


INSPIRING CHANGE

ANNUAL REPORT 2015

PETRONAS Dagangan Berhad





2015 was a year of change for PETRONAS Dagangan Berhad. Inspired by our aspiration to become the "Brand of 1st Choice", we embarked on a holistic journey towards delivering change across our organisation through a roll-out of a culture change programme. This initiative focuses on changing the way we operate and the way we work.

Our proactive philosophy will focus on changes that will further empower our workforce with solutions to help us achieve our targets. Ultimately, we trust these changes will reflect our commitment to our stakeholders as we strive to become the "Brand of 1st Choice".

The icons on the cover reflect the operations, business and technology components that are essential to facilitate the delivery of effective change in PETRONAS Dagangan Berhad.

HSE CULTURE IMPROVEMENTS
NEW PETRONAS PRIMAX 97
WITH ADVANCED ENERGY FORMULA



INSPIRE



INNOVATION PLATFORM
EXPANDING REACH
BRAND OF 1ST CHOICE



WINNING
FORMULA



PETRONAS

ASSURANCE
ALIGNMENT

OPERATIONAL EXCELLENCE
SUSTAINABLE

TRUSTED BELIEF AND MINDSET

IMPROVED CUSTOMER EXPERIENCE

VALUE CREATION

SUPERIOR PRODUCT QUALITY

IMPROVE VALUE DELIVERY



COST OPTIMISATION
VALUE-DRIVEN

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OUR VISION

BRAND OF 1ST CHOICE

WHAT DOES IT MEAN?

"Brand of 1st Choice" drives the core essence of what PETRONAS Dagangan Berhad (PDB) stands for in terms of delivering quality, innovation, excellence and differentiating experience for petroleum products and services in Malaysia.

Given its wide range of innovative products and differentiated services, PDB is driven to ensure that customers will continue to recognise, endorse and recommend PETRONAS as their foremost preferred brand in the downstream oil and gas sector.

HOW PDB ACHIEVES THIS

Supported by a strong delivery network, PDB offers a wide spectrum of innovative petroleum products and differentiated services to meet the specific needs of its customers. These high quality products and services were developed based on continuous research and development as well as in partnerships with the best in class brands and companies.

More importantly, PDB has integrated this vision into its people, processes and procedures to make this aspiration a reality for each of its core businesses and across all levels of the Company.

The people at PDB fully embrace this vision and are committed to translate it into a reality for customers and stakeholders.

With aggressive plans for market penetration and renewed commitment towards customer service excellence, PDB has clearly set the platform for its next stage of growth. The Company is poised to challenge the market paradigm and continue being the industry trendsetter. This in turn will clearly reinforce PETRONAS' position as the "Brand of 1st Choice".

OUR MISSION

VALUE DRIVEN FUELS MARKETING WITH MARKET LEADERSHIP IN MALAYSIA

To be the "Brand of 1st Choice" we are committed to deliver quality fuel products and reliable services to our consumers nationwide via our reliable network of facilities and business partners. This market leadership is achieved by focusing on value; driving a high performance culture; ensuring operational and HSE excellence; as well as prudent risk and corporate governance practices.



SHARED VALUES



LOYALTY

Loyal to corporation



INTEGRITY

Honest and upright



PROFESSIONALISM

Strive for excellence



COHESIVENESS

United, trust and respect for each other



KEY MESSAGES

- CORPORATE DISCLOSURES
- BUSINESS STRATEGIES
- LEADERSHIP
- FINANCIAL REVIEW
- ACHIEVEMENTS

For further
information visit

www.mymesra.com.my

BUSINESS HIGHLIGHTS

RETAIL

- Launched the new PETRONAS Primax 97 with Advanced Energy Formula with Euro 4M specification
- A vast network of more than 1,000 PETRONAS stations and more than 760 Kedai Mesra



COMMERCIAL

- Sustained market leadership
- Preferred partner in the Aviation industry
- Introduced new products namely Petroleum Coke and Sulphur



LPG

- Sustained market leadership
- Enhanced operational excellence



LUBRICANTS

- Consolidation of lubricants business into one entity that is PDB's subsidiary, Lub Dagangan Sdn Bhd, which was then renamed as PETRONAS LUBRICANTS MARKETING (MALAYSIA) SDN BHD
- Extended the Route-To-Market implementation in Sabah and Sarawak to drive growth and establish its position as a market leader



FINANCIAL HIGHLIGHTS

34th

Annual General Meeting

PETRONAS DAGANGAN BERHAD

Wednesday, 20 April 2016 at 10.00 a.m., Sapphire Ballroom,
Level 1, Mandarin Oriental Kuala Lumpur,
Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia.



RM
8,070.6
MILLION

TOTAL ASSETS



RM
1,084.6
MILLION

PROFIT BEFORE TAX



as at 31 December 2015
RM
24,697.3
MILLION

MARKET CAPITALISATION

INSPIRING CHANGE

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Md Arif Mahmood, a Malaysian, aged 53, is a Chairman and Non-Independent Non-Executive Director of PETRONAS Dagangan Berhad.



CHAIRMAN'S STATEMENT

DESPITE THE CHALLENGING MARKET ENVIRONMENT, WE HAD RESPONDED SWIFTLY TO CUSHION OUR EXPOSURE FROM THE OIL PRICE VOLATILITY.

On behalf of the Board of Directors, I am pleased to present the Annual Report of PDB for the financial year ended 31 December 2015.

ECONOMIC AND BUSINESS ENVIRONMENT REVIEW

Malaysia's economy expanded at a moderate pace of 5.0% in 2015, driven by private consumption and investment. However, consumer spending patterns remained cautious as households began to adjust to the implementation of the Goods and Services Tax in April 2015.

In 2014, the industry witnessed Dated Brent reaching its peak for the year at USD112.00/bbl in June, only to have it fall sharply to conclude at USD62.00/bbl in December. This downward

trend persisted throughout the year in review, to average at USD52.00/bbl, and this steep decline in price had significantly impacted our inventory value. Moreover, as the global economy continue to weaken, we witnessed a declining trend in demand despite the low crude price environment.

In Malaysia, the previously subsidised prices for Mogas RON95 and Diesel have been on a managed float system effective 1 December 2014. The average pump prices for 2015 were RM1.96/litre for RON95 and RM1.91/litre for Diesel – around 9.0% and 7.0% lower respectively, compared to subsidised prices during the corresponding year under review. Again, despite lower prices, consumer sentiment and spending remained cautious.

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CHAIRMAN'S STATEMENT (continued)

TOTAL DIVIDEND FOR THE YEAR

60.0 SEN PER ORDINARY SHARE

IN REAFFIRMING OUR COMMITMENT TO CONTINUOUSLY DELIVER VALUE TO OUR SHAREHOLDERS, I AM PLEASED TO ANNOUNCE THAT THE COMPANY DECLARED A TOTAL DIVIDEND FOR THE YEAR OF 60.0 SEN PER ORDINARY SHARE.

FINANCIAL PERFORMANCE AND DIVIDENDS

For PDB, against the backdrop of declined average selling prices and cautious consumers' spending, it has been a challenge to maintain sales volume. For the year under review, we recorded a 4.0% decline in volume sold and 22.2% decrease in revenue, compared to corresponding year under review.

Despite the challenging market environment, we had responded swiftly to cushion our exposure from the oil price volatility. A concerted effort and commitment from all business lines had resulted in a reduction of inventory days from an average of nine days in Quarter 4 2014, to an average of five days in 2015. Due to the effective inventory management, PDB had successfully mitigated the lag loss resulting from the decline in MOPS. This has been a major contributor for PDB to register stronger performance and profits throughout the year. We recorded an impressive 52.9% increase in Group Profit Before Tax at RM1.1 billion for 2015, as compared to 2014.

In reaffirming our commitment to continuously deliver value to our shareholders, I am pleased to announce that the Company declared a total dividend for the year of 60.0 sen per ordinary share, which represents a payout ratio of 79.0%.

KEY HIGHLIGHTS

Despite the gloomy outlook surrounding the industry, PDB continued to thrive and I am delighted to share some of our highlights achieved during the year.

Driven by our aim to deliver quality fuels and convenience to customers in well situated locations, we have invested in an extensive retail distribution network of over 1,000 PETRONAS stations nationwide, supplemented with more than 760 Kedai Mesra. On 19 August 2015, we were also the first in the country to launch the RON97 fuel that met the Euro 4M specifications, ahead of the gazetted implementation timeline of 1 September. This product is locally produced at PETRONAS refineries, which had earlier been upgraded and reconfigured to employ advanced sulphur removal technology to meet the Euro 4M specifications.

The Commercial Business marked a milestone when its first commercial fuel station began operations in Pengerang, Johor in October 2015. With a capacity of 360,000 litres, the station will provide sufficient Diesel supply to the contractors' vehicles located on site in the development of Project RAPID and the associated facilities within the integrated complex. Owned by Koperasi Pengerang Johor Jaya Berhad – a business entity representing the majority of local residents – the station is also meant to provide a steady stream of income to the cooperative while at the same time, realising PETRONAS' objectives in increasing local content and empowering communities wherever we operate in.



PDB'S FOCUS AND COMMITMENT TOWARDS SUSTAINABLE PRACTICES THAT INSTIL A HIGH PERFORMANCE CULTURE HAS BEEN BASED ON THE PETRONAS CULTURAL BELIEF.

We have also retained our position as Malaysia's No. 1 Cooking Gas as we continue to focus on high margin segments and effective cost optimisation.

In addition to our fuel, PETRONAS Lubricants with °CoolTech™ technology that fights excessive engine heat has been instrumental in contributing towards the Mercedes AMG PETRONAS F1™ team winning its double consecutive title of World Constructors' Championship in 2014 and 2015, respectively. Our F1 experience is meant to be enjoyed by everyday drivers too, leading to the decision to open 16 new LubeXpert outlets – fully branded PETRONAS workshops for passenger cars and motorcycles – making it to a total of 67 LubeXpert outlets that offer a complete range of PETRONAS Lubricants products nationwide. In addition, PETRONAS LUBRICANTS MARKETING (MALAYSIA) SDN BHD, a fully owned subsidiary of PDB, was established on 11 May 2015 to house our domestic lubricants and marketing operations under one roof as we strive to ensure long term growth and sustainability in this segment.

OTHER HIGHLIGHTS

It is also heartening to report that PDB has again been recognised with the Putra Brand Award for the Automotive Fuel and Lubricants category in 2015. This marks our sixth consecutive win in the category, thus acknowledging PETRONAS' strong brand presence and recognition of the PETRONAS name amongst the Malaysian public.

PDB's Sustainability agenda continues to demonstrate our commitment for sustainable practices across all of our operations, in line with the efforts and focus of the PETRONAS Group of Companies. I am pleased to report that for the year under review, we witnessed a reduction in both our Minor and Major Fire incidences, all when compared to the corresponding year under review, further cementing our commitment to Health, Safety and Environment.

In addition to enhancing disclosure and reporting, I am delighted that PDB is one of the 34 public listed companies that are constituents of the FTSE4Good Bursa Malaysia

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CHAIRMAN'S STATEMENT (continued)



PDB HAD SUCCESSFULLY IMPROVED ITS RATING IN THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INDEX BY DEMONSTRATING GOOD ESG PRACTICES AND DISCLOSURE, OVER AND ABOVE OUR REPUTABLE FINANCIAL PERFORMANCE.

Index. This was achieved on the back of an improved position in the Environmental, Social and Governance (ESG) Index, recognising that PDB has demonstrated good ESG practices and disclosure, over and above our reputable financial performance.

Internally, PDB's focus and commitment towards sustainable practices that instil a high performance culture has been based on the PETRONAS Cultural Belief. Essentially, the focus remains on inculcating a culture of accountability that drives result oriented performance through focused execution, aimed at encouraging synergistic collaboration and shared success within the PETRONAS Group.

On a related note, I am also happy to report that PDB has made significant strides in supporting PETRONAS in its existing efforts to enhance the Group's corporate governance practices, which is underlined by strict principles of integrity. Not only did we adopt the PETRONAS Integrity Compliance Framework, PETRONAS Anti-Bribery and Corruption Manual and PETRONAS Code of Conduct and Business Ethics, a key milestone was achieved during the year when PDB and two other listed entities, PETRONAS Chemicals Group Berhad and PETRONAS Gas Berhad, together with our key business partners signed the PETRONAS Contractor Integrity Pledge to seal the joint commitment in implementing anti-corruption measures in their respective organisations.

ACKNOWLEDGEMENT

I would like to place on record of my appreciation to my predecessor, YBhg Datuk Wan Zulkiflee Wan Ariffin for his leadership throughout his tenure as Chairman of this Board. A special thanks also to Mohd Farid Mohd Adnan for his numerous contributions as a member of the Board. We would also like to welcome Ir Mohd Firouz Asnan to the Board, and we look forward to leverage on his extensive experience in the oil and gas industry for more holistic deliberations and decision making.

My warmest gratitude to our shareholders and stakeholders for your continued support and confidence in PDB especially in this challenging environment.

I would also like to put on record my appreciation to the PDB Board of Directors for their invaluable contribution and the PDB Management Committee for their effective stewardship. Sincerest gratitude also goes out to the PDB employees who have demonstrated dedication and hard work throughout the year under review.

As PDB gears up its momentum and continue to inspire change, I look forward to your continued support in our journey towards our Vision of being the "Brand of 1st Choice".



MD ARIF BIN MAHMOOD

Chairman



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MD/CEO'S STATEMENT

AMIDST THESE CHALLENGES, PDB'S ABILITY TO ADAPT AND CHANGE OUR BUSINESS AND OPERATIONS' APPROACH RESULTED IN A GROUP PROFIT BEFORE TAX OF RM1.1 BILLION, AN INCREASE OF 52.9% AS COMPARED TO THE CORRESPONDING YEAR UNDER REVIEW.

OVERVIEW

At PDB, we are focused on realising our vision to be the "Brand of 1st Choice". Throughout 2015, we navigated through a challenging environment but this did not deter us from our desire to serve our customers' needs better.

FINANCIAL PERFORMANCE

For the year under review, we witnessed a slowing of demand in the domestic economy. Malaysian economy grew at a slower rate of 5.0% as compared to the 6.0% achieved during the corresponding year under review as lower commodity prices continued to drag down growth. Crude oil price continued to be volatile as it went from a high of USD66.65/bbl in May 2015 to a new low of USD36.00/bbl by the end of 2015.

Anxieties over the uncertainties of both the global and domestic market continued to cloud over private consumption as we saw further cautious

consumer spending for the year under review. The consumer sentiments index continued to decline since Quarter 2 2014 to a new record low of 63.8 points in Quarter 4 2015.

Amidst these challenges, PDB's ability to adapt and change our Business and Operations' approach resulted in a Group Profit Before Tax of RM1.1 billion, an increase of 52.9% as compared to the corresponding year under review.

Earnings per share increased from 50.5 sen as at 31 December 2014 to 79.5 sen as at 31 December 2015 as a result of higher profits for the year under review. Meanwhile, total assets as at 31 December 2015 was RM8,070.6 million, a decrease from the previous year's RM9,540.5 million.

As a testament to PDB's commitment to delivering strong shareholder value, PDB declared a total dividend of 60.0 sen per ordinary share during the year under review amounting to a total of RM596.1 million.



Mohd Ibrahimnuddin Mohd Yunus, a Malaysian aged 52, was appointed as the Managing Director and Chief Executive Officer of PETRONAS Dagangan Berhad on 1 February 2014.

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MD/CEO'S STATEMENT (continued)



BUSINESS PERFORMANCE OVERVIEW

Rising above the challenging market environment, our sustainability is attributed to our ability to change our business approach and adapt effectively, thus resulting in the strong financial performance for the year under review.

The Retail Business segment witnessed significant changes in consumption behaviour, marked by cautious consumer spending. Furthermore, the implementation of managed float pricing mechanism effective 1 December 2014 resulted in pump price changes, in tandem with MOPS. This has in

turn, dampened the retail industry demand for both Diesel and Mogas. The narrowing price differential between RON95 and RON97 had also resulted in customers switching between the two products. Meeting the changing needs of our customers, the Retail Business focused on innovative products and differentiated services to deliver better value for money.

Our product innovation leveraged on our Mercedes AMG PETRONAS Formula One™ partnership where PETRONAS' superior fluid technology has propelled the team to win the

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2014 and 2015 Formula One™ Constructors Championship. This winning formula was engineered in collaboration with PETRONAS Technical Performance Consultant and Mercedes AMG PETRONAS Formula One™ world champion, Lewis Hamilton, working with our team of engineers and chemists. It was also tested at the laboratories, engine and vehicle testing facilities in Malaysia, Europe and USA.

These PETRONAS Fluid Technology Solutions learnings were subsequently transferred from the Formula One™ tracks to the everyday motorists via enhancements in PETRONAS Primax fuels.

Riding on the momentum achieved through the launch of the newly enhanced PETRONAS Primax 95 in 2014, Retail Business further strengthened the PETRONAS Primax brand via the introduction of the new PETRONAS Primax 97 with Advanced Energy Formula. The Euro 4M compliant new PETRONAS Primax 97 with Advanced Energy Formula was launched on 19 August 2015, ahead of the gazetted Euro 4M RON97 implementation timeline.

Our innovative PETRONAS Primax and PETRONAS Dynamic Diesel fuel offerings were complemented by our differentiated services at our network of over 1,000 PETRONAS stations nationwide. We are committed to deliver under one roof convenience to our customers through our network of more than 760 full fledged Kedai Mesra, more than 1,500 Automated Teller Machine (ATM) terminals, over 800 Touch 'n Go reload terminals, over 1,000 cashless payment terminals and close to 100 Quick Serve Restaurants.

In response to a tougher cost environment, both our Commercial and LPG Businesses focused on higher yield segments for better value delivery, thus resulting in delivering better margin performance as compared to the corresponding year under review.

Supported by an extensive and reliable network of 17 fuel and 13 aviation terminals across Malaysia, the Commercial Business further diversified our product portfolio to include the latest addition of products, namely Petroleum Coke and Sulphur.



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MD/CEO'S STATEMENT (continued)

“AS MALAYSIA’S NO. 1 COOKING GAS, WE HAVE EIGHT DOMESTIC LPG BOTTLING PLANTS NATIONWIDE TO CATER TO THE HUGE DEMAND. TO FURTHER UNLOCK VALUE OF THIS SEGMENT, COST OPTIMISATION EFFORT AT THE DISTRIBUTION FACILITIES, INCLUDING BETTER CYLINDER MANAGEMENT, WHICH RESULTED IN LOWER OPERATING EXPENDITURE AND ENHANCED PROFITABILITY”

We further created new value through new Jet A-1 contracts with Turkish Airlines, British Airways and Lufthansa. The Commercial Business was also able to capture new opportunities arising from major infrastructure projects namely the Mass Rapid Transit construction as well as Pengerang development resulting in significant demand for Bitumen.

Despite the slight volume reduction for subsidised household cylinders and commercial segments, LPG Business recorded a better margin performance. As Malaysia’s No. 1 Cooking Gas, we have eight domestic LPG bottling plants nationwide to cater to the huge demand. To further unlock value of this segment, cost optimisation effort at the distribution facilities, including better cylinder management, resulted in lower operating expenditure and enhanced profitability.

The Lubricants Business’ key financial and business performance indicators were adversely impacted by cautious consumer spending and aggressive competition. To grow the business in this competitive landscape, Lubricants Business embarked on a transformation journey to consolidate our domestic Lubricants Businesses into Lub Dagangan Sdn Bhd which was subsequently renamed to PETRONAS Lubricants Marketing (Malaysia) Sdn Bhd (PLM(M)SB). The consolidation enabled further synergies thus achieving improved speed to market.

