total	Under 1 year	1-2 years	2-5 years	Over 5 years
<b>Secured</b>					
Lease liabilities	73,519	48,546	6,720	8,958	9,295
<b>Unsecured</b>					
Sukuk facilities	1,000	1,000	-	-	-
	<b>74,519</b>	<b>49,546</b>	<b>6,720</b>	<b>8,958</b>	<b>9,295</b>

#### Sukuk facilities

In the previous financial year, 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 (2023: ICP on 25 August 2023).

The Sukuk facilities of the Company bear interest at 3.66% (2023: 3.50% - 3.66%).

#### Secured lease liabilities

The lease liabilities of the Group and the Company bear interests at rates ranging from 3.41% to 8.43% (2023: 3.41% to 8.43%) and 3.41% to 7.80% (2023: 3.41% to 7.80%) per annum respectively.



## Notes to the Financial Statements

31 DECEMBER 2024

### 14. BORROWINGS (CONTINUED)

#### Reconciliation of movement of liabilities to cash flows arising from financing activities

Group In RM'000	Borrowings	Dividends	Total
<b>Balance at 1 January 2024</b>	<b>152,219</b>	<b>-</b>	<b>152,219</b>
<i>Changes from financing cash flows</i>			
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)
<b>Total changes from financing cash flows</b>	<b>(66,359)</b>	<b>(884,174)</b>	<b>(950,533)</b>
<i>Other changes</i>			
- 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
<b>Balance at 31 December 2024</b>	<b>107,962</b>	<b>-</b>	<b>107,962</b>

Group In RM'000	Borrowings	Dividends	Total
<b>Balance at 1 January 2023</b>	<b>184,313</b>	<b>-</b>	<b>184,313</b>
<i>Changes from financing cash flows</i>			
Drawdown of:			
- Sukuk facilities	1,997	-	1,997
Repayment of:			
- Sukuk facilities	(997)	-	(997)
- Lease liabilities	(51,372)	-	(51,372)
Interest expenses:			
- Profit margin paid for Sukuk facilities	(18)	-	(18)
- Lease liabilities	(10,318)	-	(10,318)
Dividends paid	-	(923,913)	(923,913)
<b>Total changes from financing cash flows</b>	<b>(60,708)</b>	<b>(923,913)</b>	<b>(984,621)</b>
<i>Other changes</i>			
- Dividends declared	-	923,913	923,913
- Finance costs	10,336	-	10,336
- Addition of new leases	18,278	-	18,278
<b>Balance at 31 December 2023</b>	<b>152,219</b>	<b>-</b>	<b>152,219</b>

## Notes to the Financial Statements

31 DECEMBER 2024

### 14. BORROWINGS (CONTINUED)

#### Reconciliation of movement of liabilities to cash flows arising from financing activities (continued)

Company In RM'000	Borrowings	Dividends	Total
<b>Balance at 1 January 2024</b>	<b>74,519</b>	<b>-</b>	<b>74,519</b>
<i>Changes from financing cash flows</i>			
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)
<b>Total changes from financing cash flows</b>	<b>(57,204)</b>	<b>(884,174)</b>	<b>(941,378)</b>
<i>Other changes</i>			
- 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
<b>Balance at 31 December 2024</b>	<b>30,468</b>	<b>-</b>	<b>30,468</b>

Company In RM'000	Borrowings	Dividends	Total
<b>Balance at 1 January 2023</b>	<b>106,104</b>	<b>-</b>	<b>106,104</b>
<i>Changes from financing cash flows</i>			
Drawdown of:			
- Sukuk facilities	1,997	-	1,997
Repayment of:			
- Sukuk facilities	(997)	-	(997)
- Lease liabilities	(49,507)	-	(49,507)
Interest expenses:			
- Profit margin paid for Sukuk facilities	(18)	-	(18)
- Lease liabilities	(3,963)	-	(3,963)
Dividends paid	-	(923,913)	(923,913)
<b>Total changes from financing cash flows</b>	<b>(52,488)</b>	<b>(923,913)</b>	<b>(976,401)</b>
<i>Other changes</i>			
- Dividends declared	-	923,913	923,913
- Finance costs	3,981	-	3,981
- Addition of new leases	16,922	-	16,922
<b>Balance at 31 December 2023</b>	<b>74,519</b>	<b>-</b>	<b>74,519</b>

# Notes to the Financial Statements

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## 15. DEFERRED TAX

### Recognised deferred tax (liabilities)/assets

The components and movements of deferred tax liabilities and assets during the year are as follows:

Group In RM'000	At 1.1.2024	Credited/(Charged) to profit or loss	At 31.12.2024
<b>Deferred tax (liabilities)/assets</b>			
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)

Group In RM'000	At 1.1.2023	Credited/(Charged) to profit or loss	At 31.12.2023
<b>Deferred tax (liabilities)/assets</b>			
Property, plant and equipment	(147,978)	18,181	(129,797)
Contract liability - Loyalty Programme	19,459	(4,456)	15,003
Lease liabilities	14,084	38	14,122
Expected credit loss	3,861	319	4,180
Others	17,257	9,365	26,622
	(93,317)	23,447	(69,870)

Company In RM'000	At 1.1.2024	Credited/(Charged) to profit or loss	At 31.12.2024
<b>Deferred tax (liabilities)/assets</b>			
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)

Company In RM'000	At 1.1.2023	Credited/(Charged) to profit or loss	At 31.12.2023
<b>Deferred tax (liabilities)/assets</b>			
Property, plant and equipment	(118,375)	18,432	(99,943)
Contract liability - Loyalty Programme	19,459	(4,456)	15,003
Lease liabilities	3,653	38	3,691
Expected credit loss	3,800	319	4,119
Others	17,389	8,223	25,612
	(74,074)	22,556	(51,518)

# Notes to the Financial Statements

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## 16. OTHER LONG-TERM LIABILITIES AND PROVISIONS

In RM'000	Group		Company	
	2024	2023	2024	2023
Dismantling, removal and restoration costs	45,354	40,268	45,354	40,268

### 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	
	2024	2023
Balance at 1 January	40,268	36,074
Net changes in provision	817	(37)
Unwinding of discount	4,269	4,231
Balance at 31 December	45,354	40,268

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 2024, the provision for dismantling, removal and restoration costs is expected to be utilised as follows:

In RM'000	Group and Company
	2024
1 to 10 years	16,920
11 to 20 years	15,956
More than 20 years	12,478
	45,354



# Notes to the Financial Statements

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## 17. TRADE AND OTHER PAYABLES

In RM'000	Group		Company	
	2024	2023	2024	2023
<b>Trade</b>				
Trade payables	77,496	61,362	73,975	54,774
Contract liability	65,281	62,040	65,281	62,040
Amounts due to:				
- Subsidiaries	-	-	46,938	37,524
- Related companies	3,500,263	4,149,485	3,441,498	4,076,612
	<b>3,643,040</b>	<b>4,272,887</b>	<b>3,627,692</b>	<b>4,230,950</b>
<b>Non-trade</b>				
Other payables	783,877	829,627	658,305	715,672
Amounts due to:				
- Holding company	160,856	174,205	150,682	166,802
- Subsidiaries	-	-	8,249	6,179
- Associates and joint ventures	3,101	5,236	3,101	5,235
- Related companies	53,051	29,053	52,859	26,811
E-money liabilities	68,523	41,314	-	-
Duties payables	19,880	4,573	19,880	4,573
	<b>1,089,288</b>	<b>1,084,008</b>	<b>893,076</b>	<b>925,272</b>
<b>Trade and other payables</b>	<b>4,732,328</b>	<b>5,356,895</b>	<b>4,520,768</b>	<b>5,156,222</b>

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.

# Notes to the Financial Statements

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## 18. REVENUE

In RM'000	Group		Company	
	2024	2023	2024	2023
<b>Revenue from contracts with customers</b>				
Sales of petroleum products	37,608,068	37,270,034	37,020,107	36,714,994
Other revenue:				
- non-fuel business	309,269	259,165	-	-
- rendering of services	33,425	20,139	-	-
	<b>37,950,762</b>	<b>37,549,338</b>	<b>37,020,107</b>	<b>36,714,994</b>

### Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major products/services lines.

In RM'000	Group		Company	
	2024	2023	2024	2023
<b>Major products/services lines</b>				
- Retail	20,208,695	18,837,678	20,131,144	18,754,715
- Commercial	17,434,798	18,460,623	16,888,963	17,960,279
- Convenience	307,269	251,037	-	-
	<b>37,950,762</b>	<b>37,549,338</b>	<b>37,020,107</b>	<b>36,714,994</b>

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
<b>Retail</b>	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.
<b>Commercial</b>	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.
<b>Convenience</b>	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.