During the year under review, PLM(M)SB continued to drive the implementation of our Route-to-Market (RTM) initiatives which aims to improve market penetration of our extensive

range of lubricant products, targeting Passenger Vehicles, Motorcycles, Commercial Vehicles, as well as Industrial and Marine segments. PLM(M)SB also focused on supply chain efficiency, business solutions reliability and development of our marketing capability.

We had also introduced the new PETRONAS Syntium with °CoolTech™, an upgraded formulation of base oils and additives that fight excessive engine heat. This product is available both locally and abroad.

Our regional business also underwent a portfolio review to address the changing market environment.

As a result of the review, we have announced PDB (Netherlands) B.V will divest our businesses in Vietnam. With the divestment expected to be completed by 2016, PETRONAS (Vietnam) Co. Ltd. and Thang Long LPG Company, Ltd. will cease to be indirect subsidiaries of PDB.

For our regional business in the Philippines, PETRONAS Energy Philippines Incorporated (PEPI) achieved better gross margin performance as compared to the corresponding year under review due to our focus in the higher margin Visayas and Mindanao markets. For the year under review, PETRONAS International Marketing (Thailand) Company Limited continued to focus on brand building through intensive marketing and promotional programmes.



OPERATIONAL EXCELLENCE

Effective change in our operations' approach is key to our short term sustainability in this challenging environment.

To mitigate the downside risks arising from the volatile oil price environment, PDB focused on the implementation of our Integrated Inventory Management Strategy. Through this strategy, we achieved lower inventory days of four to five days in 2015 as compared to eight to nine days in 2014. This was achieved on the back of higher frequency of inventory replenishment and close monitoring of inventory days.

On top of the inventory optimisation, we also further improved supply and distribution efficiency as well as cost optimisation efforts. Our primary and secondary distribution efficiency was further enhanced through smaller parcel deliveries via ship and road tanker rezoning. Our cost optimisation efforts include prudent spending, review and consolidation of contracts, utilisation of in house experts as well as adoption of alternative and innovative ideas.

To ensure long term sustainability, we are committed to invest in our assets to ensure high performance thus translating into operational excellence and realisation of our vision to be the "Brand of 1st Choice".

MD/CEO'S STATEMENT (continued)

For the year under review, we further enhanced our supply and distribution facilities nationwide through the upgrade of our Miri Fuel Terminal and introduction of the low profile low flow rate dispenser at the KLIA aviation terminal. Through enhancements at our LPG terminals which includes the operationalisation of the Flexspeed facility at our Prai LPG Terminal, we saw our Overall Equipment Efficiency improved from 81.0% to 89.0% as compared to same corresponding year under review. We also continued to rejuvenate our PETRONAS stations nationwide to better serve our customers.

Recognising people in the organisation as the most important asset in PDB, we embarked on a Groupwide initiative to inculcate accountability, thus optimising our pool of talents. The initiative included effective engagements at all levels and enhancements of existing capability and leadership development programmes.

OCCUPATIONAL SAFETY, HEALTH AND ENVIRONMENT

PDB is committed to ensuring the safety and health of our assets as well as our surrounding communities. We continued to improve our Health, Safety and Environment Management System (HSEMS) through enhancement of our controls in systems, resources, business processes and culture as guided by the PETRONAS Mandatory Control Framework and PETRONAS Technical Standards.

For the year under review, we continued to improve our HSE capabilities and communication, as well as enhance HSE risk management. We also have in place procedures to ensure effective incident management and emergency preparedness. Independent HSE assurance is also carried out to monitor our HSEMS effectiveness.

Our efforts in enhancing our HSE practices has been recognised by the Malaysian Society for Occupational Safety & Health (MSOSH) as PDB achieved yet another success story in 2015 by sweeping six Gold Awards at the MSOSH 2014 Award after securing two Gold Awards the previous year.

BUSINESS OUTLOOK FOR 2016

Despite the foreseeable challenging environment, PDB is committed to our vision of being "Brand of 1st Choice". To ensure sustainability in the current environment, PDB will continue to adapt and change our business strategies and operations' approach in an effective and timely manner to ensure better value delivery across PDB.

To capitalise on the changes in the consumers' market, both the Retail and Lubricants Businesses will drive our brand building activities which anchors on quality products, customer-centric and reliable services and convenient access to our network. Leveraging on the Mercedes AMG PETRONAS Formula One™ partnership, both Businesses will work together with our business partners to deliver the right PETRONAS brand experience.

With the cost environment expected to remain challenging in the short term, both our Commercial and LPG Business will focus on value driven growth and nurture sustainable long term partnerships. Cost optimisation across our supply chain remains a key focus area to ensure competitiveness and sustainable profitability.

To further improve our responsiveness to changes in future environment, we will continue to protect and enhance our key assets for both facilities and people. We will build on the momentum inspired by the changes introduced during the year under review to further enhance value.

ACKNOWLEDGEMENTS

On behalf of PDB management and staff, I would like to express my deepest appreciation to the Board of Directors for your invaluable guidance during this challenging year.

To our valued customers, business partners, regulatory bodies and agencies, and our parent company, PETRONAS, thank you for your unwavering support as well as feedback on our efforts.

I would also like to take this opportunity to thank the Management Committee as well as the employees of PDB for your commitment to excellence. It is my pleasure to welcome onboard to the Management Committee, Ruziah Azdi Abd Rahman as the new Head of Corporate and Marketing Communications as well as Tariq Ashra Sulaiman as the new Head of Corporate Health, Safety and Environment.

In conclusion, we are inspired by the results we have achieved from the changes implemented. The positive experiences gained from these tangible results as well as during the change process itself will go on to inspire further enhancements that will form an intricate symphony of transformations thus moving us to become the "Brand of 1st Choice".



MOHD IBRAHIMNUDDIN BIN MOHD YUNUS

Managing Director/Chief Executive Officer

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ABOUT US

Incorporated on 5 August 1982 and listed on the Main Board of Bursa Malaysia on 8 March 1994, PDB is the principal marketing arm of PETRONAS. It has since established itself as Malaysia's leading retailer and marketer of downstream oil and gas products. PDB is committed to continuously deliver innovative products and differentiated services in its four core businesses of Retail, Commercial, LPG and Lubricants.

In pursuit of its growth agenda, PDB leverages on PETRONAS' extensive investment in R&D to ensure that it continues to offer world class quality petroleum products including Motor Gasoline (Mogas), Aviation Fuel, Diesel, Fuel Oil, LPG, Kerosene and Bitumen.

An overall market leader in the downstream petroleum industry, PDB continues to be the market leader in the Commercial and LPG sectors while the Lubricants Business has sustained its performance, achieving robust growth over the years. PDB's Retail Business has not only retained its strong performance but has emerged as Malaysia's largest petroleum retail network operator with over 1,000 stations and more than 760 Kedai Mesra throughout the country. Committed to delivering enhanced customer experience, PDB has forged ahead in expanding its network of its retail stations, incorporating the one-stop convenience

centre concept of fuelling, dining, shopping, banking, car spa and other services, all under one roof, making it the preferred choice of Malaysian motorists. On the product technology front, PDB is focused on accelerating the growth of innovative and niche products via the PETRONAS Fluid Technology Solutions™ – a technology that was developed resulting from the Company's years of experience from the dynamic international partnerships with the various Formula One™ teams including its current partner, MERCEDES AMG. This partnership has brought tremendous results with the MERCEDES AMG PETRONAS Formula One™ Team winning the FIA Formula One World Constructors' Championship for two consecutive years.



2015 F1 W06 HYBRID



Over the years, the Company has built an extensive logistics and distribution system that has remained a key pillar of PDB's strength. The comprehensive network of bulk and aviation depots, bunkering facilities as well as LPG bottling plants ensure a reliable supply of products at all times. Furthermore, PDB's enhanced fleet of road tankers completes the value chain in ensuring a seamless delivery of its products to customers and dealers throughout Malaysia.

Having expanded its presence internationally, PDB operates three downstream companies beyond Malaysian shores namely, PETRONAS ENERGY PHILIPPINES, INC (PEPI) in Philippines, PETRONAS (VIETNAM) CO.LTD (PVL) and THANG LONG LPG COMPANY LIMITED (TLLCL) in Vietnam, and PETRONAS INTERNATIONAL MARKETING (THAILAND) CO., LTD (PIM(T)CL) in Thailand. These companies are involved in the LPG and Lubricants businesses.

TODAY, PDB IS PROUD THAT ITS ACHIEVEMENTS OVER THE PAST 34 YEARS HAVE BEEN BACKED BY THE CORE EXPERTISE OF ITS HIGHLY SKILLED WORKFORCE THAT CONSISTS OF MORE THAN 1,900 EMPLOYEES. THE COMPANY STRONGLY BELIEVES IN NURTURING AND GROWING TOGETHER WITH ITS PEOPLE AS IT PROVIDES A STRONG FOUNDATION TO CLEARLY POSITION ITSELF AS THE "BRAND OF 1ST CHOICE" FOR ALL STAKEHOLDERS.

BUSINESS MODEL



"TO BE THE "BRAND OF 1ST CHOICE", WE ARE COMMITTED TO DELIVER SUSTAINABLE AND BALANCED GROWTH TO OUR SHAREHOLDERS AND CUSTOMERS"

KEY BUSINESS ENTITIES

PDB is a listed entity with subsidiaries incorporated in Malaysia, Thailand, Vietnam and Philippines.

PDB's major operating subsidiaries in Malaysia are PETRONAS LUBRICANTS MARKETING (MALAYSIA) SDN BHD (Formerly known as Lub Dagangan Sdn Bhd) and PETRONAS AVIATION SDN BHD.

PDB (Netherlands) B.V., a wholly owned subsidiary of PDB is an investment holding company for its international subsidiaries, namely PETRONAS ENERGY PHILIPPINES, INC., PETRONAS INTERNATIONAL MARKETING (THAILAND) CO., LTD., PETRONAS (VIETNAM) CO., LTD. and THANG LONG LPG COMPANY LIMITED.

PDB'S DOMESTIC MAJOR SUBSIDIARIES

1. **PETRONAS LUBRICANTS MARKETING (MALAYSIA) SDN BHD (Formerly known as Lub Dagangan Sdn Bhd)**
PLM(M)SB's key business activities are marketing and distribution of lubricant products in Malaysia.
2. **PETRONAS AVIATION SDN BHD**
PAVSB's key business activities are marketing of aviation fuel and technical consultancy services.

PDB'S INTERNATIONAL SUBSIDIARIES

1. **PDB (Netherlands) B.V.**
PDBN's is an investment holding company for international subsidiaries.
2. **PETRONAS ENERGY PHILIPPINES, INC.**
PEPI's key business activities are bottling and distribution of LPG and marketing of lubricant products in Philippines.
3. **PETRONAS INTERNATIONAL MARKETING (THAILAND) CO., LTD.**
PIM(T)CL's key business activities are marketing of lubricant products in Thailand.
4. **PETRONAS (VIETNAM) CO., LTD.**
PVL's key business activities are bottling and distribution of LPG in Vietnam.
5. **THANG LONG LPG COMPANY LIMITED**
TLLCL's key business activities are storage and bottling of LPG and lease of a jetty in Vietnam.

OUR PRODUCTS & SERVICES



RETAIL

1. Fuels

- RON95 – PETRONAS Primax 95 with Advanced Energy Formula
- RON97 – PETRONAS Primax 97 with Advanced Energy Formula
- Diesel – PETRONAS Dynamic Diesel

2. Convenience Stores

- Kedai Mesra
- Quick Serve Restaurants
- Banking Facilities
- Terminal Services
- Courier Services
- Others

3. Cards

- Loyalty card – PETRONAS Mesra Loyalty Programme
- Fleet card – PETRONAS SmartPay
- Co-Branded card – CIMB and Maybank Credit Cards
- Gift card – PETRONAS Gift Card



COMMERCIAL

Product

Usage

Gasoline

Fuel for bulk transportation

Jet Fuel

Aviation fuel for turbine engine aircrafts

Kerosene

Fuel for heating, lighting, cooking and small stationary internal combustion engine

Diesel

Suitable for industrial purposes especially for direct burning, i.e. boiler, furnace, dryer and etc

Fuel Oil

For boilers, furnaces, ovens and bunker fired engines

Bitumen

Widely used as a construction material in road construction, water proofing and insulation

Sulphur

Widely used across many industries including fibre, pharmaceutical, personal care products, steel pickling and water treatment system

Petroleum Coke

Normally used as a source of energy or source of carbon for industrial applications



LPG

Household/Domestic

- 12kg Cylinders
- 14kg Cylinders

Industrial/Commercial

- 50kg Cylinders
- Bulk LPG

LPG Distribution Channel

LPG Cylinders

LPG Bottling Plants

Dealers

Customers

LPG Bulk

LPG Bottling Plants

Direct Commercial Customers



LUBRICANTS

Passenger Car Motor Oils

- Premium Synthetic
- Full and Semi Synthetic
- Mineral
- OEM Genuine Oils

Motorcycle Oils (4T and 2T)

- Premium Synthetic
- Full and Semi Synthetic
- Mineral
- OEM Genuine Oils

Commercial Vehicle Lubricants

- Heavy Duty Diesel Engine Oil
- Long Drain Full Synthetic
- Premium Full Synthetic
- Semi Synthetic and Mineral

Automotive Functional Fluids

- Auto Transmission Fluids and Gear Oils
- Greases
- Radiator Coolant
- Brake Fluids

Industrial & Marine Lubricants

- Hydraulic Oils
- Compressor Oils
- Turbine Oils
- Agriculture Oils
- Marine Oils
- Metal Working Fluids
- Fishing Boat Oils
- Industrial Gear Oils

Fully Branded Outlets

- PETRONAS LubeXperts

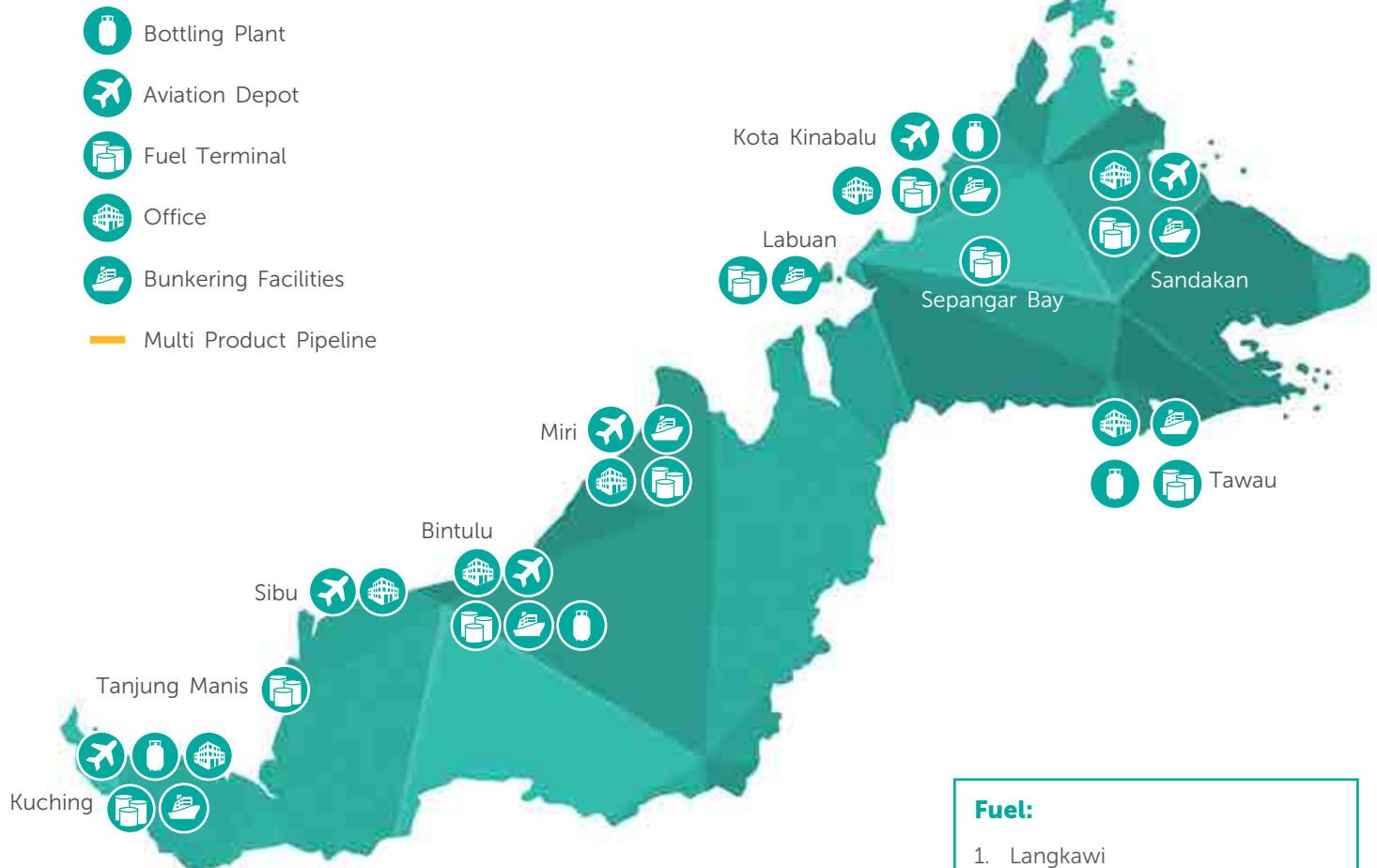
AREAS OF OPERATION (Domestic)

MALAYSIA



JV depots and facilities are:

1. PS Pipeline Sendirian Berhad/KVDT Fuel Terminal
2. PS Terminal Sendirian Berhad (Tawau and Bintulu)
3. Kuala Lumpur Aviation Fuelling System Sdn Bhd
4. IOT Management Sdn Bhd
5. Tanjung Manis Oil Terminal Management Sdn Bhd
6. Asian Supply Base Sdn Bhd

**LPG:**

1. Prai
2. Melaka
3. Pasir Gudang
4. Kertih
5. Kuching (JV)
6. Bintulu
7. Sepangar Bay
8. Tawau (JV)

Aviation:

1. Langkawi
2. Bayan Lepas
3. Subang
4. KLIA
5. Senai
6. Kertih
7. Kuala Terengganu
8. Kuching
9. Sibu
10. Bintulu
11. Miri
12. Kota Kinabalu
13. Sandakan

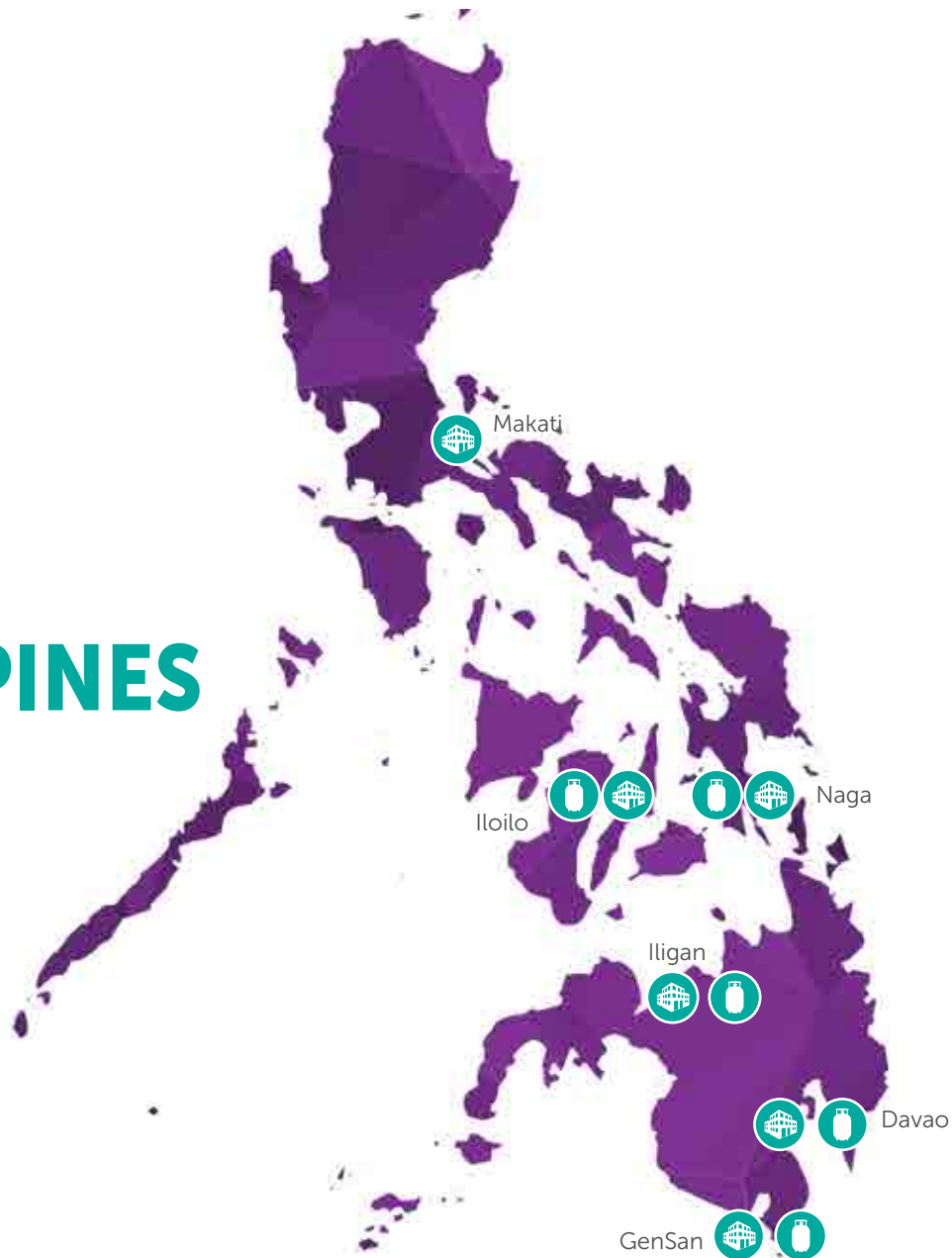
Fuel:

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

AREAS OF OPERATION

(International)

PHILIPPINES



LPG

- i. Iloilo
- ii. Iligan
- iii. Naga

- iv. Davao
- v. GenSan
- vi. Makati



Office



Bottling Plant



VIETNAM



THAILAND

LPG

- i. Hanoi
- ii. Hai Phong
- iii. Go Dau
- iv. Ho Chi Minh

LUBRICANTS

- i. Bangkok



Office



Bottling Plant



Lubricants Warehouse

KEY MILESTONES



1981

- Operated its first service station at Taman Tun Dr. Ismail



1987

- PDSB launched its first unleaded fuel, PRIMAS



1996

- Station reimagining and establishment of Kedai Mesra



2000

- Launched new unleaded petrol, PETRONAS Primax
- Introduced www.mesra.com.my website to establish online presence



2002

- Mesralink officially launched



1985

- Introduction of PETRONAS LUBRAM in the market, the first PETRONAS Lubricants



1994

- Listed on the KLSE
- Launched PRIMAS PX2



2001

- PDB offers Kad Mesra, Real Rewards, Loyalty Programme to its customers



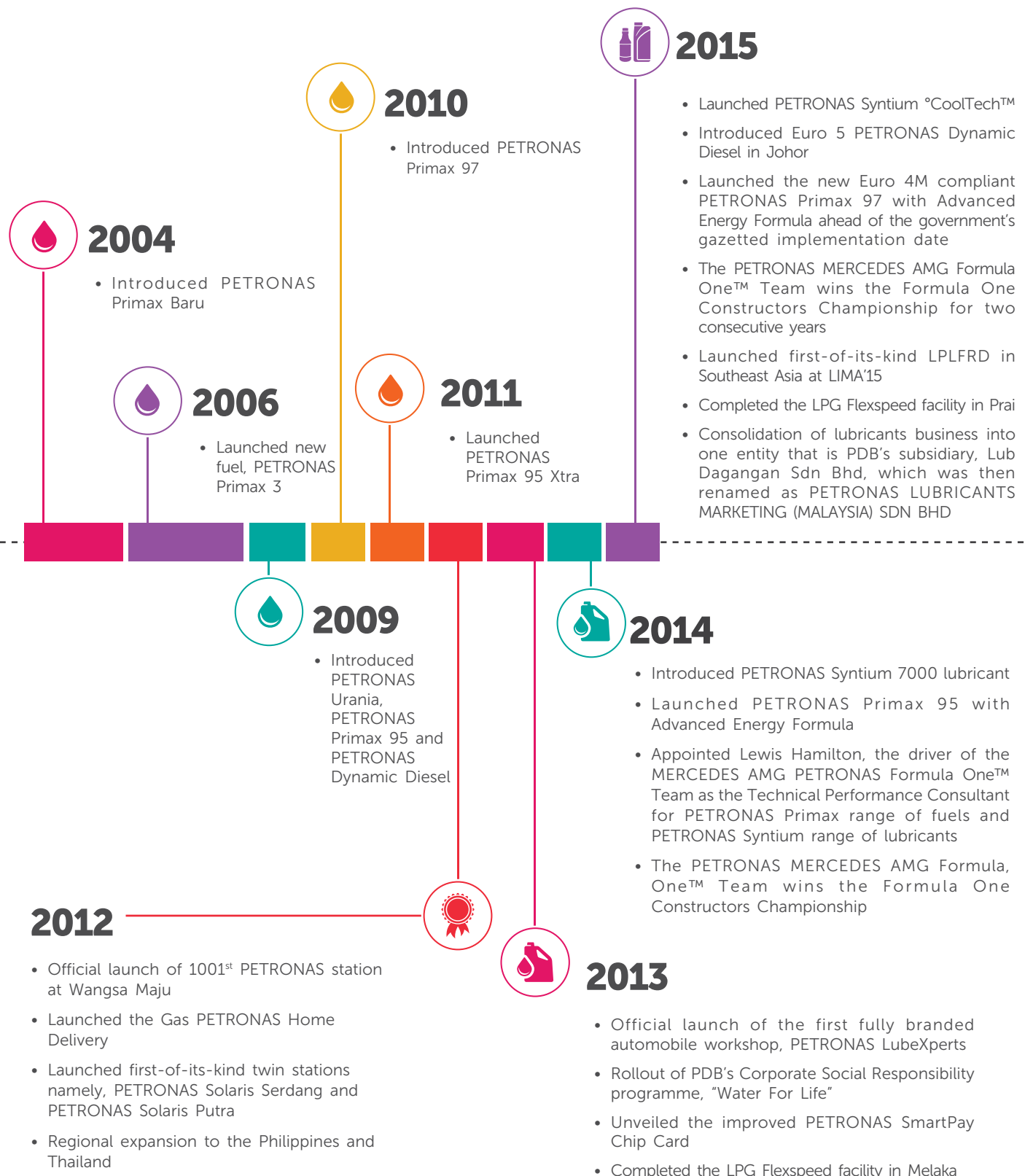
1992

- Converted to a public company on 21 August



1982

- Incorporated as PDSB on 5 August



CORPORATE INFORMATION

DIRECTORS

Md Arif bin Mahmood
(Chairman)

Mohd Ibrahimnuddin bin Mohd Yunus
(MD/CEO)

Vimala a/p V. R. Menon
Lim Beng Choon
Datuk Anuar bin Ahmad
Erwin Miranda Elechicon
Nuraini binti Ismail
Ir Mohamed Firouz bin Asnan

BOARD AUDIT COMMITTEE

Vimala a/p V. R. Menon (Chairman)
Lim Beng Choon
Nuraini binti Ismail

NOMINATION AND REMUNERATION COMMITTEE

Lim Beng Choon (Chairman)
Erwin Miranda Elechicon
Ir Mohamed Firouz bin Asnan

COMPANY SECRETARIES

Hasnizaini binti Mohd Zain (LS 0009780)
Yeap Kok Leong (MAICSA 0862549)

REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : (+603) 7841 8000
Fax : (+603) 7841 8151/7841 8152

REGISTERED ADDRESS

Tower 1
PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur
Malaysia
Tel : (+603) 2051 5000
Fax : (+603) 2026 5505

BUSINESS ADDRESS

Level 30-33, Tower 1
PETRONAS Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur
Malaysia
Tel : (+603) 2051 5000
Fax : (+603) 2026 5505

PRINCIPAL BANKERS

CIMB Bank Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad

AUDITORS

KPMG

WEBSITE

www.mymesra.com.my

CUSTOMER SERVICE CENTRE (MESRALINK)

Tel : 1-300-88-8181
E-mail : mesralink@petronas.com.my



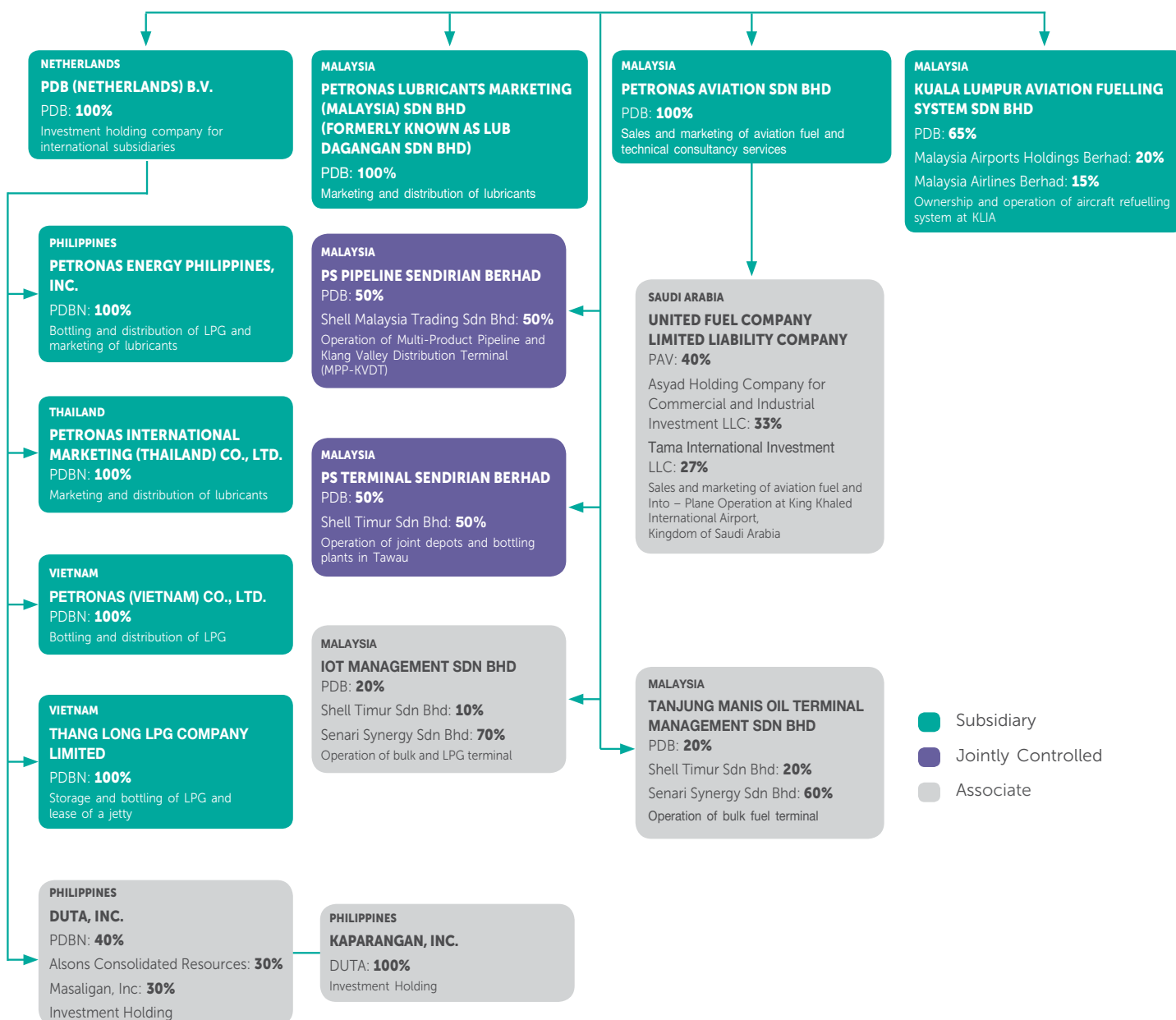
- BUSINESS STRATEGIES
- LEADERSHIP
- FINANCIAL REVIEW
- ACHIEVEMENTS

GROUP CORPORATE STRUCTURE

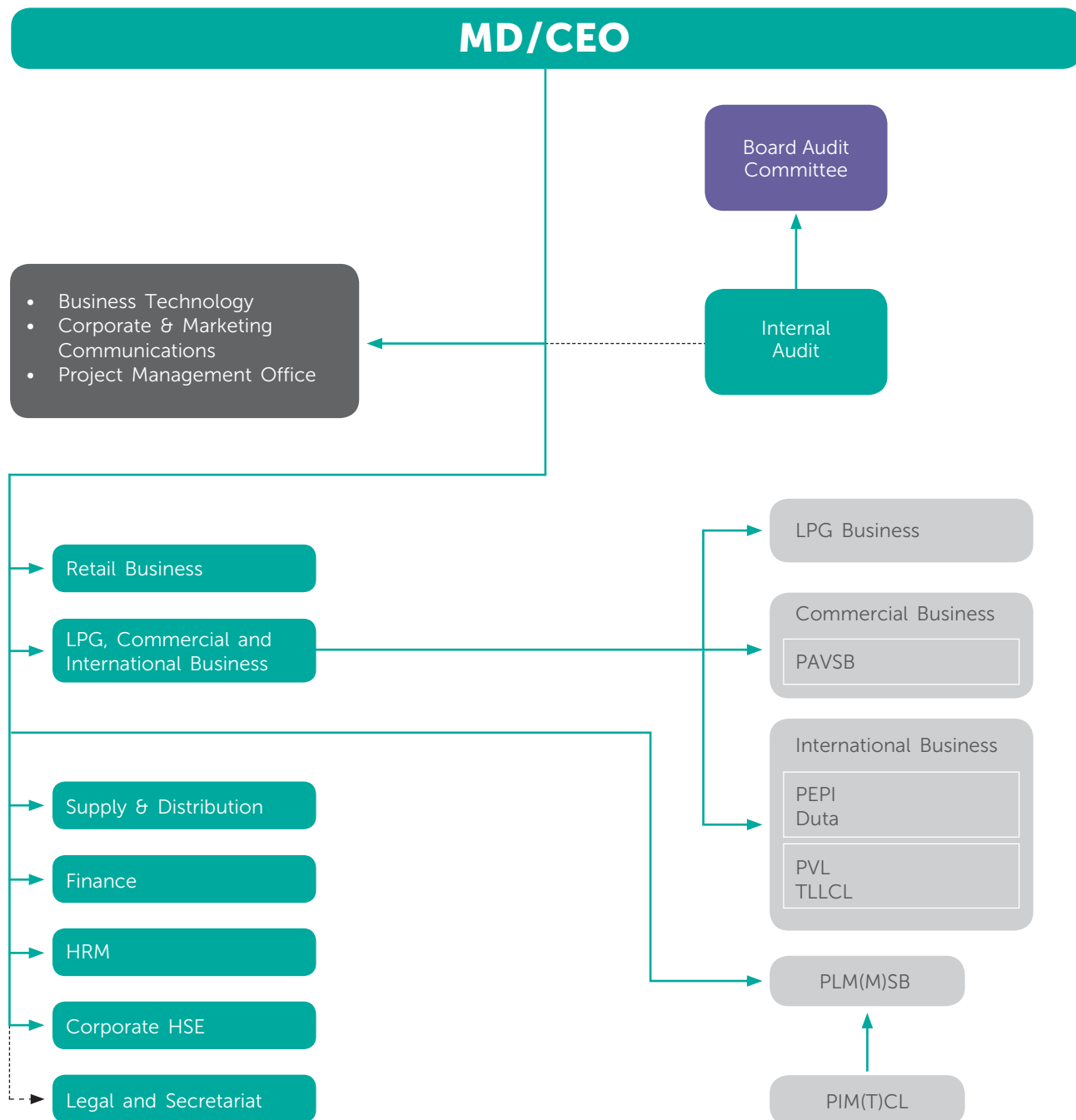


PETRONAS

PETRONAS Dagangan Berhad



GROUP ORGANISATION STRUCTURE



STRATEGIC OBJECTIVES

Strategic Objectives	Domestic Retail Market Leadership	Value Driven Growth in Commercial Market	Maximising Value for LPG in Domestic and Growth in Selective Regional Markets	Domestic Lubricant Market Leadership and Growth in Selective Regional Markets
2015 Achievements	<ul style="list-style-type: none"> Launched the new PETRONAS Primax 97 with Advanced Energy Formula with Euro 4M specification. A vast network of more than 1,000 PETRONAS stations and more than 760 Kedai Mesra. 	<ul style="list-style-type: none"> Sustained market leadership. Preferred partner in Aviation industry. Introduced new products, namely, Petroleum Coke and Sulphur. 	<ul style="list-style-type: none"> Sustained market leadership. Enhanced operational excellence. 	<ul style="list-style-type: none"> Consolidation of lubricants business into one entity that is PDB's subsidiary, Lub Dagangan Sdn Bhd, which was then renamed as PETRONAS LUBRICANTS MARKETING (MALAYSIA) SDN BHD. Extended the RTM implementation in Sabah and Sarawak to drive growth and establish our position as a market leader.
Strategic Focus (2015 – 2019)	<ul style="list-style-type: none"> Strengthen product branding and excellent customer experience. Efficient sweating of existing network. Profitable network expansion and management. <p><i>Refer to pg 86 (business review)</i></p>	<ul style="list-style-type: none"> Value driven growth through cost competitiveness. Preferred partner via differentiated and superior services. <p><i>Refer to pg 96 (business review)</i></p>	<ul style="list-style-type: none"> Maximise value in domestic and regional markets. Optimise cost on the back of an efficient supply and distribution network. <p><i>Refer to pg 104 (business review)</i></p>	<ul style="list-style-type: none"> Grow market share via enhanced network channels in key target segments. Enhance brand equity via Fluid Technology Solutions and superior product range. Increase cost competitiveness via efficient supply chain. <p><i>Refer to pg 110 (business review)</i></p>

STRATEGIC INITIATIVES

BUSINESS OVERVIEW	●
SUSTAINABILITY REPORT	●
ACCOUNTABILITY	●
FINANCIAL STATEMENTS	●
SHAREHOLDERS' INFORMATION	●

INTRODUCTION

During the year under review, Dated Brent touched the highest point at USD66.65/bbl on 13 May 2015 before gradually sliding down to a low of USD36.00/bbl towards the end of 2015. While the decreasing oil price meant that consumers had more purchasing power at the Stations, the Company was exposed to lag loss effect resulting from higher inventory costs which impacted our profitability. The Company also recognised that the increasing operating costs could also further squeeze margins if the appropriate measures were not taken to address this.

PDB was impacted by the decline in global oil prices, as reflected in the Company's Quarter 4, 2014 financial results. Taking immediate actions, the PDB Management instructed each Division and Department to look into improving processes, including implementing the initiatives on inventory optimisation, supply and distribution efficiency as well as continuous cost reduction efforts.