## Notes to the Financial Statements

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### 19. OPERATING PROFIT

In RM'000	Note	Group		Company	
		2024	2023	2024	2023
<b>Included in operating profit are the following charges:</b>					
Auditor's remuneration:					
Audit fees					
- KPMG PLT		913	889	599	582
Non audit service fees					
- KPMG PLT		318	112	318	112
- Local affiliates of KPMG PLT		44	-	-	-
Amortisation of intangible asset		97	387	-	-
Depreciation of property, plant and equipment	3	475,212	462,757	418,861	415,481
Expenses relating to short-term leases		15,286	9,438	14,544	9,007
Expenses relating to leases of low-value assets		120	183	72	118
Expenses relating to variable lease payments not included in the measurement of lease liabilities		254,867	203,505	254,826	203,504
Impairment losses on:					
- property, plant and equipment		9,796	5,745	9,796	5,745
- trade receivables		6,950	16,350	6,560	15,419
- other receivables		38	3,126	16	3,126
- investment in a subsidiary		-	-	11,111	-
Property, plant and equipment expensed off		1,521	1,862	382	429
Facility charges:					
- plant and equipment		56,794	54,259	56,612	54,151
- land and buildings		38,489	38,490	31,016	30,259
Staff costs:					
- wages, salaries and others		439,332	419,806	324,953	322,180
- contributions to Employees Provident Fund ("EPF")		55,895	55,042	43,941	43,956
Bad debts written off		1,045	3,575	1,032	3,557
Property, plant and equipment written off		22,923	9,599	14,708	9,110
Inventories written down to net realisable value	8	3,732	-	3,732	-
Net unrealised loss on foreign exchange		1,972	-	1,978	-
Net realised loss on foreign exchange		338	6,623	644	6,544

## Notes to the Financial Statements

31 DECEMBER 2024

### 19. OPERATING PROFIT (CONTINUED)

In RM'000	Note	Group		Company	
		2024	2023	2024	2023
<b>and credits:</b>					
Dividend income:					
- subsidiary		-	-	120,000	50,000
- associates	6	-	-	-	500
- joint ventures	7	-	-	1,140	750
Net gain on disposal of property, plant and equipment		2,377	5,797	2,452	5,797
Interest income		160,852	145,724	148,042	136,541
Net unrealised gain on foreign exchange		-	1,072	-	1,075
Income from rental of premises		2,974	2,469	23,832	22,926
Write back of impairment losses:					
- trade receivables		18,699	8,776	18,548	8,317
- other receivables		381	159	309	86

### 20. FINANCING COSTS

In RM'000	Note	Group		Company	
		2024	2023	2024	2023
<b>Recognised in profit or loss:</b>					
Unwinding of discount					
- Provision for dismantling, removal and restoration costs	16	4,269	4,231	4,269	4,231
Profit margin on Sukuk facilities	14	21	18	21	18
Interest on lease liabilities	14	8,772	10,318	2,425	3,963
<b>Total financing costs</b>		<b>13,062</b>	<b>14,567</b>	<b>6,715</b>	<b>8,212</b>

### 21. TAX EXPENSE/(CREDIT)

In RM'000	Group		Company	
	2024	2023	2024	2023
<b>Current tax expense</b>				
Current year	425,791	382,294	355,507	318,424
(Over)/Under provision in prior year	(14,632)	5,993	(14,818)	5,178
<b>Total current tax expense</b>	<b>411,159</b>	<b>388,287</b>	<b>340,689</b>	<b>323,602</b>
<b>Deferred tax expense/(credit)</b>				
Origination/(Reversal) of temporary differences	67	(1,688)	884	(1,234)
Under/(Over) provision in prior year	2,804	(21,759)	2,618	(21,322)
<b>Total deferred tax expense/(credit)</b>	<b>2,871</b>	<b>(23,447)</b>	<b>3,502</b>	<b>(22,556)</b>
<b>Total tax expense</b>	<b>414,030</b>	<b>364,840</b>	<b>344,191</b>	<b>301,046</b>



## Notes to the Financial Statements

31 DECEMBER 2024

### 21. TAX EXPENSE/(CREDIT) (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	%	2024	%	2023
Profit before taxation		1,530,662		1,331,618
Taxation at Malaysian statutory tax rate	24	367,359	24	319,588
Non deductible expenses, net of non assessable income	3	53,484	5	58,892
Effect of net deferred tax losses unrecognised	1	5,015	-	2,126
	28	425,858	29	380,606
(Over)/Under provision in prior years				
- current tax expense	(1)	(14,632)	-	5,993
- deferred tax expense	-	2,804	(2)	(21,759)
Tax expense	27	414,030	27	364,840

Company In RM'000	%	2024	%	2023
Profit before taxation		1,406,576		1,176,681
Taxation at Malaysian statutory tax rate	24	337,578	24	282,403
Non deductible expenses, net of non assessable income	1	18,813	3	34,787
	25	356,391	27	317,190
(Over)/Under provision in prior years				
- current tax expense	(1)	(14,818)	-	5,178
- deferred tax expense	-	2,618	(2)	(21,322)
Tax expense	24	344,191	25	301,046

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

On 2 June 2023, the MASB has also issued the Amendments to MFRS 112 Income Taxes International Tax Reform - Pillar Two Model Rules. This pronouncement is effective from annual period beginning on or after 1 January 2023. On 29 December 2023, Pillar Two legislation has been enacted in Malaysia, which will come into effect on 1 January 2025.

The Amendments to MFRS 112 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 assessment of the Pillar Two income taxes is performed based on best financial statements information available for the constituent entities in the 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 as at 31 December 2024, the Pillar Two effective tax rates in jurisdictions in which the Company operates are above 15%. Therefore, the Company does not expect a potential exposure to Pillar Two top-up taxes.

## Notes to the Financial Statements

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### 21. TAX EXPENSE/(CREDIT) (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:

In RM'000	Group	
	2024	2023
Deductible temporary differences	(28,845)	(24,357)
Unutilised tax losses	59,229	61,763
Unabsorbed capital allowance	102,526	74,608
	132,910	112,014

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 RM7,536,000 will expire in 2030, RM11,004,000 in 2031, RM5,460,000 in 2032, RM9,953,000 in 2033, RM17,687,000 in 2034 and RM7,589,000 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:

In RM'000	Group	
	2024	2023
Profit for the year attributable to shareholders	1,086,628	943,076
Number of ordinary shares ('000)	993,454	993,454
Basic earnings per ordinary share (in sen)	109.4	94.9

#### Basic earnings per share

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

In RM'000	Company	
	2024	2023
<b>In respect of financial year ended 31 December 2023:</b>		
Quarter 4: interim dividend of 27.0 sen per ordinary share (2022: 26.0 sen)	268,233	258,298
Quarter 4: special dividend of nil sen per ordinary share (2022: 14.0 sen)	-	139,084
<b>In respect of financial year ended 31 December 2024:</b>		
Quarter 1: interim dividend of 18.0 sen per ordinary share (2023: 15.0 sen)	178,822	149,018
Quarter 2: interim dividend of 20.0 sen per ordinary share (2023: 18.0 sen)	198,690	178,822
Quarter 3: interim dividend of 24.0 sen per ordinary share (2023: 20.0 sen)	238,429	198,691
	<b>884,174</b>	<b>923,913</b>

The Directors had on 20 February 2025 declared an interim dividend of 25.0 sen per ordinary share amounting to RM248,363,500 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 2024. The interim and special dividends have not been accounted for in the financial statements for the year ended 31 December 2024.

### 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

In RM'000	Group and Company	
	2024	2023
<b>Directors</b>		
- Fees	1,378	1,508
- Other short-term employee benefits	42	42
	<b>1,420</b>	<b>1,550</b>

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:

In RM'000	Group	
	2024	2023
<b>Federal and State Government of Malaysia:</b>		
Sales of petroleum products	382,546	420,792
<b>Government of Malaysia's related entities:</b>		
Sales of petroleum products	7,776,993	7,495,653
<b>Holding company:</b>		
Sales of petroleum products	726	847
Sales of other products	25,325	7,195
Facility charges	(27,586)	(23,885)
Reimbursement of key management personnel costs and benefits	(1,847)	(1,683)
Interest income from PETRONAS IFSSC	156,804	139,778
Treasury Management Services	(1,887)	(1,651)
Fees for representation in the Board of Directors*	(372)	(362)
Information, communication and technology charges	(71,003)	(78,391)
Technical manpower services and training	(6,518)	(4,950)
Corporate services charges	(38,184)	(42,838)
<b>Related companies:</b>		
Sales of petroleum products	1,028,739	1,373,103
Sales of other products	28,525	19,523
Purchases of petroleum products	(42,379,331)	(44,303,318)
Information, communication and technology charges	(66,907)	(53,785)
Facility charges	(5,322)	(5,535)
Lease expenses	(2,369)	(2,374)
Technical manpower services and training	(29,862)	(34,345)
<b>Associate companies:</b>		
Sales of petroleum products	538	600
Facility charges	(10,071)	(10,261)
<b>Joint ventures:</b>		
Sales of petroleum products	198,959	127,298
Facility charges	(40,742)	(37,111)

\*Fees paid directly to holding company in respect of directors who are appointees of the holding company.