INVENTORY OPTIMISATION

A major contributor to PDB's improved performance during the year under review was the implementation of the Integrated Inventory Management Strategy. Under this Strategy, all business lines and enablers developed action plans to minimise lag loss exposure to PDB. These action plans were executed through rigorous efforts which included daily and weekly monitoring of petroleum product price trends to enable proactive actions to be taken.

As a result, PDB achieved better performance margins, minimised the impact of oil price volatility amid lower inventory days, from an average of nine days in Quarter 4 2014 to an average of five days in 2015.

SUPPLY & DISTRIBUTION EFFICIENCY

On top of the inventory optimisation, the Company had re-evaluated its supply and distribution arrangements by improving small parcel deliveries via ships and secondary distribution rezoning.

The Prai LPG Terminal demonstrated operational improvements due to the new LPG Flexspeed system that not only came with automated processes but also enabled manpower optimisation. With the introduction of this system, the Company managed to save RM1.5 million annually in operational expenditure.

PDB also embarked on research and development initiatives by developing an innovative new fuel dispensing equipment for narrow bodied aircraft named LPLFRD or also known as "Gecko". Through this innovation, the Company reduced 30.0% of its capital investment against its existing dispenser and eliminated maintenance cost for the hydraulic system.

CONTINUOUS COST REDUCTION EFFORTS

PDB changed its processes and procedures to ensure targets were achieved. The PDB Management urged all Divisions and Departments to practise prudent spending, review and consolidate existing contracts with customers and vendors, utilise in house expertise, actively seek alternative avenues and innovative ideas for the Company to achieve more with less, without compromising on quality or HSE standards.

RESULTS AND ACHIEVEMENTS

Based on the implementation of the above initiatives, the Company improved its performance in 2015, as compared to the corresponding year under review.

STRATEGIC PRIORITIES

1

VISION

- "Brand of 1st Choice" drives the core essence of what PDB stands for in terms of delivering quality, innovation, excellence and differentiating experience for petroleum products and services in Malaysia.

2

STRATEGIC FOCUS

- PDB is committed to continuously deliver innovative products and differentiated services in its four core businesses of Retail, Commercial, LPG and Lubricants.
- PDB is driven to ensure our customers will continue to recognise, endorse and recommend PETRONAS as their foremost preferred brand in the petroleum retail industry.

3

HUMAN CAPITAL

- PDB has integrated its vision into our people, processes and procedures to make this aspiration a reality for each of its core businesses and across all levels of the Company.
- PDB has adopted six PETRONAS Cultural Beliefs for its employees namely; **Results Matter, Own It!, Focused Execution, Nurture Trust, Tell Me** and **Shared Success**.

4

RETURN TO SHAREHOLDERS

- PDB is consistently delivering good returns to our shareholders as we have established strong corporate governance practices to ensure the interests of our shareholders are protected.
- PDB strengthened our fundamentals to ensure continuous delivery of sustainable returns to our shareholders.

STRATEGIC ALLIANCES

BUSINESS OVERVIEW	•
SUSTAINABILITY REPORT	•
ACCOUNTABILITY	•
FINANCIAL STATEMENTS	•
SHAREHOLDERS' INFORMATION	•



CODE OF ETHICS AND BUSINESS CONDUCT

PDB has adopted the PETRONAS CoBE whereby it is a general reference for use in all the countries in which PETRONAS conducts operations. The CoBE, together with the PETRONAS Shared Values, will serve as a guide on how employees are expected to conduct themselves in their work. The CoBE will not only promote legal and procedural compliance, but it will also provide a moral compass to ensure that employees' individual behaviour is in line with the PETRONAS Shared Values.

The CoBE contains detailed policy statements on the standards of behaviour and ethical conduct expected of each individual to whom the CoBE applies. The CoBE applies to all employees and directors within the PETRONAS Group worldwide. PETRONAS also expects that contractors, subcontractors, consultants, agents, representatives and others performing work or services for or on behalf of PETRONAS will comply with the relevant parts of the CoBE when performing such work or services. In particular, the

CoBE expressly prohibits improper solicitation, bribery and other corrupt activities 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.

The implementation of the CoBE is not merely to promote proper legal compliance but also to ensure that the individual behaviour of its employees, members of the Board of Directors and third parties performing work or services for and on behalf of PETRONAS Group are in line with the PETRONAS Shared Values, namely Loyalty, Integrity, Professionalism and Cohesiveness. The CoBE has a detailed outline of the Company's expectations and has incorporated the employees' duties that are usually an 'implied' part of the employment contract as 'expressed terms' in the CoBE. Since integrity is a vital part of the Company, all employees are expected to conduct themselves accordingly with the Company's interests in mind.

CORPORATE INTEGRITY

PDB has a zero tolerance policy against all forms of bribery and corruption. To supplement the objectives of CoBE, PDB has adhered to the PETRONAS Anti-Bribery and Corruption Policy and Guidelines (ABC Manual) which guides employees on matters concerning how to deal with improper solicitation, bribery and other corrupt activities. PDB also implemented the PETRONAS Whistleblowing Policy to provide an opportunity for employees and members of the public to disclose any improper conduct within the Group.

In the year under review, PDB embarked on several related programmes to strengthen and ensure a good governance culture exists within the Company such as adoption of CoBE

by its International Subsidiaries, including PIM(T)CL and PEPI, effective 31 March 2015 and 1 October 2015 respectively. Other programmes held were five CoBE refresher sessions for its employees; conducted several briefings on Substance Misuse Programme; performed six random Drug Testing sessions on 80 employees; delivered three Industrial Relations upskilling programme for Line Managers/Superiors; organised an Employee Education and Awareness Programme on Integrity and Corruption in collaboration with the Chief Integrity Officer's office. In addition, ten of PDB'S main contractors had also signed the Corporate Integrity Action Pledge which signified the agreement and commitment towards adoption of Corporate Integrity at their organisation.

KEY RISKS AND OPPORTUNITIES

INTRODUCTION

PDB remains a strong industrial player despite the risks and uncertainties it is facing, in particular the downward trend of oil price, weakening Ringgit and market deregulation.

KEY RISKS

During the year under review, oil price touched the highest point at USD66.65/bbl on 13 May 2015 before gradually sliding down to a low of USD36.00/bbl towards the end of 2015. The continuous fall in oil price in 2015 has increased PDB's exposure due to intermonth price variance leading to lag loss effect impacting our margins.

The weakening of the Ringgit since May 2015 had also impacted Malaysia's economy during the year under review. However, PDB was not materially exposed to the fluctuation of currency as the Company relied on domestically sourced products, in which the transactions were Ringgit denominated.

The Malaysian Government had announced the implementation of a managed float pricing mechanism for Diesel and RON95 effective 1 December 2014. The possibility of full market deregulation implementation for free float market base pricing is also a factor that the Company monitors closely.

OPPORTUNITIES

In view of the downward trend in oil price, the Company has strengthened its processes to ensure effective inventory management is conducted, especially during this critical period.

The Government had announced the enforcement dates of Euro 4M and Euro 5 specifications for Diesel and Mogas in Malaysia. In light of this, PDB launched its new PETRONAS Primax 97 with Advanced Energy Formula, the first RON97 fuel to meet the Euro 4M specifications on 19 August 2015, two weeks ahead of the gazetted 1 September 2015 enforcement date.

Starting January 2014, all Diesel powered vehicles entering Singapore were required to meet the permissible levels of smoke opacity to below 40 Hartridge Smoke Unit. To capture this opportunity, PDB had made available Euro 5 diesel at two of its stations, namely, at PS Lebuhraya Pasir Gudang and PS Gelang Patah during the year under review.



BOARD OF DIRECTORS

from left:

- Nuraini binti Ismail • Datuk Anuar bin Ahmad • Vimala a/p V. R. Menon • Lim Beng Choon
- Md Arif bin Mahmood (Chairman) • Mohd Ibrahimnuddin bin Mohd Yunus (MD/CEO)
- Ir Mohamed Firouz bin Asnan • Erwin Miranda Elechicon
- Company Secretaries: Hasnizaini binti Mohd Zain • Yeap Kok Leong



PROFILE OF DIRECTORS

MD ARIF BIN MAHMOOD

Nationality	Malaysian
Age/Gender/Ethnicity	53/Male/Malay
Date of Appointment	16 April 2015

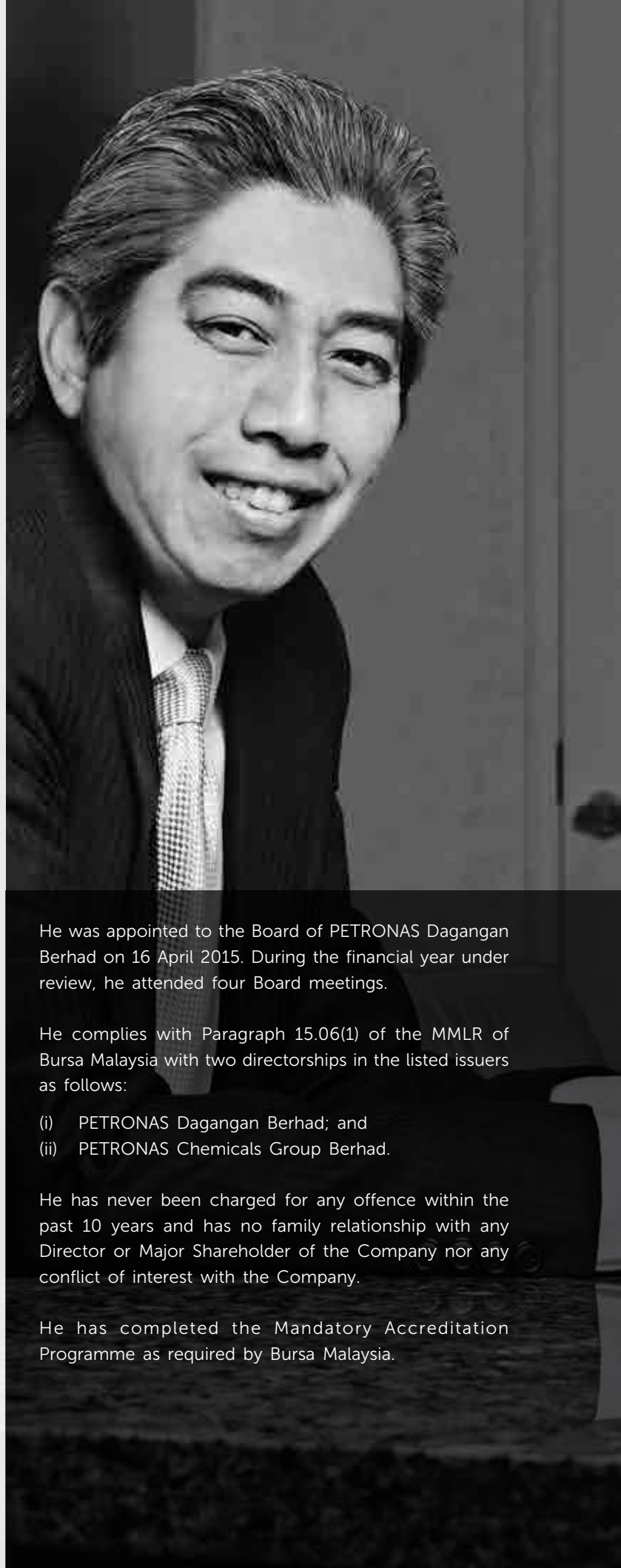
Md Arif Mahmood is the Chairman and a Non-Independent Non-Executive Director of PETRONAS Dagangan Berhad.

He holds a Bachelor of Science in Electrical Engineering (*summa cum laude*) from Boston University, USA and a Masters of Business Administration from Massachusetts Institute of Technology, USA.

His vast experience in the oil and gas industry spans more than 30 years. He joined PETRONAS in 1984 and spent the first 10 years of his career as a system/measurement engineer covering various facets of engineering, design, construction, commissioning, technical services and operations. He has also held various senior positions in PETRONAS including Senior Vice President of Corporate Strategy, Vice President of Oil Business, Managing Director/Chief Executive Officer of ASEAN Bintulu Fertiliser Sdn Bhd, Senior General Manager of Retail Business Division, PETRONAS Dagangan Berhad and General Manager (Gas Processing – Plant B) of PETRONAS Gas Berhad.

He is currently the Executive Vice President and CEO of the Downstream Business, PETRONAS. He is a member of PETRONAS Board, Executive Committee, People Development Committee and Talent Council. He chairs the Board of PETRONAS Chemicals Group Berhad and a number of PETRONAS' subsidiaries. He is also a Member of PETRONAS University of Technology Industry Advisory Panel.

On 1 May 2015, he joined the Board of PETRONAS Chemicals Group Berhad as a Non-Independent Non-Executive Director and Chairman.



He was appointed to the Board of PETRONAS Dagangan Berhad on 16 April 2015. During the financial year under review, he attended four Board meetings.

He complies with Paragraph 15.06(1) of the MMLR of Bursa Malaysia with two directorships in the listed issuers as follows:

- (i) PETRONAS Dagangan Berhad; and
- (ii) PETRONAS Chemicals Group Berhad.

He has never been charged for any offence within the past 10 years and has no family relationship with any Director or Major Shareholder of the Company nor any conflict of interest with the Company.

He has completed the Mandatory Accreditation Programme as required by Bursa Malaysia.

MOHD IBRAHIMNUDDIN BIN MOHD YUNUS

Nationality	Malaysian
Age/Gender/Ethnicity	52/Male/Malay
Date of Appointment	1 February 2014

Mohd Ibrahimnuddin Mohd Yunus is the Managing Director and the Chief Executive Officer (CEO) of PETRONAS Dagangan Berhad.

He holds a Bachelor's Degree in Economics from York University, Ontario, Canada.

Having been with PETRONAS for over 29 years, his professional experience spans across Marketing and Trading, Human Resource Management as well as Corporate Affairs. He has held several Senior Management positions prior to his current appointment.

He was previously the CEO of PETRONAS LNG Sdn. Bhd. and prior to that, he was the Head of Compensation and Benefits, Human Resource Management, PETRONAS. He was also assigned as the CEO of PT PETRONAS Niaga Indonesia in 2007.

This is his second stint at PETRONAS Dagangan Berhad as he led the LPG Business in 2005.

A large part of his PETRONAS career was at PETRONAS Trading Corporation Sdn. Bhd., where he spent 13 years and his last position there was as General Manager of LPG and Petroleum Products Trading.

During the financial year under review, he attended five Board meetings.

He complies with Paragraph 15.06(1) of the MMLR of Bursa Malaysia with one directorship in the listed issuer that is PETRONAS Dagangan Berhad.

He has never been charged for any offence within the past 10 years and has no family relationship with any Director or Major Shareholder of the Company nor any conflict of interest with the Company.

PROFILE OF DIRECTORS

(continued)

LIM BENG CHOON

Nationality	Malaysian
Age/Gender/Ethnicity	56/Male/Chinese
Date of Appointment	13 August 2012

Lim Beng Choon is a Senior Independent Non-Executive Director, Chairman of the Nomination and Remuneration Committee, and a member of the Board Audit Committee of PETRONAS Dagangan Berhad.

He holds a Bachelor of Science (Hons) in Mathematics and Computer Science from the Australian National University, Canberra, Australia.

He was the Country Managing Director at Accenture, the global consulting, technology and outsourcing company, before he retired in 2009. He held various positions during his 28-year tenure at Accenture, including that of Managing Partner for Accenture's Resources Industry Group (Oil and Gas, Chemicals, Utilities and Natural Resources) in Southeast Asia. He has attended numerous Accenture Management Training Programmes around the globe, including the IMD Leadership Programme in Switzerland. He also had oversight of their Management Consulting practice across industries for the ASEAN region.

His extensive experience in management consulting spans strategy formulation, operational consulting and merger integrations. He has led complex projects to deliver transformational change for Malaysian and foreign multinational companies. Prior to moving into management consulting, he was in technology consulting covering Information Technologies strategies and system integration work.

Currently, he serves as a Trustee in the ECM Libra Foundation, actively advising on their welfare initiatives. He is an Independent Non-Executive Director on the boards of PETRONAS Gas Berhad and MISC Berhad as well as a member of various board committees.



He was appointed to the Board of PETRONAS Dagangan Berhad on 13 August 2012. During the financial year under review, he attended five Board meetings, four Board Audit Committee meetings and two Nomination and Remuneration Committee meetings.

He complies with Paragraph 15.06(1) of the MMLR of Bursa Malaysia with three directorships in the listed issuers as follows:

- (i) PETRONAS Dagangan Berhad;
- (ii) PETRONAS Gas Berhad; and
- (iii) MISC Berhad.

He has never been charged for any offence within the past 10 years and has no family relationship with any Director or Major Shareholder of the Company nor any conflict of interest with the Company.

VIMALA A/P V. R. MENON

Nationality	Malaysian
Age/Gender/Ethnicity	61/Female/Indian
Date of Appointment	18 November 2011

She is currently a member of the Board of Trustees of PEMANDU Corporation and a Senior Independent Non-Executive Director, Audit Committee Chairman and a member of the Nomination and Remuneration Committee of PETRONAS Chemicals Group Berhad. She is also an Independent Non-Executive Director and Audit Committee Chairman of Cycle & Carriage Bintang Berhad.

On 1 July 2015, she joined the Board of DiGi.Com Berhad as Independent Non-Executive Director and member of the Audit and Risk Committee.

She was appointed to the Board of PETRONAS Dagangan Berhad on 18 November 2011. During the financial year under review, she attended five Board meetings and four Board Audit Committee meetings.

She complies with Paragraph 15.06(1) of the MMLR of Bursa Malaysia with four directorships in the listed issuers as follows:

- (i) PETRONAS Dagangan Berhad;
- (ii) PETRONAS Chemicals Group Berhad;
- (iii) DiGi.Com Berhad; and
- (iv) Cycle & Carriage Bintang Berhad.

She has never been charged for any offence within the past 10 years and has no family relationship with any Director or Major Shareholder of the Company nor any conflict of interest with the Company.

Vimala V. R. Menon is an Independent Non-Executive Director and the Chairman of the Board Audit Committee of PETRONAS Dagangan Berhad.

She is a Chartered Accountant, a Fellow of the Institute of Chartered Accountants in England and Wales, and a member of the Malaysian Institute of Accountants.

She began her career at Deloitte KassimChan in 1982. In 1984, she joined Edaran Otomobil Nasional Berhad ("EON Berhad") and subsequently retired in 2007 as Executive Director of Finance and Corporate Services. She was Director of Finance and Corporate Services at Proton Holdings Berhad from 2008 to 2009. At various times from 1990 to 2006, she served on the boards of EON Berhad, EON Bank Berhad, Jardine Cycle & Carriage Limited and PT Astra International Tbk, Indonesia.

PROFILE OF DIRECTORS

(continued)

DATUK ANUAR BIN AHMAD

Nationality	Malaysian
Age/Gender/Ethnicity	62/Male/Malay
Date of Appointment	1 August 2014

Datuk Anuar Ahmad is a Non-Independent Non-Executive Director of PETRONAS Dagangan Berhad.

He holds a Bachelor of Science (Econs) from the London School of Economics and Political Science, University of London, United Kingdom and attended Harvard Business School's Advanced Management Programme (AMP), USA.

He joined PETRONAS in 1977 and has held various senior managerial positions in the International Marketing Division and Corporate Planning Unit of PETRONAS Trading Corporation Sdn Bhd and PETRONAS Dagangan Berhad, respectively. Datuk Anuar has also held the positions of Vice President of Oil Business, Vice President of Human Resource Management and Executive Vice President of Gas and Power Business, PETRONAS.

Datuk Anuar previously served PETRONAS Dagangan Berhad as its Managing Director/Chief Executive Officer from 1 July 1998 until 1 October 2002. He was appointed as Chairman of PETRONAS Dagangan Berhad from 3 October 2005 to 17 August 2010. He was also the Chairman of PETRONAS Gas Berhad from 17 August 2010 to 15 May 2014.

He was a member of the PETRONAS Executive Committee, PETRONAS Management Committee, and on the Board of PETRONAS, until he retired from PETRONAS on 15 April 2014.

Currently, he is a Senior Independent Non-Executive Director of E.A. Technique (M) Berhad and Independent Non-Executive Director ENRA Group Berhad (formerly known as Perduren (M) Berhad), both of which are companies listed on Bursa Malaysia.

He was appointed to the Board of PETRONAS Dagangan Berhad on 1 August 2014. During the financial year under review, he attended five Board meetings.

He complies with Paragraph 15.06(1) of the MMLR of Bursa Malaysia with three directorships in the listed issuers as follows:

- (i) PETRONAS Dagangan Berhad;
- (ii) ENRA Group Berhad (formerly known as Perduren (M) Berhad); and
- (iii) E.A. Technique (M) Berhad.

He has never been charged for any offence within the past 10 years and has no family relationship with any Director or Major Shareholder of the Company nor any conflict of interest with the Company.



ERWIN MIRANDA ELECHICON

Nationality	Filipino
Age/Gender/Ethnicity	57/Male/Filipino
Date of Appointment	1 August 2014

Vice-President responsible for the Fabric & Home Care category in Southeast Asia, Australia/New Zealand and India until 2005.

He joined Jollibee Foods Corporation, the largest food service company in Southeast Asia, in 2006 as a member of its Corporate Management Committee. He took on leadership assignments for the next five years in Jollibee Foods' subsidiary companies as the President and CEO of the Greenwich Pizza Company, and Fresh N' Famous Foods, Inc. (Chowking – chinese quick service restaurant chain). He was also the Head of International Business Development of Jollibee Foods Corporation.

He is currently Chairman of Assurant BPO Solutions, Inc., a Philippine business process outsourcing company. He is also a member of the Board of Directors of U-Bix Corporation, one of the Philippines' largest integrated office systems and service providers; and of Alliance Select Foods International, Inc., a leading canned tuna and smoked salmon manufacturer.

He was appointed to the Board of PETRONAS Dagangan Berhad on 1 August 2014 and was subsequently appointed as a member of the Nomination and Remuneration Committee on 7 August 2014. During the financial year under review, he attended four Board meetings and one Nomination and Remuneration Committee meeting.

He complies with Paragraph 15.06(1) of the MMLR of Bursa Malaysia with one directorship in the listed issuer that is PETRONAS Dagangan Berhad.

He has never been charged for any offence within the past 10 years and has no family relationship with any Director or Major Shareholder of the Company nor any conflict of interest with the Company.

Erwin Miranda Elechicon is an Independent Non-Executive Director and a member of the Nomination and Remuneration Committee of PETRONAS Dagangan Berhad.

He holds a Bachelor of Arts Degree in Economics, *cum laude*, from the Ateneo de Manila University, Philippines. He had attended courses in Finance at Columbia Business School and in Marketing at Kellogg School of Management, USA.

He has 37 years marketing and general management experience in the consumer goods, food service, advertising and business process outsourcing industries across Asia.

He began his career at Procter & Gamble Philippines ("P&G") in 1979, and has held positions of increasing responsibility at the world's largest consumer goods company. In the course of his career at P&G, Erwin has lived and worked in India, Malaysia, Singapore and Vietnam, as well as the Philippines. His last role at P&G was as

PROFILE OF DIRECTORS

(continued)

NURAINI BINTI ISMAIL

Nationality	Malaysian
Age/Gender/Ethnicity	53/Female/Malay
Date of Appointment	18 November 2011

Nuraini Ismail is a Non-Independent Non-Executive Director and member of the Board Audit Committee of PETRONAS Dagangan Berhad.

She is a Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom.

She joined PETRONAS in 1992 and is currently the Vice President of Treasury, PETRONAS. Prior to assuming this role, she has held various senior positions in the PETRONAS Group including Senior General Manager, Group Treasury of PETRONAS, General Manager, Finance and Accounts Services and General Manager, Commercial Services of Malaysian International Trading Corporation Sdn. Bhd.

Her work experience covers several areas including treasury, audit, tax, corporate finance, corporate planning, methods and systems, financial and management accounting, group budget, group consolidation, trade finance, credit control, loans rehabilitation, financial analyst, bank operations, logistics and operations.

Prior to PETRONAS, she had served in various organisations including Bank Bumiputra Malaysia Berhad, Bumiputra Merchant Bankers and Mayban Finance Berhad.

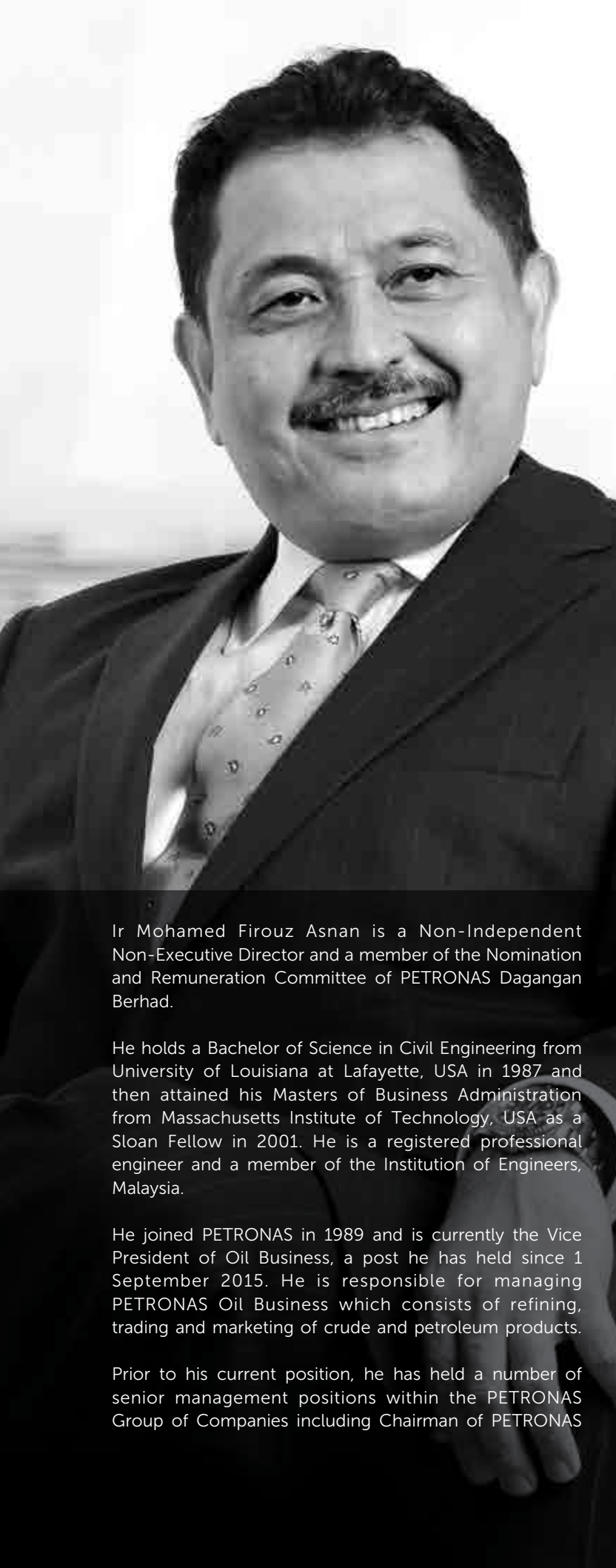
She is also a board member and committee member of several companies within the PETRONAS Group.

She was appointed to the Board of PETRONAS Dagangan Berhad on 18 November 2011. During the financial year under review, she attended four Board meetings and four Board Audit Committee meetings.

She complies with Paragraph 15.06(1) of the MMLR of Bursa Malaysia with one directorship in a listed issuer that is PETRONAS Dagangan Berhad.

She has never been charged for any offence within the past 10 years and has no family relationship with any Director or Major Shareholder of the Company nor any conflict of interest with the Company.





IR MOHAMED FIROUZ BIN ASNAN

Nationality	Malaysian
Age/Gender/Ethnicity	50/Male/Malay
Date of Appointment	6 October 2015

Sabah and Labuan, and Head of Sabah Operations under PETRONAS Carigali Sdn Bhd. He was also the Country Chairman of PETRONAS Vietnam and General Manager of Business Development, Corporate Planning and Development Division where he was responsible for planning, identifying and evaluating new business opportunities, including mergers and acquisitions.

Between 2001 and 2003, he was seconded to the PETRONAS Dubai Office where he was responsible for identifying and developing growth opportunities for PETRONAS in the Middle East, North Africa and Central Asia Region. Prior to that, he had served in the Corporate Planning Unit as a Business Planner and later as the Business Performance Manager responsible for performance reporting for the entire PETRONAS Group. He was also part of the team working on the institutionalisation of value based management practices for PETRONAS Group.

On 1 October 2015, he joined the Board of MISC Berhad as a Non-Independent Non-Executive Director. He was appointed to the Board of PETRONAS Dagangan Berhad on 6 October 2015. During the year under review, he attended two Board meetings.

He complies with Paragraph 15.06(1) of the MMLR of Bursa Malaysia with two directorships in the listed issuers as follows:

- (i) PETRONAS Dagangan Berhad; and
- (ii) MISC Berhad.

He has never been charged for any offence within the past 10 years and has no family relationship with any Director or Major Shareholder of the Company nor any conflict of interest with the Company.

He has completed the Mandatory Accreditation Programme on 9 and 10 December 2015 as required by Bursa Malaysia.

Ir Mohamed Firouz Asnan is a Non-Independent Non-Executive Director and a member of the Nomination and Remuneration Committee of PETRONAS Dagangan Berhad.

He holds a Bachelor of Science in Civil Engineering from University of Louisiana at Lafayette, USA in 1987 and then attained his Masters of Business Administration from Massachusetts Institute of Technology, USA as a Sloan Fellow in 2001. He is a registered professional engineer and a member of the Institution of Engineers, Malaysia.

He joined PETRONAS in 1989 and is currently the Vice President of Oil Business, a post he has held since 1 September 2015. He is responsible for managing PETRONAS Oil Business which consists of refining, trading and marketing of crude and petroleum products.

Prior to his current position, he has held a number of senior management positions within the PETRONAS Group of Companies including Chairman of PETRONAS

- KEY MESSAGES
- CORPORATE DISCLOSURES
- BUSINESS STRATEGIES
- LEADERSHIP
- FINANCIAL REVIEW
- ACHIEVEMENTS

MANAGEMENT



Mohd Ibrahimnuddin bin Mohd Yunus
Managing Director/Chief Executive Officer



Puteri Liza Elli Sukma
Chief Financial Officer



Shahrudin bin Muhammad Sidek
Head, Retail Business Division



Lu Jia Lih
Head, LPG, Commercial and International Business Division

COMMITTEE



Zubair bin Abdul Razak
CEO, PETRONAS LUBRICANTS MARKETING (MALAYSIA) SDN BHD
(Formerly known as Lub Dagangan Sdn Bhd)



Mohd Shobri bin Abu Bakar
Head, Supply and Distribution Division



Manisah binti Shaari
Head, Human Resource Management Division



Ruziah Azdi binti Abd Rahman
Head, Corporate and Marketing Communications Department



Hasnizaini binti Mohd Zain
Head, Legal and Secretariat Division



Tariq Ashra bin Sulaiman
Head, Corporate Health, Safety and Environment Department

MANAGEMENT COMMITTEE

MEMBER'S PROFILE

Managing Director/
Chief Executive Officer

MOHD IBRAHIMNUDDIN BIN MOHD YUNUS

Mohd Ibrahimnuddin Mohd Yunus, a Malaysian aged 52, was appointed as the MD/CEO of PETRONAS Dagangan Berhad on 1 February 2014.

Having been with PETRONAS for over 29 years, his professional experience cuts across Marketing and Trading, Human Resource Management as well as Corporate Affairs. He has held several senior management positions prior to his current appointment.

He was previously the CEO of PETRONAS LNG Sdn Bhd and before that, the Head of Compensation & Benefits, Human Resource Management of PETRONAS. He was also the CEO of PT PETRONAS Niaga Indonesia in 2007. This is his second stint at PETRONAS Dagangan Berhad as he had led the LPG Business in 2005. He spent a large part of his career attached to PETRONAS Trading Corporation Sdn Bhd where he spent 13 years as the General Manager of LPG and Petroleum Products Trading. In addition, Mohd Ibrahimnuddin is currently a member of Advisory Council Visa Asia Pacific.

Ibrahimnuddin holds a Bachelor's Degree in Economics from York University, Ontario, Canada.

Chief Financial Officer

PUTERI LIZA ELLI SUKMA

Puteri Liza Elli Sukma, a Malaysian aged 43, was appointed as the Chief Financial Officer of PETRONAS Dagangan Berhad on 1 December 2013.

Starting out as an auditor at KPMG Melbourne, Australia in 1994, Puteri Liza joined PETRONAS Group Finance in 1997 before moving to the Planning and Resource Allocation Unit and subsequently, Group Strategic Planning of PETRONAS in 2004. She then moved to PETRONAS Gas Berhad in 2007 where she became the Senior Manager of the Financial and Management Accounting Department. She then went on to head the Finance Division of several PETRONAS Group's subsidiaries including PETRONAS Trading Corporation Sdn Bhd prior to assuming the position of Chief Financial Officer of PETRONAS Dagangan Berhad.

Puteri Liza graduated with a Bachelor of Commerce (Accounting) Degree from the University of New South Wales, Australia and is a member of the Chartered Accountants Australia and New Zealand.

Head, Retail Business Division

SHAHARUDDIN BIN MUHAMMAD SIDEK

Shaharuddin Muhammad Sidek, a Malaysian aged 51, assumed the role of Head of Retail Business Division of PETRONAS Dagangan Berhad on 1 January 2014.

Shaharuddin's career in PETRONAS began in 1985 when he joined PETRONAS Gas Sdn Bhd's Sales and Finance Department as a trainee. After a short stint with the PETRONAS Group Strategic Planning Division, he returned to PETRONAS Gas Berhad in 1997.

In 2004, he was seconded to PETRONAS' Corporate Strategy Division to assist in the Integrated Transition Programme and later returned to PETRONAS Gas Berhad as the Senior Manager for the Commercial Division. Later that year, he was appointed as the Head of PETRONAS Gas and Power Business Development for the Thailand market. Two years later, he joined Malaysia LNG Sdn Bhd as the General Manager of the Marketing and Trading Division for emerging markets covering China, India and Southeast Asia.

In 2008, he was entrusted to head several of PETRONAS' special projects including the procurement of LNG for Peninsular Malaysia and Head Project Directorate Sabah Sarawak Integrated Oil & Gas Project before being appointed as the Head of Power Business, under the Infrastructure and Utilities, Gas and Power Business, PETRONAS.

Shaharuddin is an economics graduate from the University of Toledo, USA.

Head, LPG, Commercial and International Business Division

LU JIA LIH

Lu Jia Lih, a Malaysian aged 56, joined PETRONAS Dagangan Berhad as the Head of LPG, Commercial and International Business Division on 1 January 2014.

Lu started her career with PETRONAS in 1982 as a Section Head for the IMD where she subsequently held several positions in Operations, Planning and Trading in IMD for the next 15 years.

In 1997, Lu joined Malaysia LNG Tiga Sdn Bhd as the General Manager of Business Development in the MLNG Tiga Project. Later in 2005, she joined Malaysian International Trading Corporation Sdn Bhd as the General Manager for its polymer division and then as the General Manager of International Business. Thereafter, she was assigned as PETRONAS' Head of Portfolio Management – Thailand in the EVP (Downstream) Office in 2010. In 2011, she was appointed the CEO of PVL, a position she held until 31 December 2013.

Lu has attended senior management and leadership programmes from the world's leading business schools including INSEAD in 1999 and Harvard Business School in 2007. She holds a Bachelor of Economics from Universiti Kebangsaan Malaysia.

CEO,
PETRONAS LUBRICANTS
MARKETING (MALAYSIA) SDN BHD
(Formerly known as Lub Dagangan Sdn Bhd)

ZUBAIR BIN ABDUL RAZAK

Zubair Abdul Razak, a Malaysian aged 51, assumed his position as CEO of PLM(M)SB on 1 January 2015.

Zubair began his career in PETRONAS as a Project Engineer in PETRONAS Refining and Marketing Division in 1987. From 1989 to 2001, he served in PETRONAS Penapisan (Melaka) Sdn Bhd, holding various positions within the Company.

In 2001, Zubair joined PETRONAS Dagangan Berhad as a Manager and was subsequently promoted as the Senior Manager of the Engineering Department, Supply and Distribution Division. He assumed the position of the General Manager of LPG Business Division in 2009 before being appointed as the Head of Supply and Distribution Division in 2013.

Zubair graduated in Mechanical Engineering from the University of Southwestern Louisiana, USA in 1986.

MANAGEMENT COMMITTEE

MEMBER'S PROFILE (continued)

Head, Supply and
Distribution Division

MOHD SHOBRI BIN ABU BAKAR

Mohd Shobri Abu Bakar, a Malaysian aged 55, joined PETRONAS in 1982. He assumed the role of Head of Supply and Distribution Division, overseeing the Company's end to end integrated supply chain distribution since 1 January 2014.

Prior to his appointment as General Manager in 2005, Mohd Shobri served in the Supply and Distribution Division of the Company for 23 years, during which he held various management positions covering project management, maintenance, logistics planning, operations and distribution.

He then oversaw the expansion of PETRONAS Lubricants Unit as its General Manager in the Asia market. In 2007, he was appointed as the Head of Lubricants Business Division for the Company, a position which he held until 31 December 2013.

An engineer by training, Mohd Shobri graduated with a degree in Mechanical Engineering from Universiti Teknologi Malaysia. Mohd Shobri also serves as Directors in various subsidiary companies within the Group.

Head, Human Resource
Management Division

MANISAH BINTI SHAARI

Manisah Shaari, a Malaysian aged 52, joined PETRONAS Dagangan Berhad as its Head of Human Resource Management Division on 1 November 2012.

Manisah began her career at PETRONAS in 1987 and she has since served in various Human Resource Management functions within the PETRONAS Group including PETRONAS Holding Company, PETRONAS Maritime Services Sdn Bhd, Malaysia International Trading Corporation Sdn Bhd and PETRONAS Trading Corporation Sdn Bhd. She has played an important role in leading and driving the development and implementation of people strategy as well as managing the operations of cross discipline HR processes throughout her 28-year tenure with the Group.

Manisah obtained her degree in Business Administration from Ohio University, USA and holds a Masters in Business Administration from Toledo University, USA.

Head, Corporate and Marketing Communications Department

RUZIAH AZDI BINTI ABD RAHMAN

Ruziah Azdi Abd Rahman, a Malaysian aged 52, was appointed as the Head of Corporate and Marketing Communications Department on 1 December 2015.

Ruziah has more than 25 years of experience in retail services, advertising and promotions, franchise development, media as well as branding. She has held various senior management positions in PDB, PETRONAS Chemicals Group and the East Coast Economic Region Development Council.

In her current position, she is responsible for the planning, development and implementation of all corporate and product branding strategies, stakeholder and reputation management strategies for PDB as well as overall digital presence.

Ruziah holds a Bachelor of Science in Business Management (Economics and Finance) from University of Tennessee, USA.

Head, Legal and Secretariat Division

HASNIZAINI BINTI MOHD ZAIN

Hasnizaini Mohd Zain, a Malaysian aged 41, was appointed as the Joint Company Secretary of PETRONAS Dagangan Berhad on 8 August 2014. She is also the Company Secretary for PETRONAS Dagangan Berhad's subsidiaries and joint venture companies.