## Notes to the Financial Statements

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### 24. RELATED PARTIES DISCLOSURES (CONTINUED)

#### Significant transactions with related parties (continued)

In RM'000	Company	
	2024	2023
<b>Federal and State Government of Malaysia:</b>		
Sales of petroleum products	382,546	420,792
<b>Government of Malaysia's related entities:</b>		
Sales of petroleum products	7,762,596	7,482,671
<b>Holding company:</b>		
Sales of petroleum products	726	847
Facility charges	(25,541)	(23,885)
Reimbursement of key management personnel costs and benefits	(1,847)	(1,683)
Interest income from PETRONAS IFSSC	145,445	134,558
Treasury Management Services	(1,792)	(1,629)
Fees for representation in the Board of Directors*	(372)	(362)
Information, communication and technology charges	(71,003)	(76,812)
Corporate services charges	(33,063)	(40,023)
<b>Subsidiaries:</b>		
Sales of other products	114,918	108,885
<b>Related companies:</b>		
Sales of petroleum products	1,026,256	1,324,867
Sales of other products	14,200	6,015
Purchases of petroleum products	(41,896,576)	(43,841,624)
Information, communication and technology charges	(59,478)	(53,785)
Facility charges	(5,322)	(4,348)
Lease expenses	(2,369)	(2,374)
Technical manpower services and training	(29,862)	(30,764)
<b>Associate companies:</b>		
Sales of petroleum products	538	600
Facility charges	(10,071)	(10,261)
<b>Joint ventures:</b>		
Sales of petroleum products	198,959	127,298
Facility charges	(40,742)	(37,111)

\*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 2024 are disclosed in Note 9 and Note 17 as well as lease liabilities balances as follows:

In RM'000	Group		Company	
	2024	2023	2024	2023
Related companies	2,930	4,403	2,930	4,403

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		Company	
	2024	2023	2024	2023
<b>Property, plant and equipment</b>				
Approved and contracted for	68,579	87,102	61,455	75,805
Approved but not contracted for	365,754	397,898	314,943	265,657
	434,333	485,000	376,398	341,462

### 26. OPERATING SEGMENTS

As at 31 December 2024, 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.

Group 2024 Business Segments In RM'000	Retail	Commercial	Convenience	Total
Revenue	20,208,695	17,434,798	307,269	37,950,762
Depreciation and amortisation	369,015	70,231	36,063	475,309
Other income	198,991	110,889	6,229	316,109
Operating profit	884,586	611,826	51,730	1,548,142
Financing costs	(5,538)	(7,263)	(261)	(13,062)
Share of loss after tax of associates and joint ventures				(4,418)
<b>Profit before taxation</b>				<b>1,530,662</b>

## Notes to the Financial Statements

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### 26. OPERATING SEGMENTS (CONTINUED)

Group 2023 Business Segments In RM'000	Retail	Commercial	Convenience	Total
Revenue	18,837,678	18,460,623	251,037	37,549,338
Depreciation and amortisation	370,337	57,738	35,069	463,144
Other income	215,842	91,586	7,124	314,552
Operating profit	798,605	524,743	27,739	1,351,087
Financing costs	(5,814)	(8,263)	(490)	(14,567)
Share of loss after tax of associates and joint ventures				(4,902)
<b>Profit before taxation</b>				<b>1,331,618</b>

#### 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 2024, there are no major customers with revenue that contribute to more than 10 percent of the Group's revenue.

### 27. CONTINGENCIES

In RM'000	Group	
	2024	2023
<b>Contingent assets</b>		
An award in favour of a subsidiary was issued by the arbitrator in 2018 following an arbitration proceeding, which allowed additional costs and expenses for restructuring works at one of the subsidiary's major facility. The final settlement was received during the year, and the contingent asset has been fully realised.	-	26,662

In the normal course of business, the Group is subject to several contingencies arising from litigations and claims brought by various parties. As at 31 December 2024, there were no material contingent liabilities since the last audited consolidated statement of financial position.

## Notes to the Financial Statements

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### 28. FINANCIAL INSTRUMENTS

#### Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

Group 2024 In RM'000	Note	Amortised cost	Total carrying amount
<b>Financial assets</b>			
Trade and other receivables	*	<b>4,739,927</b>	<b>4,739,927</b>
Cash and cash equivalents	10	<b>2,114,078</b>	<b>2,114,078</b>
		<b>6,854,005</b>	<b>6,854,005</b>
<b>Financial liabilities</b>			
Trade and other payables	*	<b>(4,667,047)</b>	<b>(4,667,047)</b>

Group 2023 In RM'000	Note	Amortised cost	Total carrying amount
<b>Financial assets</b>			
Trade and other receivables	*	5,614,293	5,614,293
Cash and cash equivalents	10	1,507,053	1,507,053
		7,121,346	7,121,346
<b>Financial liabilities</b>			
Trade and other payables	*	(5,294,855)	(5,294,855)
Sukuk facilities		(1,000)	(1,000)
		(5,295,855)	(5,295,855)

\*These balances exclude non-financial instruments balances.



## Notes to the Financial Statements

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### 28. FINANCIAL INSTRUMENTS (CONTINUED)

#### Categories of financial instruments (continued)

Company 2024 In RM'000	Note	Amortised cost	Total carrying amount
<b>Financial assets</b>			
Trade and other receivables	*	4,553,394	4,553,394
Cash and cash equivalents	10	1,626,271	1,626,271
		<b>6,179,665</b>	<b>6,179,665</b>
<b>Financial liabilities</b>			
Trade and other payables	*	(4,455,487)	(4,455,487)
<b>Company 2023 In RM'000</b>			
	Note	Amortised cost	Total carrying amount
<b>Financial assets</b>			
Trade and other receivables	*	5,431,179	5,431,179
Cash and cash equivalents	10	1,105,370	1,105,370
		<b>6,536,549</b>	<b>6,536,549</b>
<b>Financial liability</b>			
Trade and other payables	*	(5,094,182)	(5,094,182)
Sukuk facilities		(1,000)	(1,000)
		<b>(5,095,182)</b>	<b>(5,095,182)</b>

\*These balances exclude non-financial instruments balances.

#### Financial risk management

The Group and the Company are exposed to various risks, that are particular to its 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 rates 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

31 DECEMBER 2024

### 28. 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 and other 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, 93% (2023: 92%) 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, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position.

At each reporting date, the Group and the Company assesses 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 12% (2023: 13%) of the total trade receivables of the Group.

In addition, there is a significant concentration of credit risk of the Group on the amount owing from the Government constituting 98% (2023: 93%) of the total other receivables of the Group. The amount related to subsidies arising from the Automatic Pricing Mechanism governing the sales of petroleum products.

## Notes to the Financial Statements

31 DECEMBER 2024

### 28. FINANCIAL INSTRUMENTS (CONTINUED)

#### i. Trade and other receivables (continued)

##### Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group and the Company monitors its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The Group and the Company perform credit rating assessment of 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 2024 which are grouped together as they are expected to have similar risk nature.

Group 2024 In RM'000	Note	Gross carrying amount	Loss allowance	Net balance
<b>Credit Risk Rating</b>				
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
		<b>1,638,896</b>	<b>(3,316)</b>	<b>1,635,580</b>
<b>Credit impaired:</b>				
Individually impaired		52,382	(52,382)	—
		<b>1,691,278</b>	<b>(55,698)</b>	<b>1,635,580</b>
<b>Representing:</b>				
Trade receivables	9	<b>1,691,278</b>	<b>(55,698)</b>	<b>1,635,580</b>

## Notes to the Financial Statements

31 DECEMBER 2024

### 28. FINANCIAL INSTRUMENTS (CONTINUED)

#### i. Trade and other receivables (continued)

##### Recognition and measurement of impairment loss (continued)

Group 2023 In RM'000	Note	Gross carrying amount	Loss allowance	Net balance
<b>Credit Risk Rating</b>				
Sovereign		35,511	-	35,511
Excellent		372,203	(103)	372,100
Good		952,555	(1,029)	951,526
Fair		678,650	(16,743)	661,907
		<b>2,038,919</b>	<b>(17,875)</b>	<b>2,021,044</b>
<b>Credit impaired:</b>				
Individually impaired		49,572	(49,572)	-
		<b>2,088,491</b>	<b>(67,447)</b>	<b>2,021,044</b>
<b>Representing:</b>				
Trade receivables	9	<b>2,088,491</b>	<b>(67,447)</b>	<b>2,021,044</b>