Hasnizaini joined PETRONAS to manage the Corporate Services and Technology segment under the Legal Services Unit in 2006. Then in 2011, she was transferred to the Oil Business, Legal Division where she provided legal advisory for merger and acquisition projects, downstream marketing, refining and trading.

Hasnizaini graduated from the University of Leeds, United Kingdom with a Bachelor of Laws and also holds a Masters in Comparative Laws from the International Islamic University Malaysia.

Head, Corporate Health, Safety and Environment Department

TARIQ ASHRA BIN SULAIMAN

Tariq Ashra Sulaiman, a Malaysian aged 37, joined PETRONAS Dagangan Berhad on 16 February 2015 as the Head of Corporate Health, Safety and Environment Department.

Tariq joined PETRONAS in September 2001 as a Process Engineer in PETRONAS Chemicals Fertiliser Kedah Sdn Bhd. In 2009, he joined PETRONAS Group Risk Management Unit – Corporate Services Division as the Manager of Plant, Project & Contractor Risk Management. He then served in Group HSE PETRONAS as Manager and subsequently Senior Manager, HSE Assurance; and then as Senior Manager, Risk and Incident Management. In 2014, he was appointed as Principal, Technical Professional – Operations Safety.

Tariq graduated in Chemical Engineering from Universiti Teknologi PETRONAS, Malaysia.

GROUP FINANCIAL REVIEW

As the leading domestic marketing arm of petroleum products in Malaysia, PDB is committed to uphold the trust of our customers by continuously providing quality products and differentiated services, while fostering the 'Customers 1st' culture within the Company.

This section aims to assist stakeholders in understanding our audited financial statements and the metrics used to assess our business performance.

For comparability reasons, the analysis is conducted based on the financial results for the year ended 31 December 2015, against the corresponding year under review.

SEGMENTAL ANALYSIS

Our operations consist of mainly Retail and Commercial segments. Retail segment comprises of sales and purchases of petroleum products in the retail sector of the Retail, LPG and Lubricants businesses. Commercial segment comprises of sales and purchases of petroleum products to the remaining commercial sectors.

RETAIL SEGMENT

The Retail segment operates in a regulated environment as the prices of petroleum products such as Diesel, Mogas, and LPG sold in the retail sector are set by the Government. The Malaysian Government had implemented a managed float pricing mechanism in which the retail pump price moves in tandem with MOPS. The APM elements remain intact under this managed float mechanism.

RM'000	Retail Segment	
	FY2015	FY2014
Revenue	13,508,086	15,707,397
Operating Profit	526,357	291,367

The Retail segment's decrease in consolidated revenue of 14.0% or RM2,199.3 million was mainly due to a decrease in sales volume of Diesel, arising from the impact of Managed Float implementation beginning December 2014 which has resulted in lower Retail industry demand for Diesel.

Operating Profit however, increased by 80.6% mainly due to lower operating expenditure, higher other income and higher gross profit. Higher gross profit was mainly attributable to revision in APM for LPG effective June 2015, coupled with cost optimisation initiatives undertaken during the year under review. These were also compounded by last year's lower gross profit arising from the sharp decline in MOPS prices.

COMMERCIAL SEGMENT

The Commercial segment operates in a highly competitive market and our performance is influenced by a number of factors, including but not limited to, petroleum product price (MOPS) movement, number and location of distribution outlets, general economic condition and competitive pressure.

RM'000	Commercial Segment	
	FY2015	FY2014
Revenue	11,637,854	16,616,168
Operating Profit	541,828	411,243

The Commercial segment's consolidated revenue decreased by 30.0% or RM4,978.3 million, mainly due to a decrease in average selling prices for Aviation, Fuel Oil and Diesel.

Operating Profit increased by 31.8%, mainly as a result of higher gross profit, higher other income and lower operating expenditure. Higher gross profit was mainly a result of various efforts undertaken to improve margins. Improvement in margins was mainly contributed by Bitumen.

OPERATING EXPENDITURES

For the financial year ended 31 December 2015, our operating expenditures had reduced by 8.6% mainly due to lower manpower expenses, advertising and promotion expenses as well as higher net gain on foreign currency.

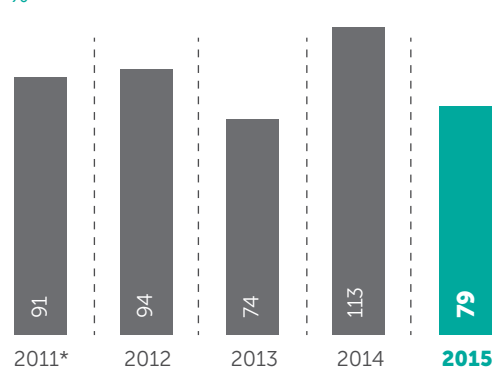
OTHER INCOME

Other income increased by 60.1% compared to the corresponding year under review, mainly as a result of an accounting reclassification arising from GST implementation which has no profit impact, as well as higher interest income.

DIVIDEND

For the financial year ended 31 December 2015, the Board of Directors has declared a total interim dividend of 60.0 sen per ordinary share, which represents a dividend payout ratio of 79.0%. This includes a single tier interim dividend of 20.0 sen per ordinary share declared in Quarter 4, 2015.

Net Dividend Payout Ratio



* Based on a nine-month financial period ended 31 December 2011.

**The above includes special dividends declared. Excluding special dividends: PE2011: 51%, FY2012: 63%, FY2014: 71%

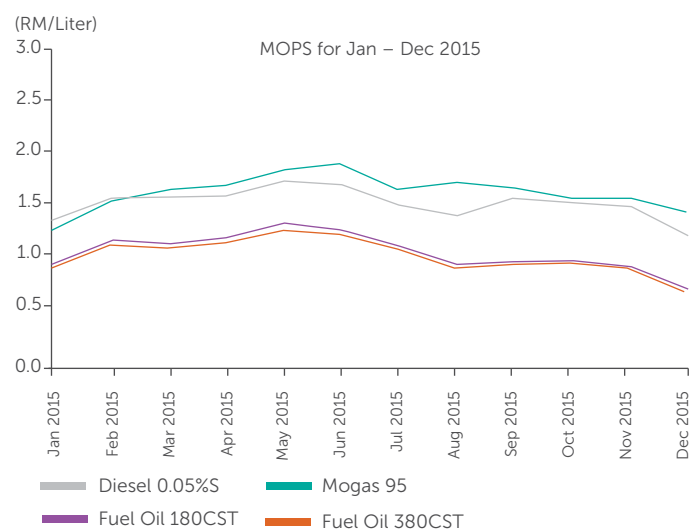
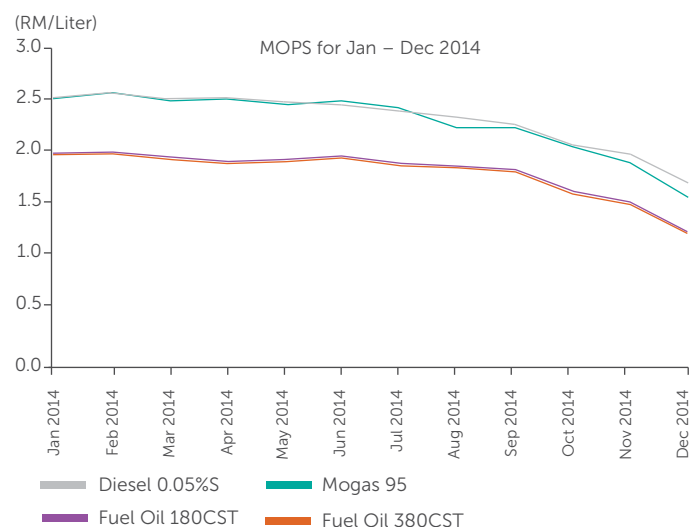
TOTAL ASSETS

Total assets decreased by 15.4% compared to the previous year mainly contributed by decrease in cash and cash equivalents by RM581.0 million arising from repayment of IMTN amounting to RM300.0 million. Lower total assets was also attributable to decrease in trade and other

receivables by RM469.9 million arising from lower product prices and sales volume in FY2015 compared to FY2014, and lower inventory balance by RM406.4 million following effective inventory management.

TOTAL LIABILITIES

Total liabilities decreased by 35.0% from RM4,748.7 million to RM3,086.6 million for the year ended 31 December 2015. The decrease was mainly due to lower trade and other payables by 35.9% in line with the decline in petroleum product prices.



FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

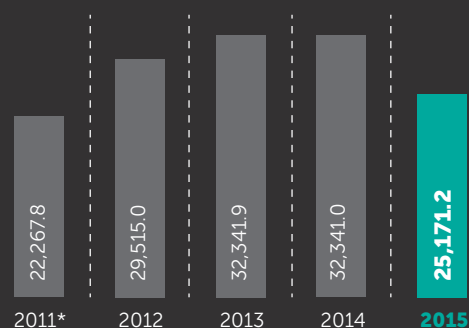
	PE 2011*	FY2012	FY2013	FY2014	FY2015
OPERATING RESULTS (RM MILLION)					
Revenue	22,268	29,515	32,342	32,341	25,171
Operating Profit	906	1,174	1,125	728	1,094
Profit before taxation	899	1,165	1,109	709	1,085
Net profit attributable to shareholders of the Company	655	837	812	502	790
KEY BALANCE SHEET DATA (RM MILLION)					
Property, plant and equipment	3,616	3,766	3,892	4,031	3,990
Total assets	9,801	9,924	10,167	9,541	8,071
Total borrowings	1,073	464	583	494	212
Total liabilities	4,989	5,078	5,338	4,749	3,087
Share capital	993	993	993	993	993
Shareholders' equity	4,779	4,810	4,790	4,752	4,952
SHARE INFORMATION					
Per share (sen)					
Basic earnings	65.9 sen	84.2 sen	81.7 sen	50.5 sen	79.5 sen
Gross dividend	80 sen	105 sen	70 sen	60 sen	60 sen
Share price as at financial year end (RM)	17.80	23.50	31.44	17.12	24.86
FINANCIAL RATIOS					
Return on Revenue	3.0%	2.9%	2.5%	1.6%	3.2%
Return on Equity	13.7%	17.4%	16.9%	10.6%	16.0%
Return on Total Assets	6.7%	8.5%	8.1%	5.3%	9.8%
Debt to Equity Ratio	22.5%	9.6%	12.2%	10.4%	4.3%
Dividend Payout Ratio	91.3%	94.0%	74.1%	113.0%	79.0%

* Based on nine-month financial period ended 31 December 2011.

FIVE-YEAR GROUP FINANCIAL SUMMARY

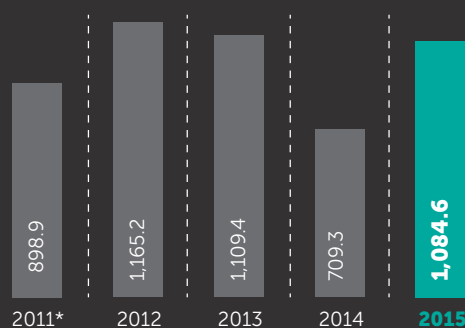
REVENUE

(RM Million)



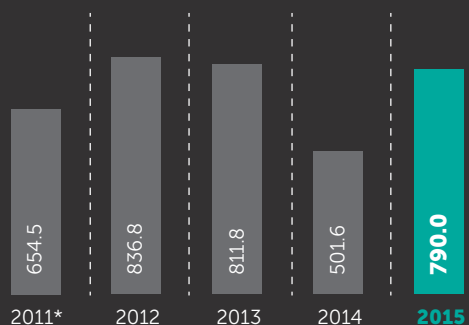
PROFIT BEFORE TAXATION

(RM Million)



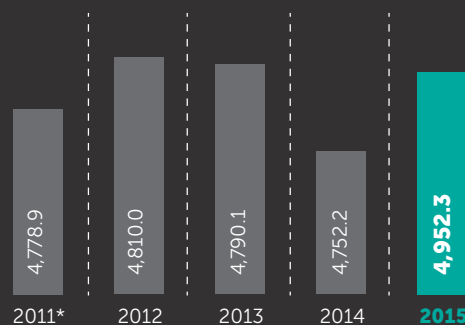
PROFIT AFTER TAXATION ATTRIBUTABLE TO SHAREHOLDERS

(RM Million)



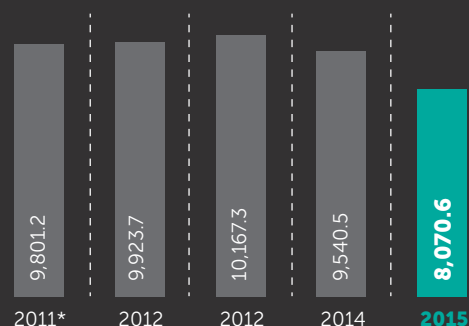
EQUITY ATTRIBUTABLE TO SHAREHOLDERS

(RM Million)



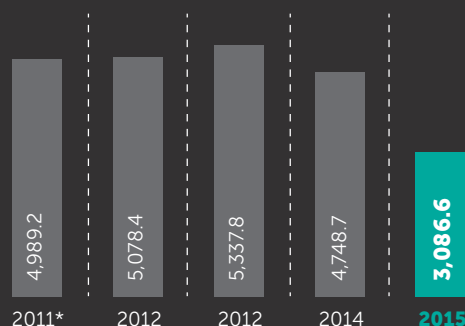
TOTAL ASSETS

(RM Million)

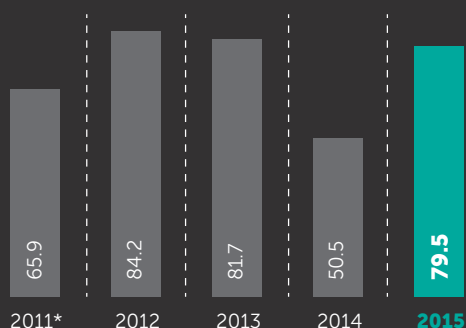


TOTAL LIABILITIES

(RM Million)



EARNINGS PER SHARE (Sen)

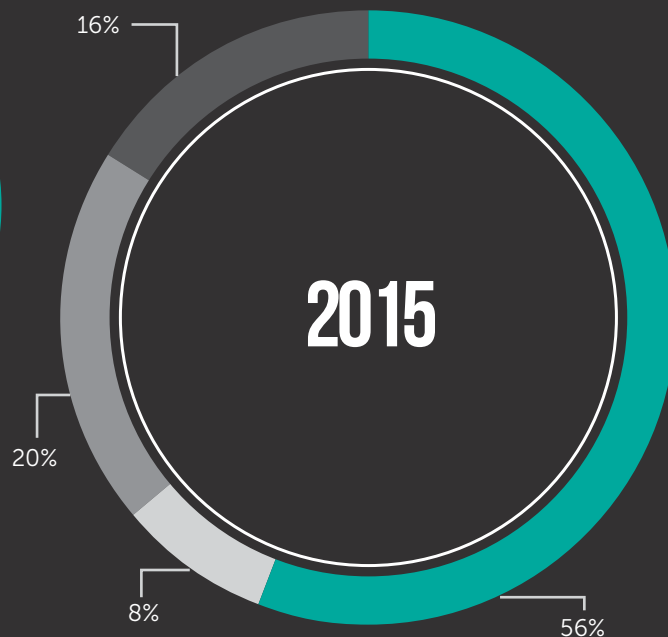
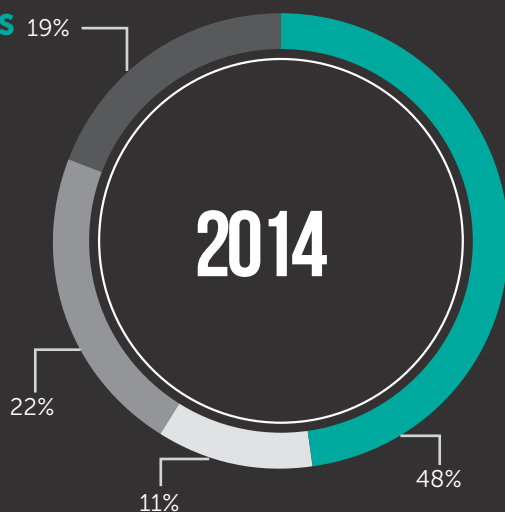


* Based on nine-month financial period ended 31 December 2011.

- KEY MESSAGES
- CORPORATE DISCLOSURES
- BUSINESS STRATEGIES
- LEADERSHIP
- FINANCIAL REVIEW
- ACHIEVEMENTS

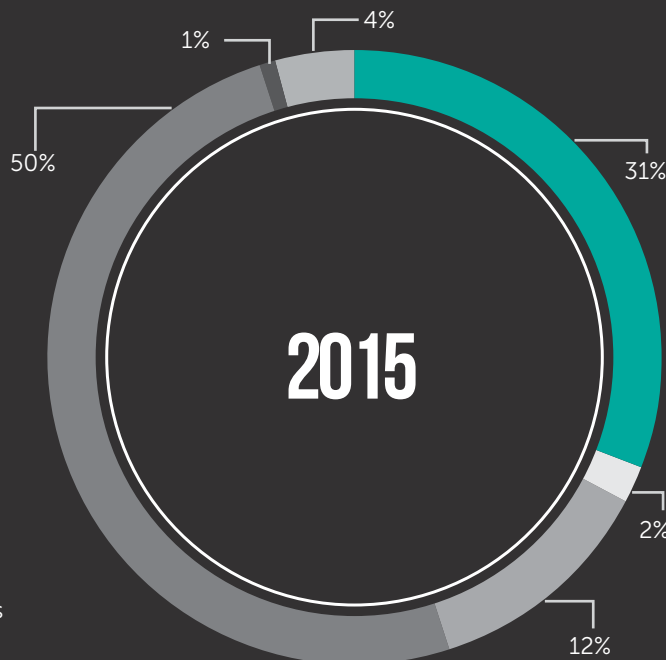
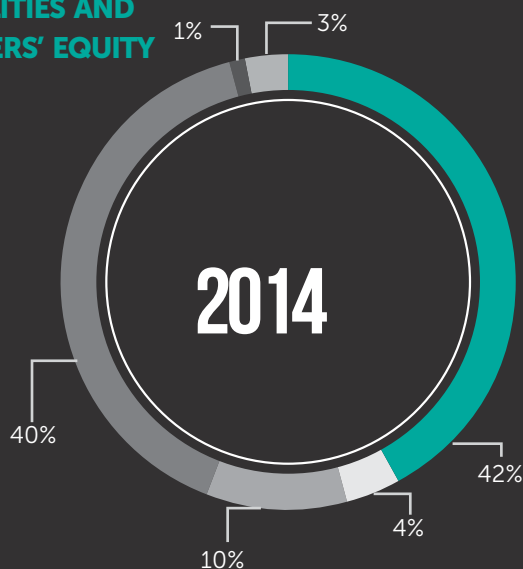
SIMPLIFIED GROUP STATEMENT OF FINANCIAL POSITION