Company 2024 In RM'000	Note	Gross carrying amount	Loss allowance	Net balance
<b>Credit Risk Rating</b>				
Sovereign		30,909	-	30,909
Excellent		303,133	(86)	303,047
Good		782,138	(920)	781,218
Fair		314,742	(1,998)	312,744
		<b>1,430,922</b>	<b>(3,004)</b>	<b>1,427,918</b>
<b>Credit impaired:</b>				
Individually impaired		42,371	(42,371)	-
		<b>1,473,293</b>	<b>(45,375)</b>	<b>1,427,918</b>
<b>Representing:</b>				
Trade receivables	9	<b>1,473,293</b>	<b>(45,375)</b>	<b>1,427,918</b>



## Notes to the Financial Statements

31 DECEMBER 2024

### 28. FINANCIAL INSTRUMENTS (CONTINUED)

#### i. Trade and other receivables (continued)

##### Recognition and measurement of impairment loss (continued)

Company 2023 In RM'000	Note	Gross carrying amount	Loss allowance	Net balance
<b>Credit Risk Rating</b>				
Sovereign		35,511	-	35,511
Excellent		308,151	(96)	308,055
Good		873,644	(792)	872,852
Fair		631,955	(16,540)	615,415
		1,849,261	(17,428)	1,831,833
<b>Credit impaired:</b>				
Individually impaired		39,935	(39,935)	-
		1,889,196	(57,363)	1,831,833
<b>Representing:</b>				
Trade receivables	9	1,889,196	(57,363)	1,831,833

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:

In RM'000	Group		Company	
	2024	2023	2024	2023
<b>At net</b>				
Current	1,571,975	1,925,399	1,382,277	1,754,292
Past due 1 to 30 days	11,386	59,819	5,218	53,683
Past due 31 to 60 days	3,195	8,579	849	6,873
Past due 61 to 90 days	2,242	3,813	631	678
Past due more than 90 days	46,782	23,434	38,943	16,307
	1,635,580	2,021,044	1,427,918	1,831,833
<b>Representing:</b>				
Trade receivables (Note 9)	1,691,278	2,088,491	1,473,293	1,889,196
Less: Impairment losses (Note 9)	(55,698)	(67,447)	(45,375)	(57,363)
	1,635,580	2,021,044	1,427,918	1,831,833

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 2024

### 28. FINANCIAL INSTRUMENTS (CONTINUED)

#### i. Trade and other receivables (continued)

##### Recognition and measurement of impairment loss (continued)

Trade receivables which are credit impaired amounting to RM55,698,000 (2023: RM67,447,000) 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 RM162,210,000 (2023: RM170,416,000).

The movements in the allowance for impairment losses of trade receivables during the year are as follows:

In RM'000	Group		Company	
	2024	2023	2024	2023
Opening balance	67,447	59,873	57,363	50,261
Impairment loss recognised	6,950	16,350	6,560	15,419
Impairment loss reversed	(18,699)	(8,776)	(18,548)	(8,317)
Closing balance	55,698	67,447	45,375	57,363

#### 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 its trade and other payables, and borrowings. In managing its liquidity risk, the Group and the Company maintains 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 2024

## 28. 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 2024 In RM'000	Carrying amount	Effective interest rates per annum/ discount rate %	Contractual cash flows	Within 1 year
<b>Financial liabilities</b>				
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
	<b>4,775,009</b>		<b>4,883,810</b>	<b>4,686,968</b>

continue below

Group 2024 In RM'000	1-2 years	2-5 years	More than 5 years
<b>Financial liabilities</b>			
Lease liabilities	14,608	36,639	142,595
Trade and other payables	-	-	-
	<b>14,608</b>	<b>36,639</b>	<b>142,595</b>

continued from above

Group 2023 In RM'000	Carrying amount	Effective interest rates per annum/ discount rate %	Contractual cash flows	Within 1 year
<b>Financial liabilities</b>				
Lease liabilities	151,219	3.41-8.43	275,509	61,996
Trade and other payables	5,294,855	-	5,294,855	5,294,855
Sukuk facilities	1,000	3.66	1,000	1,000
	<b>5,447,074</b>		<b>5,571,364</b>	<b>5,357,851</b>

continue below

Group 2023 In RM'000	1-2 years	2-5 years	More than 5 years
<b>Financial liabilities</b>			
Lease liabilities	16,684	41,911	154,918
Trade and other payables	-	-	-
Sukuk facilities	-	-	-
	<b>16,684</b>	<b>41,911</b>	<b>154,918</b>

continued from above

# Notes to the Financial Statements

31 DECEMBER 2024

## 28. FINANCIAL INSTRUMENTS (CONTINUED)

### Liquidity risk (continued)

#### Maturity analysis (continued)

Company 2024 In RM'000	Carrying amount	Discount rate %	Contractual cash flows	Within 1 year
<b>Financial liabilities</b>				
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
	<b>4,485,955</b>		<b>4,495,740</b>	<b>4,466,186</b>

continue below

Company 2024 In RM'000	1-2 years	2-5 years	More than 5 years
<b>Financial liabilities</b>			
Lease liabilities	5,683	11,960	11,911
Trade and other payables	-	-	-
	<b>5,683</b>	<b>11,960</b>	<b>11,911</b>

continued from above

Company 2023 In RM'000	Carrying amount	Effective interest rates per annum/ discount rate %	Contractual cash flows	Within 1 year
<b>Financial liabilities</b>				
Lease liabilities	73,519	3.41 - 7.80	92,581	53,278
Trade and other payables	5,094,182	-	5,094,182	5,094,182
Sukuk facilities	1,000	3.66	1,000	1,000
	<b>5,168,701</b>		<b>5,187,763</b>	<b>5,148,460</b>

continue next page



## Notes to the Financial Statements

31 DECEMBER 2024

### 28. FINANCIAL INSTRUMENTS (CONTINUED)

#### Liquidity risk (continued)

#### Maturity analysis (continued)

Company 2023 In RM'000	1-2 years	2-5 years	More than 5 years
<b>Financial liabilities</b>			
Lease liabilities	8,237	13,702	17,364
Trade and other payables	-	-	-
Sukuk facilities	-	-	-
	8,237	13,702	17,364

*continued from previous page*

#### 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, 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 placement 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.

## Notes to the Financial Statements

31 DECEMBER 2024

### 28. FINANCIAL INSTRUMENTS (CONTINUED)

#### Market risk (continued)

#### Foreign exchange risk (continued)

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	2024 Denominated in USD	2023 Denominated in USD
<b>Financial asset</b>		
Trade and other receivables	146,763	287,463
<b>Financial liabilities</b>		
Trade and other payables	(19,150)	(104,241)
Lease liabilities	(1,986)	(47,818)
	125,627	135,404

Company In RM'000	2024 Denominated in USD	2023 Denominated in USD
<b>Financial asset</b>		
Trade and other receivables	146,763	287,055
<b>Financial liabilities</b>		
Trade and other payables	(18,398)	(104,241)
Lease liabilities	(1,986)	(47,818)
	126,379	134,996

Sensitivity analysis for a given market variable provided in this note, discloses the effect on profit or loss and equity as at 31 December 2024 assuming that a reasonably possible change in the relevant market variable had occurred at 31 December 2024 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.

## Notes to the Financial Statements

31 DECEMBER 2024

### 28. FINANCIAL INSTRUMENTS (CONTINUED)

#### Market risk (continued)

##### Foreign exchange risk (continued)

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:

	Appreciation in foreign currency rate %	Group	Company
		Effect on profit or loss RM'000	Effect on profit or loss RM'000
<b>2024</b>			
USD	10	12,563	12,638
<b>2023</b>			
USD	10	13,540	13,500

A depreciation in USD would have had equal but opposite effect, on the basis that all other variables remain constant.

#### 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.

The following table analyses financial instruments not carried at fair value for which fair value is disclosed, together with the carrying amounts shown in the statement of financial position:

Group 2024 In RM'000	Fair value of financial instruments not carried at fair value		Carrying amount
	Level 3	Total	
<b>Financial liability</b>			
Sukuk facilities	-	-	-

Group 2023 In RM'000	Fair value of financial instruments not carried at fair value		Carrying amount
	Level 3	Total	
<b>Financial liability</b>			
Sukuk facilities	965	965	1,000

#### 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 rate of interest at the end of the reporting period.

## Notes to the Financial Statements

31 DECEMBER 2024

### 28. FINANCIAL INSTRUMENTS (CONTINUED)

#### Income/(expense), net gains and losses arising from financial instruments

Group 2024 In RM'000	Interest income	Interest expense	Net impairment writeback/(loss)	Others*	Total
Financial assets at amortised cost	160,852	-	11,047	(285)	171,614
Financial liabilities at amortised cost	-	(21)	-	(2,025)	(2,046)
<b>Total</b>	<b>160,852</b>	<b>(21)</b>	<b>11,047</b>	<b>(2,310)</b>	<b>169,568</b>

Group 2023 In RM'000	Interest income	Interest expense	Net impairment writeback/(loss)	Others*	Total
Financial assets at amortised cost	145,724	-	(14,116)	4,452	136,060
Financial liabilities at amortised cost	-	(18)	-	(10,003)	(10,021)
<b>Total</b>	<b>145,724</b>	<b>(18)</b>	<b>(14,116)</b>	<b>(5,551)</b>	<b>126,039</b>

Company 2024 In RM'000	Interest income	Interest expense	Net impairment writeback/(loss)	Others*	Total
Financial assets at amortised cost	148,042	-	11,249	(300)	158,991
Financial liabilities at amortised cost	-	(21)	-	(2,322)	(2,343)
<b>Total</b>	<b>148,042</b>	<b>(21)</b>	<b>11,249</b>	<b>(2,622)</b>	<b>156,648</b>

Company 2023 In RM'000	Interest income	Interest expense	Net impairment writeback/(loss)	Others*	Total
Financial assets at amortised cost	136,541	-	(13,699)	4,523	127,365
Financial liabilities at amortised cost	-	(18)	-	(9,992)	(10,010)
<b>Total</b>	<b>136,541</b>	<b>(18)</b>	<b>(13,699)</b>	<b>(5,469)</b>	<b>117,355</b>

\*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.

### 29. CAPITAL MANAGEMENT

The objective of the Group's capital management is to maintain an optimal capital structure and ensure availability of funds to support its business and maximise shareholders' value. The Group monitors and maintains a prudent level of total debt to total asset, if any.

There were no changes in the Group's approach to capital management during the year.

The debt to equity ratio of the Group as at 31 December 2024 is 1.8:100 (2023: 2.6:100).

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.



Notes to the Financial Statements

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30. HOLDING AND ULTIMATE HOLDING COMPANY

The holding and ultimate holding company is Petroliam Nasional Berhad ("PETRONAS"), a company incorporated in Malaysia.

31. SUBSIDIARIES AND ACTIVITIES

	Effective ownership interest and voting interest		Principal Activities
	2024 %	2023 %	
<b>Companies incorporated in Malaysia</b>			
Mesra Retail & Cafe Sdn. Bhd.	100	100	Managing the operations of Mesra convenience stores, food & beverage and managing petrol station.
PETRONAS Aviation Sdn. Bhd.	100	100	Providing technical consultancy services.
PETRONAS Lubricants Marketing (Malaysia) Sdn. Bhd.	100	100	Marketing and distribution of petroleum products.
Setel Express Sdn. Bhd.	100	100	Sale of PETRONAS merchandise via retail marketing and e-commerce.
Setel Pay Sdn. Bhd.	100	100	Issuing and operating electronic money ("e-money") and the Company is currently dormant.
Setel Ventures Sdn. Bhd.	100	100	Principally engaged in providing seamless payment solutions.
Kuala Lumpur Aviation Fuelling System Sdn. Bhd.	65	65	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.

32. ASSOCIATES AND ACTIVITIES

	Effective ownership interest and voting interest		Principal Activities
	2024 %	2023 %	
<b>Companies incorporated in Malaysia</b>			
*IOT Management Sdn. Bhd.	20	20	Managing independent oil terminals at Senari, Kuching.
*Tanjung Manis Oil Terminal Management Sdn. Bhd.	20	20	Managing oil terminals at Tanjung Manis.

\*Audited by firm of auditors other than KPMG PLT.

Notes to the Financial Statements

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33. JOINT VENTURES AND ACTIVITIES

	Effective ownership interest and voting interest		Principal Activities
	2024 %	2023 %	
<b>Companies incorporated in Malaysia</b>			
P S Pipeline Sdn. Bhd.	50	50	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 Sdn. Bhd.	50	50	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	To supply industrial bulk, commercial and residential LPG.

\*Audited by firm of auditors other than KPMG PLT.

34. ADOPTION OF REVISED PRONOUNCEMENTS

During the financial year, the Group and the Company adopted the following pronouncements that have been issued by the MASB and are applicable as listed below:

- Effective for annual periods beginning on or after 1 January 2024
- Amendments to MFRS 101 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 101 Presentation of Financial Statements (Non-current Liabilities with Covenants)
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures (Supplier Finance Arrangements)
- Amendments to MFRS 16 Leases (Lease Liability in a Sale and Leaseback)

The initial application of the above-mentioned pronouncements did not have any material impact to the financial statements of the Group and the Company.

# Notes to the Financial Statements

31 DECEMBER 2024

## 35. 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 2025**  
 Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

**Effective for annual periods beginning on or after 1 January 2026**  
 Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures (Amendments to the 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)*

**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 are 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 will replace MFRS 101 *Presentation of Financial Statements*, which retains majority of the requirements of MFRS 101 and complementing them with new requirements. In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

MFRS 18 introduces new key requirements as follows:

- i. Statement of Profit or Loss and Other Comprehensive Income:**  
 The standard requires reclassification of all income and expenses within the statement of profit or loss into five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. The standard also requires to present a newly-defined operating profit subtotal, and the net profit will not change.
- ii. Statement of Cash Flows:**  
 The standard requires to disclose the starting point for cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and the optionality around classification of cash flows from dividends and interest are removed.
- iii. Management-defined Performance Measures ("MPMs") and guidance on Aggregation and Disaggregation:**  
 The standard requires MPMs are disclosed in a single note in the financial statements and enhanced guidance is provided on aggregation and disaggregation of financial information.

The Group and the Company are currently assessing the impact of MFRS 18, particularly with respect to the structure of the statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group and the Company are also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

## 36. 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 is 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*

# 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 2024 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 272 to 340.

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 2024, 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"), 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 2.14 – Material accounting policy: Revenue and Note 18 – Revenue.

### The key audit matter

The main revenue streams of the Group are split into retail, commercial and convenience. Revenue recognition is a key audit matter due to risk that revenue may be overstated arising from pressure faced by the Group in achieving performance targets as revenue recognition has a 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 current 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; and
- 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 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 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 the 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

**Vengadesh A/L Jogarajah**  
Approval Number: 03337/12/2025 J  
Chartered Accountant

Petaling Jaya

Date: 20 February 2025

# Analysis of Shareholdings

AS AT 28 FEBRUARY 2025

## 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	2,290	22.969	8,118	0.001
100 – 1,000	2,992	30.010	1,541,415	0.155
1,001 – 10,000	4,014	40.261	10,820,387	1.090
10,001 – 100,000	477	4.784	15,997,115	1.610
100,001 to less than 5% of issued shares	195	1.956	248,406,602	25.004
5% and above of issued shares	2	0.020	716,680,363	72.140
<b>TOTAL</b>	<b>9,970</b>	<b>100.00</b>	<b>993,454,000</b>	<b>100.00</b>

## CLASSIFICATION OF SHAREHOLDERS

Category	No. of Shareholders		No. of Shares		% of Total Shareholdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
• Individuals	8,019	70	14,583,335	270,241	1.468	0.027
• Body Corporate						
a. Banks/Finance Companies	23	1	113,758,300	1,000	11.451	0.000
b. Investment Trusts/Foundation/Charities	17	0	41,000	0	0.004	0.000
c. Other types of companies	169	3	2,658,900	34,000	0.268	0.003
• Government Agencies/ Institutions	6	0	7,413,300	0	0.746	0.000
• Nominees	1,039	621	774,296,329	80,375,593	77.940	8.091
• Others	2	0	22,002	0	0.002	0.000
<b>TOTAL</b>	<b>9,275</b>	<b>695</b>	<b>912,773,166</b>	<b>80,680,834</b>	<b>91.879</b>	<b>8.121</b>

# Analysis of Shareholdings

AS AT 28 FEBRUARY 2025

## LIST OF SUBSTANTIAL SHAREHOLDERS

	No. of Shares	% of Total Shareholding	
<b>Petroleum Nasional Berhad</b> <b>Petroleum Nasional Berhad (PRF)</b> Registered with : <i>CIMB Group Nominees (Tempatan) Sdn. Bhd.</i>	635,000,400 200,900	63.94	635,201,300
<b>Employees Provident Fund Board</b> Registered with : <i>Citigroup Nominees (Tempatan) Sdn. Bhd. (#7 CDS Accs)</i>	123,666,819	12.45	123,666,819
<b>TOTAL</b>		<b>76.39</b>	<b>758,868,119</b>

## 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.	TUNKU ALIZAKRI RAJA MUHAMMAD ALIAS	Nil	Nil	Nil	Nil
9.	MOHD YUZAIDI MOHD YUSOFF	Nil	Nil	Nil	Nil