TOTAL ASSETS



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

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

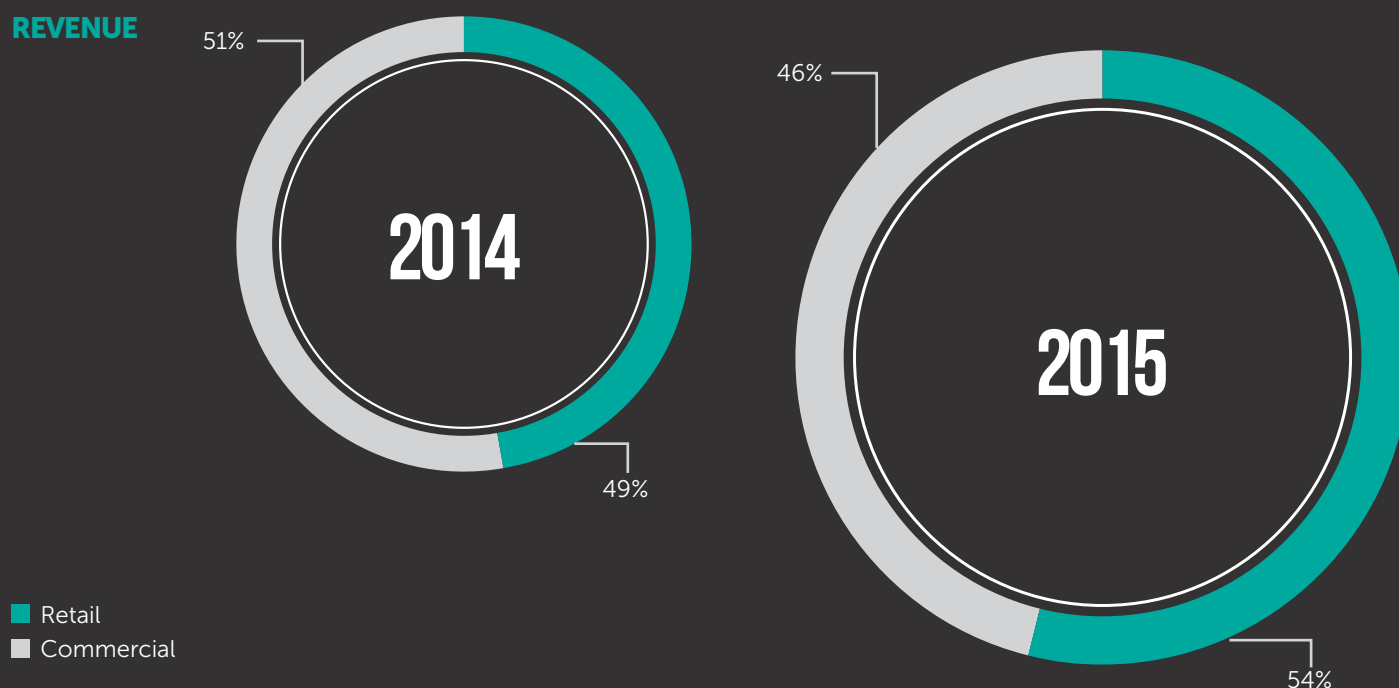


- Trade and Other Payables
- Other Current Liabilities
- Share Capital
- Reserves
- Non-Controlling Interests
- Non-Current Liabilities

SEGMENTAL ANALYSIS

BUSINESS OVERVIEW	○
SUSTAINABILITY REPORT	○
ACCOUNTABILITY	○
FINANCIAL STATEMENTS	○
SHAREHOLDERS' INFORMATION	○

REVENUE



GROUP QUARTERLY FINANCIAL PERFORMANCE

In RM Million	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total FY2015
Revenue	6,101	6,493	6,529	6,048	25,171
Operating profit	287	376	301	131	1,095
Profit Before Tax	284	374	298	129	1,085
Earnings per share (sen)	20.7	27.5	22.0	9.3	79.5
Dividend per share (sen)	12.0	14.0	14.0	20.0	60.0

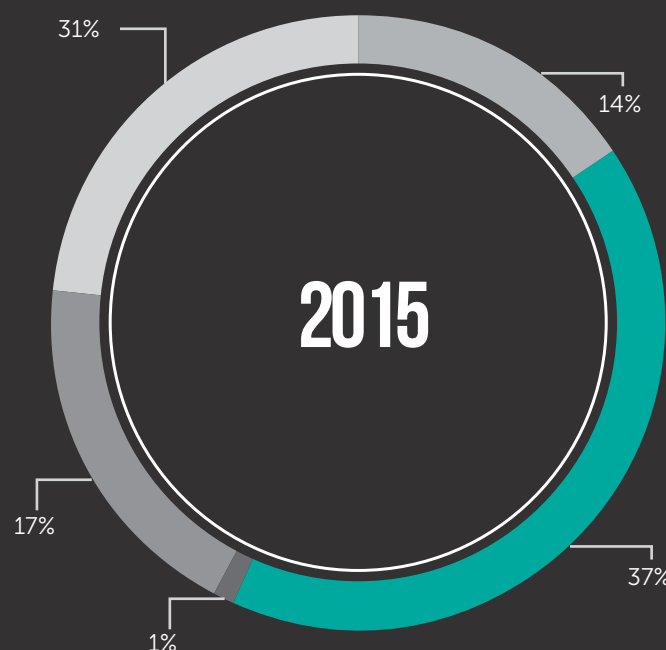
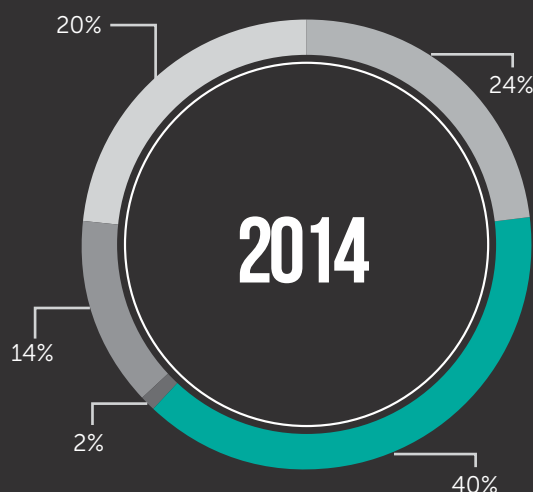
In RM Million	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total FY2014
Revenue	8,294	8,368	8,227	7,453	32,342
Operating profit	229	253	231	16	729
Profit Before Tax	223	251	224	12	710
Earnings per share (sen)	15.6	18.7	16.1	0.04	50.4
Dividend per share (sen)	12.0	14.0	12.0	22.0	60.0

STATEMENT 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 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.

	2015 RM'000	2014 RM'000
Revenue	25,171,210	32,340,998
Less Purchase of goods and services	(23,784,803)	(31,115,241)
Value added	1,386,407	1,225,757
Other income	327,124	204,348
Financing costs	(13,444)	(21,009)
Share of net profit of associates	3,779	1,906
VALUE CREATED	1,703,866	1,411,002

DISTRIBUTION OF VALUE ADDED



VALUES DISTRIBUTION

- Employees
- Providers of Equity (net dividends)
- Providers of debt
- Government (taxation)
- Retained for reinvestment and future growth

FINANCIAL CALENDAR

12 FEBRUARY 2015	Announcement of the audited consolidated results for the 4 th quarter ended 31 December 2014
27 MARCH 2015	Date of payment of the special interim dividend for the 4 th quarter ended 31 December 2014
15 APRIL 2015	33 rd Annual General Meeting
11 MAY 2015	Announcement of the unaudited consolidated results for the 1 st quarter ended 31 March 2015
25 JUNE 2015	Date of payment of the interim dividend for the 1 st quarter ended 31 March 2015
6 AUGUST 2015	Announcement of the unaudited consolidated results for the 2 nd quarter ended 30 June 2015
22 SEPTEMBER 2015	Date of payment of the interim dividend for the 2 nd quarter ended 30 June 2015
2 NOVEMBER 2015	Announcement of the unaudited consolidated results for the 3 rd quarter ended 30 September 2015
4 DECEMBER 2015	Date of payment of the interim dividend for the 3 rd quarter ended 30 September 2015
19 FEBRUARY 2016	Announcement of the unaudited consolidated results for the 4 th quarter ended 31 December 2015
17 MARCH 2016	Date of payment of the interim dividend for the 4 th quarter ended 31 December 2015
22 MARCH 2016	Date of Notice of 34 th Annual General Meeting and date of issuance of FY2015 Annual Report
20 APRIL 2016	34 th Annual General Meeting

INVESTOR RELATIONS

OVERVIEW

In 2011, PDB adopted the IRPG to ensure that the Company adheres to the best practices amongst the listed companies. This is in line with Bursa Malaysia Corporate Disclosure Guide 2011 which guarantees fair and timely disclosure of information to all shareholders.

The mandate to champion the IRPG lies with the IR Unit, and the activities are led by PDB's MD/CEO, Mohd Ibrahimuddin Mohd Yunus, CFO, Puteri Liza Elli Sukma and Head of Strategic Planning, Raja Zera Raja Zaib Shah, as well as other senior management team members. They are supported by the IR team.

With external developments continuing to be volatile, PDB had intensified its IR efforts to reach out further and more frequently to the stakeholders to ensure they were constantly kept abreast of the Company's latest developments and performance.

PDB has always remained focused on value creation for its shareholders, and continuously ensures that analysts and key institutional investors are given the opportunity to engage with the senior management team who actively runs the business.

COMMITMENT TO SHAREHOLDERS

PDB recognises the importance of engaging our investors and believes that good, clear and credible communication will foster confidence and build understanding that will lead to maximum shareholder value.

During the year under review, PDB continued to stay on course in providing our investing community with information on an equal basis, promptly and in a clear and consistent manner. This was made possible through effective teamwork between the IR team and various information providers and leaders within the Company.

The strategic objective for PDB's IR activities during the year under review was to strengthen the coverage with investors in the region and promote a deeper understanding of our strategic vision, mission and business fundamentals within the investing community in light of the changing economic and competitive landscape.

During the year under review, in addition to the quarterly results announcements and one-on-one meetings, PDB participated in four Conferences and two Roadshows in selected geographies. The selection of the Investor Conference and Roadshows were based on a number of factors, including the corporate investors' representation and alignment with our shareholder base and conference focus. In addition to participating in the Investor Conferences and Roadshows, PDB undertook meetings with foreign shareholders via conference calls to ensure continued engagement with shareholders.



INVESTOR RELATIONS (continued)

During investor meetings and quarterly results briefings, management shared PDB's strategies, business and financial performances. For the year under review, IR team had met with a total of 153 analysts and fund managers from 74 companies, higher than the previous years due to the interest from the investment community. The IR team continued to actively seek feedback to ensure PDB remained current with our shareholders expectations.

ANALYST BRIEFINGS

For the year under review, PDB conducted four briefings to Analysts upon its quarterly financial and business performance results. IR team ensured the analyst briefing presentation materials are made available on PDB's website under the IR section, immediately after the briefings. This is part of PDB's continuous efforts to provide timely information distribution of quarterly results.

The quarterly results announcement and analyst briefings for the year under review were conducted on the following dates:

- 13 February 2015
- 12 May 2015
- 7 August 2015
- 3 November 2015



INVESTOR ENGAGEMENTS

Despite the challenging global economic landscape in 2015, PDB saw increments in investment community meetings with the senior management as they were sought to deliver greater understanding and explanation on PDB's operational, business and financial performances. The engagement varied from Corporate Conferences, Roadshows, One-on-One meetings, small group meetings, and conference calls.

The Company not only participated in local conferences and roadshows, but also conducted regional engagements with shareholders in Hong Kong, Singapore and Japan to share the current business performances, strategic insights and outlook.





Some of the key events participated by the Company in 2015 included:

Venue	Event	Date	Organiser
Kuala Lumpur, Malaysia	CIMB 7th Annual Malaysia Corporate Day	6 Jan 2015	CIMB
Kuala Lumpur, Malaysia	Invest Malaysia	23-24 Apr 2015	Bursa Malaysia & CIMB
Hong Kong	AllianceDBS Non-Deal Corporate Roadshow	21-22 May 2015	AllianceDBS
Singapore	CIMB Non-Deal Corporate Roadshow	4 Sept 2015	CIMB
Japan	AffinHwang-Daiwa Malaysia Corporate Day	28-29 Sept 2015	AffinHwang-Daiwa

INVESTMENT COMMUNITY VISIT TO PRAI TERMINAL, PULAU PINANG

In order to foster in-depth understanding on PDB's business operations, the IR team had organised a visit for its investment community comprising the institutional shareholders, fund managers and analysts, to one of PDB's facilities in Prai, Pulau Pinang on 12 November 2015. The visit is an annual initiative undertaken by the IR team since 2012 with the objective of providing the Analysts, Fund Managers and Institutional Shareholders first hand information to enable them to have better valuation on PDB's business and share value.



INVESTOR RELATIONS (continued)



ANNUAL GENERAL MEETING

PDB's 33rd AGM was held on 15 April 2015 at Sapphire Ballroom, Level 1, Mandarin Oriental Kuala Lumpur. Shareholders were able to provide feedback and raise questions to the Board and senior management. All the proposed resolutions were duly passed by the shareholders.



NACRA 2015 – GOLD AWARD FOR BEST DESIGNED

The NACRA was established in 1985 to promote excellence in annual corporate briefing as well as transparency and accountability in corporate reporting.

The 2015 NACRA Awards Ceremony was held on 26 November 2015 at the Grand Ballroom, Intercontinental Hotel, Kuala Lumpur.

For the year under review, PDB won its very first Gold Award for Best Designed Annual Report 2014.

FTSE4GOOD RATING ON ESG

Bursa Malaysia and FTSE4Good have taken various steps to promote sustainable practices amongst the listed issuers. In order to encourage the listed issuers in Malaysia to further enhance their sustainability reporting, Bursa Malaysia had launched the CSR guidelines and sustainability portal in 2015.

During the year under review, the IR and Corporate HSED teams had jointly initiated series of engagement with Bursa Malaysia and FTSE4Good seeking their advice on ways to improve PDB's ESG rating.

PDB had successfully improved its ESG's rating and is now a FTSE4Good constituent starting December 2015. With this recognition from Bursa Malaysia and FTSE4Good, PDB has proven to be a responsible corporate citizen to its shareholders.

DIVIDEND POLICY

PDB adopts a dividend policy which is based on dividend payout ratio of around 50.0% of Profit After Tax at the company level. However, in the past, PDB has been paying more than 50.0% dividend payout to its shareholders.

Based on the consistent dividend payout in the past, PDB has won two prestigious awards namely, Second Runner Up for the Best Return to Shareholder Award by the Malaysian Business and Most Consistent Dividend Policy Award during the 3rd Southeast Asia Institutional Investor Corporate Award in 2011 and 2013, respectively. The Awards received have proven that PDB is a company with strong business fundamentals and delivers sustainable returns to its shareholders.

During the year under review, PDB declared a dividend of 60.0 sen per ordinary share or total dividend amounting to RM596.1 million as a testament PDB's assurance to its shareholders.



INVESTOR RELATIONS (continued)

CREDIT RATING

MARC has assigned final rating of **MARC-1/SAAAIS** to PDB's Islamic Commercial Papers and IMTN Programme (Sukuk Programme) to up to RM2.0 billion under the Islamic principle of Murabahah with a stable outlook. The affirmed ratings are equalised to the ratings of PETRONAS on which MARC maintains a public information ratings of AAA/MARC-1/Stable.

ANALYSTS COVERAGE

As at December 2015, PDB is covered by eight research houses, reflecting strong interest by the investment community.

No	Research House
1	KAF-Seagroatt Campbell
2	TA Securities
3	CIMB
4	AllianceDBS
5	Hong Leong Investment Bank
6	MIDF Research
7	Kenanga Investment Bank
8	Macquarie Securities

WEBSITE AND FEEDBACK

The IR Unit maintains its deliverables in PDB's corporate website as it serves as an excellent platform to communicate with internal and external stakeholders on the business and financial performances. PDB's corporate website at www.mymesra.com.my continued to garner attention with queries and feedback received, both locally and overseas. The IR team continued to ensure that the IR section of the corporate website remained up-to-date with the latest company disclosures.

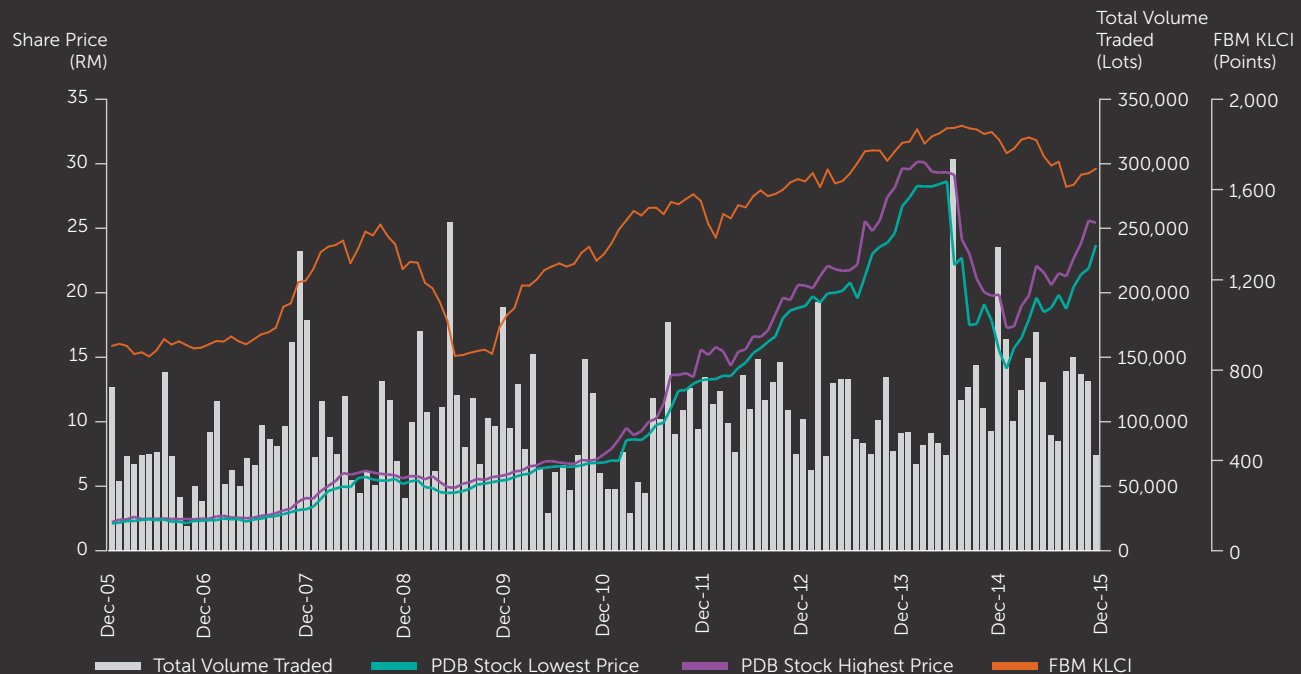
IR CONTACT

The investment community may forward their enquiries and feedback to PDB's IR team. The details of IR's contact are as follows:

- 1. Raja Zera Raja Zaib Shah**
Head, Strategic Planning
Email: zera@petronas.com.my
- 2. Nur Asyirin Ibrahim**
Manager, Investor Relations
Email: nurasyirin@petronas.com.my
- 3. Natalia Inani Norsalehe**
Executive, Investor Relations
Email: inani.norsalehe@petronas.com.my

SHARE PERFORMANCE

- BUSINESS OVERVIEW
- SUSTAINABILITY REPORT
- ACCOUNTABILITY
- FINANCIAL STATEMENTS
- SHAREHOLDERS' INFORMATION



993,454,000

OUTSTANDING shares as at 31 December 2015

LOWEST SHARE PRICE IN 2015

RM16.32

as at 21 January 2015

HIGHEST SHARE PRICE IN 2015

RM25.04

as at 25 November 2015

“ DESPITE THE WEAKER EQUITY MARKET IN 2015, THE COMPANY’S SHARE PRICE OUTPERFORMED THE OTHER OIL AND GAS COUNTERS IN THE COUNTRY.”

The Malaysian equities market experienced its ups and down due to many factors, including the prevailing fear of global and domestic economic uncertainties, the falling oil prices and the weakening Ringgit.