## Analysis of Shareholdings

AS AT 28 FEBRUARY 2025

### 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.	FARZLINA AHMAD MURAD	Nil	Nil	Nil	Nil
4.	SAZLINA AHAMAD	Nil	Nil	Nil	Nil
5.	NORAZLAN SUBAHA	Nil	Nil	Nil	Nil
6.	HARDEEP SINGH KIRPAL SINGH	Nil	Nil	Nil	Nil
7.	ANTON SALLEH HASHIM	Nil	Nil	Nil	Nil
8.	CHEOK YEN KWAN	Nil	Nil	Nil	Nil
9.	NORMAH BASRI	Nil	Nil	Nil	Nil
10.	SORAYA YAHYA	Nil	Nil	Nil	Nil
11.	HARLINA PIKRI	Nil	Nil	Nil	Nil
12.	AHMAD YUSMADI MOHAMED YUSOFF	Nil	Nil	Nil	Nil
13.	AMIR ZAFILY ZAKARIA	Nil	Nil	Nil	Nil
14.	MOHD ZAMEER ZAHUR HUSSAIN	Nil	Nil	Nil	Nil
15.	IAN MALCOLM CRUDDAS	Nil	Nil	Nil	Nil

## Analysis of Shareholdings

AS AT 28 FEBRUARY 2025

### 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	81,679,963	8.222
3.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	35,992,400	3.623
4.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	35,902,135	3.614
5.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA	19,035,900	1.916
6.	LEMBAGA TABUNG HAJI	14,362,500	1.446
7.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 2 - WAWASAN	8,845,700	0.890
8.	PERMODALAN NASIONAL BERHAD	7,069,600	0.712
9.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3	6,451,100	0.649
10.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	5,997,700	0.604
11.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD STATE STREET LONDON FUND OQ78 FOR ISHARES IV PUBLIC LIMITED COMPANY	5,607,900	0.564
12.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	5,601,500	0.564
13.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CGS CIMB)	4,950,021	0.498
14.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	4,851,140	0.488
15.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	4,464,507	0.449

## Analysis of Shareholdings

AS AT 28 FEBRUARY 2025

No.	Name	No. of Shares	% of Total Shares
16.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	4,091,800	0.412
17.	AMANAHRAYA TRUSTEES BERHAD AMANA SAHAM BUMIPUTERA 3 - DIDIK	3,823,900	0.385
18.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	2,464,000	0.248
19.	CARTABAN NOMINEES (ASING) SDN BHD BNYM SA/NV FOR PEOPLE'S BANK OF CHINA	2,430,200	0.245
20.	PERTUBUHAN KESELAMATAN SOSIAL	2,356,400	0.237
21.	CARTABAN NOMINEES (ASING) SDN BHD BNYM SA/NV FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM)	2,055,943	0.207
22.	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC DIVIDEND FUND	2,054,400	0.207
23.	MAYBANK NOMINEES (TEMPATAN) SDN BHD SETIAUSAHA KERAJAAN PULAU PINANG	2,000,000	0.201
24.	STATE FINANCIAL SECRETARY SARAWAK	2,000,000	0.201
25.	STATE SECRETARY, KEDAH (INCORPORATION)	1,800,000	0.181
26.	PERTUBUHAN KESELAMATAN SOSIAL PKSACT41969 P4 (ESG)	1,772,700	0.178
27.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	1,696,700	0.171
28.	PERTUBUHAN KESELAMATAN SOSIAL PKSACT41969 P2	1,607,400	0.162
29.	CITIGROUP NOMINEES (ASING) SDN BHD CB SPORE GW FOR GOVERNMENT OF SINGAPORE (GIC C)	1,605,504	0.162
30.	PERTUBUHAN KESELAMATAN SOSIAL ACT800/2017-SIP	1,280,500	0.129
		<b>908,851,913</b>	<b>91.484</b>

## 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	424,165	117	4,387,220	272,791	93	19,678,893	696,956	210	24,066,113	123,813
NORTHERN REGION	191,246	84	3,680,319	46,853	41	5,689,004	238,099	125	9,369,323	217,139
SOUTHERN REGION	364,010	140	5,536,755	75,793	45	1,664,964	439,803	185	7,201,720	103,184
EAST COAST REGION	67,529	37	1,593,158	34,962	55	1,955,778	102,491	92	3,548,935	22,969
SARAWAK	11,721	4	183,095	23,012	36	1,441,916	34,733	40	1,625,011	13,224
SABAH	215	1	49,223	29,475	37	2,534,198	29,690	38	2,583,421	16,567
<b>Grand Total</b>	<b>1,058,886</b>	<b>383</b>	<b>15,429,770</b>	<b>482,887</b>	<b>307</b>	<b>32,964,753</b>	<b>1,541,771</b>	<b>690</b>	<b>48,394,524</b>	<b>496,896</b>

## 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	199	1	7	210
NORTHERN REGION	3	-	-	-	118	-	4	125
SOUTHERN REGION	-	-	-	-	183	-	2	185
EAST COAST REGION	-	-	1	-	87	-	4	92
SARAWAK	3	-	-	-	37	-	-	40
SABAH	3	-	-	-	33	-	2	38
<b>Grand Total</b>	<b>9</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>657</b>	<b>1</b>	<b>19</b>	<b>690</b>

\* 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 2024

Name of Facilities and Location	Net Book Value (RM)
<b>PSS SEBERANG PRAI</b> KM 131, PLUS Arah Selatan, Lot 1973 Seberang Perai Tengah, Pulau Pinang	12,192,017
<b>PS SALAK JAYA (NB)</b> KM 13.9 Lebuhraya Sungai Besi W.P	5,664,218
<b>LUMUT FUEL TERMINAL</b> Lumut Port Industrial Park, Kg Acheh, 32000 Sitiawan, Perak	5,029,916
<b>PASIR GUDANG LPG BOTTLING PLANT</b> Lot 108, Lorong Sawit 2, Kawasan Pelabuhan Johor, 81700 Pasir Gudang, Johor	4,873,293
<b>PSS JLN KOLAM AYER AMPANG</b> Lot 36904, Jalan Kolam Air Lama, 68000 Ampang, Kuala Lumpur	4,598,790
<b>PSS LEBUHRAYA SILK DENGKIL</b> Lot 44116, KM 26.8 Lebuhraya Silk (Arah Kajang), 43300 Seri Kembangan, Selangor	4,496,553
<b>PSS SUBANG AIRPORT</b> LOT 1210 Jalan Lapangan Terbang, Subang	4,423,604
<b>PSS BANDAR SUNGAI MERAB</b> Lot PT 2, Bandar Sungai Merab, 43000 Sepang, Selangor	3,865,582
<b>PSS KEMENA</b> LOT 912 Blok 32 Jalan Bintulu Tatau, Kemena	3,778,240
<b>PSS PLUS/BESRAYA HIGHWAY</b> KM 305, PLUS Arah Selatan, Lot 896, GRN 46223, Mukim Kajang, 43650 Hulu Langat, Selangor	3,388,408

# Corporate Information

## BOARD OF DIRECTORS

- |  |   |
|--|---|
| <p><b>DATUK ANUAR AHMAD</b><br/>Chairman<br/>Non-Independent Non-Executive Director</p> <p><b>AZRUL OSMAN RANI</b><br/>Managing Director/Chief Executive Officer</p> <p><b>ALVIN MICHAEL HEW THAI KHEAM</b><br/>Senior Independent Non-Executive Director</p> <p><b>NIRMALA DORAISAMY</b><br/>Independent Non-Executive Director</p> <p><b>TANG SAW HUA</b><br/>Independent Non-Executive Director</p> | <p><b>DATIN ARNI LAILY ANWARRUDIN</b><br/>Non-Independent Non-Executive Director</p> <p><b>DATUK SAZALI HAMZAH</b><br/>Non-Independent Non-Executive Director</p> <p><b>MOHD YUZAIDI MOHD YUSOFF</b><br/>Independent Non-Executive Director</p> <p><b>TUNKU ALIZAKRI RAJA MUHAMMAD ALIAS</b><br/>Independent Non-Executive Director</p> |
|--|---|

## 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
- Tunku Alizakri Raja Muhammad Alias

## SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

- Alvin Michael Hew Thai Kheam  
Email : sidpdb@petronas.com

## COMPANY SECRETARIES

- Mek Yam @ Mariam Hassan  
(MAICSA 7030578)  
(SSM Practising Certificate No. 201908000788)
- 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

## 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

## Corporate Information

### SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd  
 199601006647 (378993-D)  
 11<sup>th</sup> 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  
 10<sup>th</sup> Floor, 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

## Notice of 43<sup>rd</sup> Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the 43<sup>rd</sup> Annual General Meeting (AGM) of PETRONAS Dagangan Berhad will be held physically at Exhibition Hall 7, Level 3, Kuala Lumpur Convention Centre, 50088 Kuala Lumpur, Malaysia on Thursday, 24 April 2025 at 10.00 a.m. to transact the following business:

- To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.  
*Please refer to Explanatory Note A*
- 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) Azrul Osman Rani **(Resolution 1)**
  - (b) Nirmala Doraisamy **(Resolution 2)**
  - (c) Mohd Yuzaidi Mohd Yusoff **(Resolution 3)***Please refer to Explanatory Note B*
- To approve the increase of Non-Executive Chairman's fee from RM288,000 to RM360,000 per annum and the Non-Executive Directors' fees from RM144,000 to RM240,000 per annum with effect from 1 May 2025. **(Resolution 4)**  
*Please refer to Explanatory Note C*
- To approve the fees and allowances payable to the Non-Executive Directors of up to RM3,000,000 for the period from 25 April 2025 until the next annual general meeting of the Company. **(Resolution 5)**  
*Please refer to Explanatory Note D*
- To approve the re-appointment of KPMG PLT, as Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration. **(Resolution 6)**  
*Please refer to Explanatory Note E*
- To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution.

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a member who shall be entitled to attend and vote at the forthcoming 43<sup>rd</sup> AGM, the Company shall be requesting the Record of Depositors as at **17 April 2025**. Only a depositor whose name appears on the Record of Depositors as at **17 April 2025** shall be entitled to attend and vote at the meeting and appoint proxy(ies) to attend and vote on his/her stead.

### BY ORDER OF THE BOARD

**NORHASHEMA SALEH** (MAICSA 7021781) (SSM Practising Certificate No. 202308000073)  
**MEK YAM @ MARIAM HASSAN** (MAICSA 7030578) (SSM Practising Certificate No. 201908000788)  
 Company Secretaries

Kuala Lumpur  
 24 March 2025



# Notice of 43<sup>rd</sup> Annual General Meeting

**NOTES:**

**A. 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., 11<sup>th</sup> 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.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com)
  - (ii) By electronic means  
The proxy form can be electronically lodged with Boardroom via 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 **Tuesday, 22 April 2025 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 or alternatively, the Customer Service Centre 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 or alternatively, the Customer Service Centre 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.
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 43<sup>rd</sup> AGM and any adjournment thereof.

**B. VOTING ON A POLL**

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia), all resolutions set out in the Notice of 43<sup>rd</sup> AGM will be put to vote as a poll.

**C. EXPLANATORY NOTES**

**Note A - Audited Financial Statements for the Financial Year Ended 31 December 2024**

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.

At the forthcoming 43<sup>rd</sup> AGM, Azrul Osman Rani, Nirmala Doraisamy and Mohd Yuzaidi Mohd Yusoff are retiring in accordance with Article 107 of the Company's Constitution and standing for re-election. The retiring Directors have signed the Fit & Proper Declaration and given their consent for re-election at the AGM.

For determining the eligibility of the Directors who are standing for re-election at the forthcoming 43<sup>rd</sup> AGM, the Board of Directors (Board), through its Nomination and Remuneration Committee (NRC), has assessed each retiring Directors based on the performance results of the Board Effectiveness Evaluation (BEE) for year assessment 2024. The NRC and the Board (save the retiring Directors) have considered the results of the assessment conducted on the retiring Directors and collectively agreed that they meet the criteria of character, experience, integrity, competence and time required to effectively discharge their respective roles as Directors, as prescribed by Paragraph 2.20A of the MMLR.

Based on their respective declaration and NRC's assessment, none of the retiring Directors has any conflict of interest or potential conflict, including interest in any business that is competing with the Company or its subsidiaries.

The Board endorsed NRC's recommendation that the retiring Directors, in accordance with Article 107 of the Company's Constitution, are eligible for re-election.

The profiles of the retiring Directors are set out in the Profile of the Board of Directors on pages 174 to 184 (inclusive) of the Integrated Report 2024.

**Note C – Increase in Non-Executive Chairman's Fee and Non-Executive Directors' Fees**

Practice 7.1 of the Malaysian Code on Corporate Governance 2021, states that the policies and procedures in determining remuneration of directors are to be periodically reviewed. The Company's Directors' Remuneration Framework (DRF) and Directors' Remuneration Packages (DRP) were last reviewed in 2018. Hence, it is timely to assess and ascertain whether the current remuneration structure remains competitive and relevant.

An independent consultant has been engaged to undertake a benchmarking exercise on the Non-Executive Chairman (NEC) and Non-Executive Directors (NEDs)' remuneration against its comparable peers in Malaysia. The NRC assessed the findings of the independent consultant's benchmarking exercise and their recommendations and accordingly recommended the revised DRF and DRP for Board's consideration. The Board has approved recommendation on the following revised NEC and NED fees for Shareholders' approval at this AGM:-

NEC/NED	Board Retainer/Year	
	Fee per annum	Proposed fee per annum
NEC	RM288,000	RM360,000
NED	RM144,000	RM 240,000

The Directors meeting allowances and benefits-in-kind remain unchanged, except that the fuel allowance now includes electric vehicle (EV) charging. This inclusion aims to support the shift towards more sustainable energy solutions.

**Note D - 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.

# Notice of 43<sup>rd</sup> Annual General Meeting

The fees and allowances structure of the NEDs 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 Petroliaam Nasional Berhad (PETRONAS) are paid directly to PETRONAS.

The shareholders at the last AGM held on 29 April 2024 approved the Directors' fees and allowance of up to an amount of RM2,600,000 for the period from 30 April 2024 until 43<sup>rd</sup> AGM of the Company to be held on 24 April 2025. The actual Directors' fees and other benefits paid to NEDs for the said period was RM2,038,000.

The Directors' fees and allowances for the NEDs for the period from 25 April 2025 until the next AGM of the Company (Mandate Period) are estimated no to exceed RM3,000,000. The amount of RM3,000,000 has taken into consideration the proposed increase in NEC and NED fees under Resolution 4 above. 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 FY2024 is disclosed in the Corporate Governance Report 2024, which is accessible to the public at PDB's corporate website, [www.mymesra.com.my](http://www.mymesra.com.my).

**Note E - Re-appointment of Auditors**

The Board Audit Committee (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 2025 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 20 February 2025 recommended the re-appointment of KPMG PLT as External Auditors of the Company for the financial year ending 31 December 2025 for approval of the shareholders under Resolution 6.

**Other Information**

The Company has engaged independent scrutineers to count, audit and validate the votes for each proposal presented to shareholders.

# Administrative Guide

FOR THE 43<sup>RD</sup> ANNUAL GENERAL MEETING (43<sup>RD</sup> AGM) OF PETRONAS DAGANGAN BERHAD

## 1. PHYSICAL 43<sup>RD</sup> AGM

The date, time and venue for the 43<sup>rd</sup> AGM of the Company are as below:

- Date : Thursday, 24 April 2025
- Time : 10.00 a.m.
- Meeting Venue : Exhibition Hall 7, Level 3, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre 50088 Kuala Lumpur, Malaysia
- Registration Venue : Exhibition Hall 6, Level 1, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre 50088 Kuala Lumpur, Malaysia
- Time : 8.00 a.m.

## 2. MEMBERS ENTITLED TO ATTEND THE 43<sup>RD</sup> AGM

Only a member whose name appears on the Record of Depositors as at 17 April 2025 shall be entitled to attend the 43<sup>rd</sup> AGM or appoint proxies to attend, speak and vote on his/ her behalf.

## 3. REGISTRATION

- (i) Registration will start at 8:00 a.m. at Exhibition Hall 6, Level 1, Kuala Lumpur Convention Centre and 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 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) After registration, please vacate the registration area immediately and proceed to the meeting venue at Exhibition Hall 7, Level 3, Kuala Lumpur Convention Centre.
- (vi) The registration counter will only handle verification of identity and registration of attendance.
- (vii) Help desk support is available for any other enquiries/assistance/revocation of proxy's appointment.