Malaysia capital market in 2015 was generally weaker than the preceding period under review. Nevertheless, Malaysia appears to have managed to maneuver itself through 2015’s course of slippery slopes and danger zones.

SHARE PERFORMANCE (continued)

The FBM KLCI, in particular, experienced a tumultuous year. During the period under review, FBM KLCI stood at a year high of 1,862.8 points in July 2015. The weak market took over the reins shortly after, and a global sell down of equities brought the FBM KLCI to a year low of 1,532.14 points in August 2015.

The declining trend in the FBM KLCI in the second half of the year coincided with the continued decline in crude oil prices that was precipitated by a supply glut and the pressure of strengthening US Dollar. Dated Brent was trading at over USD110.00/bbl per barrel in June of 2014, had tumbled to a year low of USD37.00/bbl per barrel, also its lowest since 2009. The prices of other commodities like crude palm oil and rubber also dropped during the year under review due to uneven global economic growth. Crucially, the world's second largest economy and Malaysia's biggest trading partner, China, experienced an economic slowdown. This wreaked havoc on a commodity-dependent Malaysia. The FBM KLCI closed its trading at a new high of 1,958.0 points on the last day of the period under review.

The Ringgit's dismal performance was due to external pressures, such as uncertainties surrounding the US Federal Reserve's expected interest rate hike coupled with China's slowing growth. Nonetheless, the weaker Ringgit had opened up an opportunity for the foreign investors to invest in the Company's stock.

Despite the uncertainties in the global economy during the period under review, PDB's share price remained resilient hovering between RM16.00 in January 2015 to RM25.00 by end of December 2015.

The Company's share price movement was in line with the FBM KLCI trending since 2005 to end-2011. However, during the period under review, the Company's share price diverged from the FBM KLCI trend.

Unlike the other sectors, whilst Malaysia had been affected by the weaker Ringgit, falling oil price and weak economic outlook, the Company's share price remained resilient hovering between and average of RM19.05 in Quarter 1 2015 to and average of RM24.12 in Quarter 4 2015. The Company hit its all-time high of RM25.04 on 25 November 2015. This is a reflection of the Company's strong fundamentals and performance. The Company had also seen a rise in foreign shareholding, which have increased by 2.5% from 5.1% in January to 7.6% in December 2015.

Share Price (RM)	1Q		2Q		3Q		4Q		FY2015	
	Price	Date	Price	Date	Price	Date	Price	Date	Price	Date
High	20.00	30 Mar	22.40	28 Apr	21.96	25 Sep	25.04	25 Nov	25.04	25 Nov
Low	16.32	21 Jan	19.68	26 May	19.82	20 Aug	22.00	1 Oct	16.32	21 Jan
Close	20.00	31 Mar	20.58	30 Jun	21.82	30 Sep	24.86	31 Dec	24.86	31 Dec

Average	1Q		2Q		3Q		4Q		FY2015	
Price (RM)	19.05		20.63		21.37		24.12		21.29	

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Percentage (%)	5.09	5.13	5.26	5.49	5.68	5.99	6.19	6.23	6.67	6.95	7.40	7.62
Foreign Shareholdings												

MARKET CAPITALISATION

993,454,000

OUTSTANDING shares as at 31 December 2015

**LOWEST MARKET
CAPITALISATION (RM)**

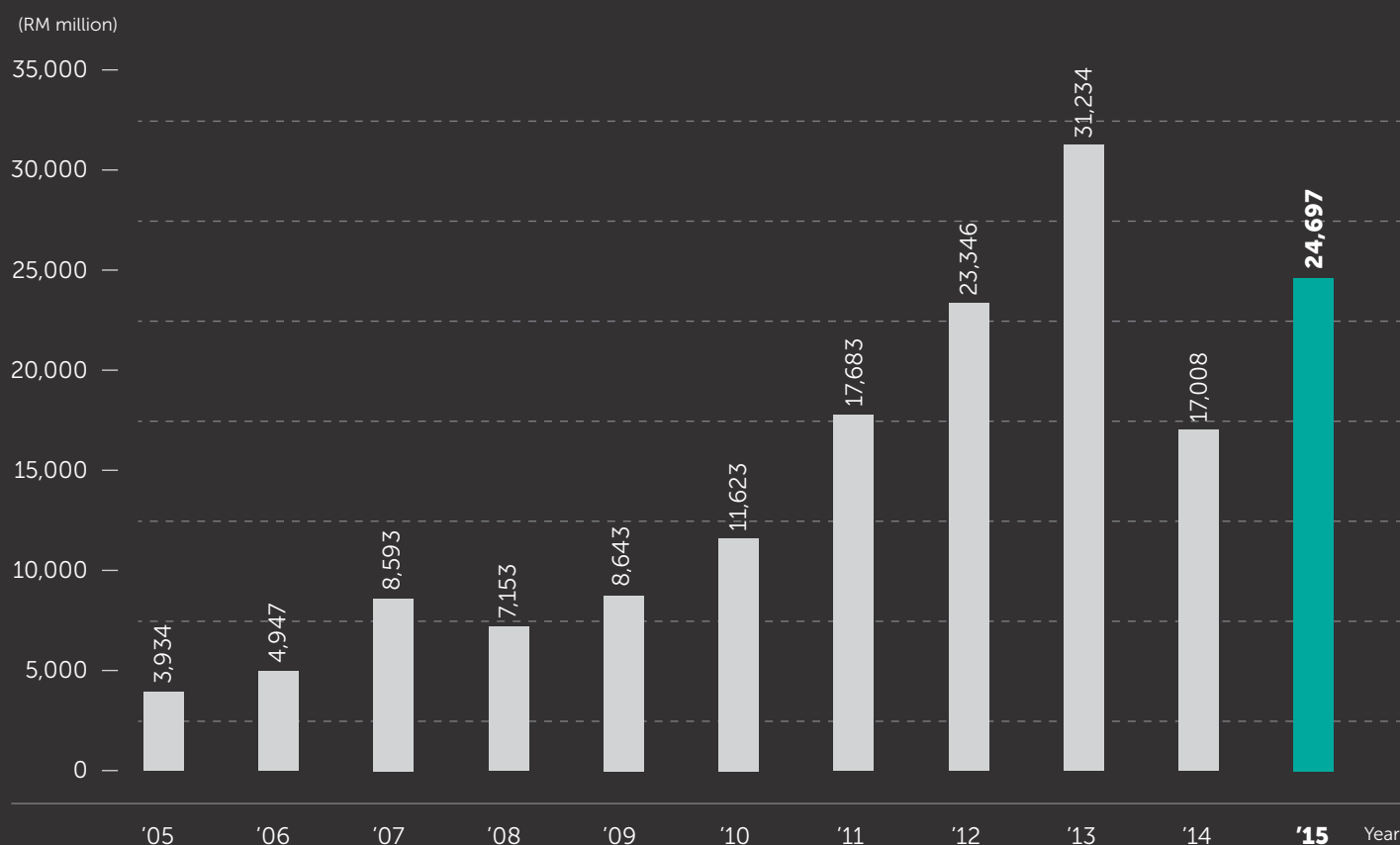
3,934 MILLION

As at 31 December 2005

**HIGHEST MARKET
CAPITALISATION (RM)**

31,234 MILLION

As at 31 December 2013



Note: As at last trading day of the calendar year

INSPIRING CHANGE

- KEY MESSAGES
- CORPORATE DISCLOSURES
- BUSINESS STRATEGIES
- LEADERSHIP
- FINANCIAL REVIEW
- ACHIEVEMENTS

PDB IN THE NEWS

Petronas Dagangan Q2 earnings up 47%

PETALING JAYA: Petronas Dagangan Bhd's second quarter ended June 30, 2011 Q2) net profit rose 47 per cent to RM479.4 million from RM325.6 million a year ago due to higher operating profit of RM479.4 million.

The company said the group's operating profit was boosted by higher gross profit by RM47.1 million, lower operating expenses by RM22.3 million and higher other income by RM34.5 million.

"Higher other income was mainly due to the accounting reclassification arising from the Goods and Services Tax implementation which has no profit impact. Higher gross profit was a result of higher margin contribution from both retail and reduction efforts had further contributed to the lower operating expenses," said the company.

Revenue of RM4.4 billion due to a 4 per cent increase in sales volume. The decrease in line with the Singapore price.

For the six months ended June 30, 2011, net profit rose from RM240.6 million to RM479.4 million.

The company said its operating profit for the six months ended June 30, 2011 was RM479.4 million, up 47 per cent from RM325.6 million a year ago.

Revenue of RM4.4 billion due to a 4 per cent increase in sales volume. The decrease in line with the Singapore price.

For the six months ended June 30, 2011, net profit rose from RM240.6 million to RM479.4 million.

The company said its operating profit for the six months ended June 30, 2011 was RM479.4 million, up 47 per cent from RM325.6 million a year ago.

Petronas Coffee Break is back



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Petronas Coffee Break is back

Jimat masa isi minyak



Jimat masa isi minyak

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PetDag profit up on higher fuel price



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Petronas Dagangan practices JIT inventory

Given the volatile oil prices, the company maintains upstream inventory level to stay profitable

Petronas Dagangan practices JIT inventory

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国油加油站 今天派送咖啡礼袋



国油加油站 今天派送咖啡礼袋

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Clean water from their taps

Company helps upgrade pipes and cleans rural villages dam



Clean water from their taps

Clean water from their taps

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SIGNIFICANT EVENTS

15, 16, 20, 21 FEBRUARY 2015



PETRONAS Coffee Break in conjunction with Chinese New Year

The PETRONAS Coffee Break is PDB's flagship road safety campaign that encourages motorists to stop, relax and refresh at participating PETRONAS stations during the festive period *balik kampung* exodus.

PDB distributed 150,000 limited edition festive pouches containing canned coffee and snacks to motorists at 40 participating service stations nationwide over the four-day campaign period, which covered 15, 16, 20 and 21 February 2015 for Chinese New Year and 15, 16, 20 and 21 July 2015 for Hari Raya Aidilfitri.

21 MARCH 2015



20 MARCH 2015



Launch of Low Profile Low Flat Rate Dispenser

PDB introduced its new fuel dispensing equipment for narrow bodied aircrafts, the LPLFRD at the LIMA'15 exhibition. This was one of the many new innovations which PDB injected into its business operations to add value to the way we do things. The equipment, first to be introduced in Malaysia and Southeast Asia, has been in operation at KLIA since April 2015.

VISA PETRONAS Spend and Win Contest

Lucky winner Amer Hafizi Abdul Halim from Perak received his grand prize, a Mercedes-Benz C200, from MERCEDES AMG PETRONAS Formula One™ Team driver Nico Rosberg at the prize presentation ceremony for the Visa PETRONAS Spend and Win Contest in Kuala Lumpur. The contest was one of the many customer rewards activities held throughout the year with business partners to engage and mutually reward loyal customers.

24 MARCH 2015**PETRONAS StreetSmart**

MERCEDES AMG PETRONAS Formula One™ Team driver, Lewis Hamilton paid a surprise visit to students of SMK Seri Tanjong in Tanjung Kling, Melaka, who were participants in the PETRONAS StreetSmart programme. Hamilton took the opportunity to speak to students on the importance of road safety. He also shared his experiences in the Formula One™ races.

2 APRIL 2015**Prize presentation for Revive Isotonic-PETRONAS Match and Win Contest**

Oon Soo Ong, a pharmacist from Kuala Lumpur achieved his dream of watching Manchester United in action live at Old Trafford when he emerged as the grand prize winner of the PETRONAS Match and Win Contest. The prize presentation ceremony was held at the Penchala Link PETRONAS station, Kuala Lumpur. The contest was a collaboration between PDB and its business partner, Permanis Sdn Bhd.

13 APRIL 2015**PETRONAS Ways2Win Campaign**

As part of PDB's ongoing efforts to add value and reward its loyal customers, the launch of PETRONAS Ways2Win Campaign gave customers the opportunity to win instant rewards with every purchase of RM40 at PETRONAS stations. The campaign was launched by the MDTCC Minister, YB Dato' Sri Hasan Malek at PETRONAS Solaris Station in Serdang, Selangor.

SIGNIFICANT EVENTS (continued)

15 APRIL 2015



PDB 33rd Annual General Meeting

PDB held its 33rd AGM on 15 April 2015 at the Mandarin Oriental, Kuala Lumpur. It was attended by 573 shareholders and proxies. The AGM was led by the Chairman of PDB's Board, YBhg Datuk Wan Zulkiflee Wan Ariffin.

25 MAY 2015



The Edge Billion Ringgit Club: Meet the CEO Talk at KDU Glenmarie

PDB's MD/CEO, Mohd Ibrahimnuddin Mohd Yunus took time to address students from Kolej Damansara Utama at the Edge Billion Ringgit Club: Meet the CEO Talk organised by The Edge Financial Daily. This initiative provided university students with a platform to engage and interact with some of Malaysia's top CEOs. The students also received tips, strategies and guidance from the MD/CEO that would aid them in their future career.

30-31 MAY 2015



KL Big Kitchen Festival 2015

No culinary adventure is complete without the presence of Gas PETRONAS, Malaysia's No. 1 cooking gas. PDB was one of the main sponsors for Kuala Lumpur Big Kitchen Festival 2015, an event organised by the Kuala Lumpur City Hall and Visit KL, in collaboration with Tourism Malaysia and the Ministry of Tourism and Culture Malaysia. The three-day festival at Dataran Merdeka also saw safety demonstrations being held at the Gas PETRONAS booth as part of our commitment to educate customers on LPG cylinder handling.

16 JUNE 2015



Reader's Digest Trusted Brand Awards 2015

PDB was honoured to receive the title of Best Petrol Station, a renowned accolade awarded in the Reader's Digest Trusted Brand Awards 2015 that represented the strength of the company's reputation as a petroleum retail marketing company.

As a trusted brand that enjoys a strong local connection, this win further inspired us to strive to be relevant to our consumers by staying true to our promises and delivering excellent customer experience.

2 JULY 2015



Kombo RM5 Untuk Cuti Idaman Anda Campaign

PDB offered its Kad Mesra members a chance to win an all expenses paid customised holiday to a destination of their choice with the launch of the *Kombo RM5 Untuk Cuti Idaman Anda* campaign. The campaign required a minimum purchase worth RM5 of any Mesra promotion item for a chance to win the grand prize of travel packages worth RM20,000.00. The campaign was held from 1 July to 31 August 2015.

19 AUGUST 2015



Launch of the new PETRONAS Primax 97 with Advanced Energy Formula

PDB created history by becoming the first oil and gas retail company in Malaysia to launch its Euro 4M compliant RON97 fuel, the new PETRONAS Primax 97 with Advanced Energy Formula, two weeks ahead of the government's gazetted implementation date. The event was launched by YB Dato' Seri Hamzah Zainudin, MDTCC Minister, at the Technology Park Malaysia PETRONAS station and witnessed by Md Arif Mahmood, EVP and CEO, Downstream Business, PETRONAS.

SIGNIFICANT EVENTS (continued)

21 AUGUST 2015



Putra Brand Awards

PDB proved its mettle as a trusted fuel brand by winning the Putra Brand Gold Award for the sixth consecutive year in the Automotive Fuel category and for the second consecutive year for the Automotive Lubricant category. The award was an honour for PETRONAS, a brand that has consistently received gold accolades at the Putra Brand Icon Awards. It also further reinforced the strong brand presence and recognition of the PETRONAS brand amongst the Malaysian public.

4 SEPTEMBER 2015



Malaysian Society for Occupational Safety and Health Awards 2014

PDB clinched six Gold Awards at the MSOSH Awards 2014, cementing its standing as a company that is committed to safety and health in all aspects of its operations. As a responsible petroleum company that has the interest of its businesses, employees, surroundings and community close to its heart, HSE is of utmost importance to PETRONAS.

26 NOVEMBER 2015



National Annual Corporate Report Awards

PDB emerged as the Gold Winner for Best Designed Category at the NACRA 2015 Awards, a first for the company in this category. The win is hoped to become an inspiration for PDB in the coming years as we pride ourselves on being an organisation that is committed towards promoting excellence, transparency and accountability in our financial reporting. NACRA is jointly organised by Bursa, Malaysia Institute of Accountants and The Malaysia Institute of Certified Public Accountants.

26 NOVEMBER 2015

Launch of Kad Mesra ANGKASA at Melaka International Trade Centre

PDB, in collaboration with ANGKASA, launched the company's first co-branded loyalty card for co-operative members at an event held in conjunction with the Malaysian Carnival of Cooperatives' Products and Services 2015. The event was launched by MDTCC Minister YB Dato' Seri Hamzah Zainudin. The new co-branded card will enable users to claim and redeem points at any PETRONAS station and Kedai Mesra, in addition to discounts and other benefits from existing Kad Mesra and ANGKASA merchants.

16 DECEMBER 2015**9 DECEMBER 2015**

Water For Life at Kampung Pinapak, Pitas, Sabah

About 40 PDB employees and PETRONAS station dealers were part of the team of volunteers for the Water For Life programme at Kampung Pinapak in Pitas, Sabah. This grass root based CSR programme brought in facilities to help the villagers gain access to continuous supply of clean water for their daily use.

This year PDB also brought the Water For Life programme to Kampung Belantik in Sik, Kedah and Kampung Runchang in Pekan, Pahang. Together with our partner, the Malaysian Nature Society, and volunteers from PDB's regional offices, the programme benefitted more than 4,000 residents from 795 families.

PDB Townhall: PDB Then, Now and Beyond

The fourth and final PDB Town Hall of 2015 was attended by 155 staff including Managers In Charge from all regions which took place at Hilton Sentral Kuala Lumpur. The internal engagement aims to fulfil the objective that PDB staff are constantly engaged and in direct communication with each other. The MD/CEO emphasised on the importance of staff building and upholding the vision to become the "Brand of 1st Choice".

AWARDS AND RECOGNITIONS



**GOLD AWARD FOR
BEST PETROL STATION**



**GOLD AWARD FOR
AUTOMOTIVE – FUEL &
LUBRICANTS**



**GOLD AWARD FOR
BEST DESIGNED**



MSOSH AWARDS 2014



**Prai Fuel & LPG
Terminal**



**Kertih Fuel &
LPG Terminal**



**Pasir Gudang
Fuel & LPG
Terminal**



**Kuantan Fuel
Terminal**



**Melaka Fuel &
LPG Terminal**



**Lumut Fuel
Terminal**

* MSOSH Awards 2014 – Awards received in September 2015.

PAST AWARDS



AWARDS RECEIVED IN 2013

Putra Brand Awards

Gold, Automotive – Fuel Category

Putra Brand Icon Award

By the Association of Accredited Advertising Agents (4As) Malaysia

BrandLaureate Best Brands Awards 2012-2013

Product Branding – Best Brands in Consumer Category for Car Lubricants (PETRONAS Syntium)

By the Asia Pacific Brands Foundation (APBF)

Asia Pacific Award

Best Regional Jet Fuel Marketer

By Armbrust Aviation Group (AAG)

Reader's Digest Trusted Brand Awards

Best Petrol Station Category

3rd Annual Southeast Asia Institutional Investor Corporate Awards

Most Consistent Dividend Policy for Malaysia

By Alpha Southeast Asia (Editorial for Global Investors)

AWARDS RECEIVED IN 2014

Putra Brand Awards

Gold, Automotive – Fuel & Lubricants Category

By Association of Accredited Advertising Agents (4As) Malaysia

Reader's Digest Trusted Brand Awards

Best Petrol Station

Malaysian Society for Occupational Safety & Health Awards

Two Gold Class 1 MSOSH Awards, Oil & Gas Sector:

Prai Fuel & LPG Terminals and Kertih LPG Terminal

Asia Pacific Award

Best Regional Jet Fuel Marketer

By Armbrust Aviation Group (AAG)