# Administrative Guide

FOR THE 43<sup>RD</sup> ANNUAL GENERAL MEETING (43<sup>RD</sup> AGM) OF PETRONAS DAGANGAN BERHAD

## 4. LODGEMENT OF PROXY FORM

- (i) If you are unable to attend the 43<sup>rd</sup> AGM in-person and wish to appoint the Chairman of the 43<sup>rd</sup> 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 11<sup>th</sup> 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 43<sup>rd</sup> AGM, i.e. latest by Tuesday, 22 April 2025 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 <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a> (c) Login your BSIP account with your registered email address and password. (d) Click " <b>Meeting Event</b> " and select " <b>PETRONAS DAGANGAN BERHAD 43<sup>RD</sup> ANNUAL GENERAL MEETING</b> " from the list of companies and click " <b>Enter</b> ".	
By Shareholder and Corporate Holder	By Nominees Company
<ul style="list-style-type: none"> <li>• Select the Company that you are representing - for <b>Corporate Account user only</b>.</li> <li>• Go to "<b>PROXY</b>" and click on "<b>Submit eProxy Form</b>".</li> <li>• Click on "<b>Submit eProxy Form</b>".</li> <li>• Enter your 9 digits CDS account number and number of securities held.</li> <li>• Select your proxy/proxies appointment – either the Chairman of the meeting or individual named proxy/proxies.</li> <li>• Read and accept the Terms and Conditions and click "<b>Next</b>".</li> <li>• Enter the required particulars of your proxy/proxies.</li> <li>• Indicate your voting instructions for each Resolution – FOR, AGAINST, ABSTAIN or DISCRETIONARY. If DISCRETIONARY is selected, your proxy/proxies will decide on your votes during poll at the meeting.</li> <li>• Review and confirm your proxy/proxies appointment and click "<b>Submit</b>".</li> <li>• Download or print the eProxy Form as acknowledgement.</li> </ul>	<ul style="list-style-type: none"> <li>• Select the Nominees Company that you are representing.</li> <li>• Go to "<b>PROXY</b>" and click on "<b>Submit eProxy Form</b>".</li> <li>• Click on "Download Excel Template" to download.</li> <li>• 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.</li> <li>• Proceed to upload the duly completed excel file.</li> <li>• Review and confirm your proxy/proxies appointment and click "<b>Submit</b>".</li> <li>• Download or print the eProxy form as acknowledgement.</li> </ul>
eProxy Form to be lodged not less than forty-eight (48) hours before the time of holding the AGM, i.e. latest by <b>Tuesday, 22 April 2025 at 10.00 a.m.</b>	



# Administrative Guide

FOR THE 43<sup>RD</sup> ANNUAL GENERAL MEETING (43<sup>RD</sup> 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 virtual AGM 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
<ul style="list-style-type: none"> <li>Go to <b>"Meeting Event"</b> and select <b>"PETRONAS DAGANGAN BERHAD 43<sup>RD</sup> ANNUAL GENERAL MEETING"</b> from the list of companies and click <b>"Enter"</b>.</li> <li>Go to <b>"PROXY"</b> and click on <b>"Submit Another eProxy Form"</b>.</li> <li>Go to <b>"Submitted eProxy Form List"</b> and click <b>"View"</b> for the eProxy form.</li> <li>Click <b>"Cancel/Revoke"</b> at the bottom of the eProxy form.</li> <li>Click <b>"Proceed"</b> to confirm.</li> </ul>	<ul style="list-style-type: none"> <li>Please write in to <a href="mailto:bsr.helpdesk@boardroomlimited.com">bsr.helpdesk@boardroomlimited.com</a> to revoke the appointment of proxy/proxies.</li> </ul>

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 43<sup>rd</sup> AGM will be conducted on a poll pursuant to Paragraph 8.29A 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) e-Voting for all the resolutions set out in the Notice of 43<sup>rd</sup> AGM will take place concurrently after the relevant questions in respect of these resolutions have been addressed.
- (iii) When the Chairman opens the poll, please vote using your smartphone/tablet with the special QR code, which will be generated during registration. As such, all shareholders and proxies attending the 43<sup>rd</sup> AGM are advised to bring their own personal devices in order to vote.
- (iv) The resolutions proposed at the 43<sup>rd</sup> AGM and the results of the voting will be announced at the 43<sup>rd</sup> AGM and subsequently via an announcement made by the Company through Bursa Malaysia at [www.bursamalaysia.com](http://www.bursamalaysia.com).

## 6. SUBMISSION OF QUESTIONS FOR THE 43<sup>RD</sup> AGM

(i) **Prior to the 43<sup>rd</sup> AGM**

Members and proxies may submit questions before the AGM to the Chairman or the Board of Directors via BSIP at <https://investor.boardroomlimited.com> using the same user ID and password provided by Boardroom **no later than Tuesday, 22 April 2025 at 10:00 a.m.** Click **"Submit Question"** after selecting **"PETRONAS DAGANGAN BERHAD 43<sup>RD</sup> ANNUAL GENERAL MEETING"** from **"Meeting Event"** to submit your questions.

Alternatively, you may also send your questions for the 43<sup>rd</sup> AGM to the following email address:-

Investor Relations: [petdagIR@petronas.com](mailto:petdagIR@petronas.com)

(ii) **During the 43<sup>rd</sup> AGM**

Verified shareholder(s), proxy(ies) and corporate representative(s) will be able to ask questions in person at the Main Meeting Venue. The Chairman or the Board of Directors will endeavour to address all questions received in relation to the 43<sup>rd</sup> AGM.

# Administrative Guide

FOR THE 43<sup>RD</sup> ANNUAL GENERAL MEETING (43<sup>RD</sup> AGM) OF PETRONAS DAGANGAN BERHAD

## 7. INTEGRATED REPORT 2024

- (i) The Integrated Report is available on the Company's corporate website at [www.mymesra.com.my](http://www.mymesra.com.my) and Bursa Malaysia's website at [www.bursamalaysia.com](http://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.

## 8. 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 : 11<sup>th</sup> 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.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com)

## 9. OTHER INFORMATION

- (i) Parking  
 Parking is available at Kuala Lumpur Convention Centre (basement parking) ONLY based on first-come, first-served basis. Please be advised that PDB will not reimburse any parking costs incurred and shall not bear any responsibilities for lost parking token(s).
- (ii) No recording or photography of the 43<sup>rd</sup> AGM proceedings is allowed without the prior written permission of the Company.
- (iii) Upon registration, with the food redemption coupon, please proceed to collect your refreshment in the refreshment hall at **Exhibition Hall 6, Level 1, Kuala Lumpur Convention Centre.**

## 10. PERSONAL DATA POLICY

By registering for the meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data by the Company (or its agents) for the following purposes:-

- (i) for registration;
- (ii) communicating with shareholders and proxy holders who participate at the AGM for redemption of door gift;
- (iii) responding to shareholders' and proxy holders' enquiries;
- (iv) for internal record keeping;
- (v) sending promotional materials, advertisement for marketing purposes;
- (vi) publication of your personal information in any minutes, website, newsletter, brochure or any other materials which may be published internally or externally;
- (vii) for processing and administration by the Company (or its agents); and
- (viii) complying with any laws, listing rules, regulations and/or guidelines.

The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.



**PETRONAS Dagangan Berhad**  
 Registration No.: 198201008499 (88222-D)

# PROXY FORM

FOR THE 43<sup>RD</sup> 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	
	No. of Shares	%
NRIC/Passport No.		
Address		

and/or (delete as appropriate)

Full Name (in Block Letters)	Proportion of Shareholdings	
	No. of Shares	%
NRIC/Passport No.		
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 43<sup>rd</sup> Annual General Meeting (43<sup>rd</sup> AGM) of the Company which will be held physically at Exhibition Hall 7, Level 3, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia on **Thursday, 24 April 2025 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 Azrul Osman Rani as a Director		
2	Re-election of Nirmala Doraisamy as a Director		
3	Re-election of Mohd Yuzaidi Mohd Yusoff as a Director		
4	Approval of the increase of Non-Executive Chairman's fee from RM288,000 to RM360,000 per annum and the Non-Executive Directors' fees from RM144,000 to RM240,000 with effect from 1 May 2025		
5	Approval of the fees and allowances payable to the Non-Executive Directors of up to an amount of RM3,000,000 for the period from 25 April 2025 until the next annual general meeting of the Company		
6	Re-appointment of KPMG PLT as Auditors of the Company		

Note:  
 \* Please refer to the Notice of 43<sup>rd</sup> 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: \_\_\_\_\_ 2025.

\_\_\_\_\_  
 Signature(s)/Common Seal of Shareholder(s)



**NOTES:**

1. A member who is entitled to attend, participate, speak and vote in this 43<sup>rd</sup> 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.
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 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 Share Registrars Sdn Bhd (Boardroom) not less than 48 hours before the time appointed for holding the 43<sup>rd</sup> 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, 11<sup>th</sup> 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.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com)
  - (ii) By electronic means  
The proxy form can be electronically lodged with Boardroom via BSIP website at <https://investor.boardroomlimited.my>. Kindly refer to the Administrative Guide for the 43<sup>rd</sup> 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. Last date and time for lodging the proxy form is on Tuesday, 22 April 2025 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 or alternatively, the Customers Service Centre 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 or alternatively, the Customer Service Centre 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.
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 43<sup>rd</sup> AGM and any adjournment thereof.

FOLD HERE

AFFIX  
STAMP  
HERE

**BOARDROOM SHARE REGISTRARS SDN. BHD.**

11<sup>th</sup> Floor, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor, Malaysia

FOLD HERE



**PETRONAS**

**PETRONAS DAGANGAN BERHAD**

198201008499 (88222-D)

Level 27-32, Tower 1,  
PETRONAS Twin Towers, Kuala Lumpur  
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