

Pre-AGM questions

Note: Some question and feedbacks by shareholders have been edited for brevity and clarity

1. Voucher and door gifts

No.	Question
1	Is the company giving any doorgift to shareholders attending this AGM
2	Dear Board of Directors, please kindly consider giving all shareholders a good and generous door gift as we have worked hard, taken a lot of time, efforts, involvement and participation in this important AGM. Thank you very much for your kindness and generosity.
3	Any door gift?
4	Please forward door gifts. Thank you.
5	Is there any door gift
6	Please give us some e vouchers/e wallet for attending RPV as a token of appreciation. Tq
7	Please give us some e vouchers/e wallet for attending RPV as a token of appreciation. Tq
8	Please give us some e vouchers/e wallet for attending RPV as a token of appreciation. Tq
9	Please give us some e vouchers/e wallet for attending RPV as a token of appreciation. Tq
10	Please give us some e vouchers/e wallet for attending this RPV as a token of appreciation. Tq
11	Please give us some e vouchers/e wallet for attending this RPV. Tq
12	Please give us some e vouchers/e wallet for attending this RPV as a token of appreciation. Tq
13	Please give us some e vouchers/e wallet for attending this RPV. Tq
14	Please give us some e vouchers/e wallet for attending this RPV as a token of appreciation. Tq
15	Please give us some e vouchers/e wallet for attending this RPV as a token of appreciation. Tq
16	Please give us some e vouchers/e wallet for attending this RPV as a token of appreciation. Tq
Answer for Question 1 - 16	
PGB will provide Setel e-vouchers worth RM100 for this AGM, as a token of appreciation to all its shareholders, proxies, corporate representatives and attorneys who participate at today's AGM. The Setel e-voucher will be sent via email by Tricor to your registered email based on today's AGM attendance record within 5 - 7 working days.	

2. Request for the printed Annual Report

No.	Question
17	Please send me a printed copy of Annual Report
18	Please send printed annual report,
Answer	
We take note on your request for the hard copy of the annual report, and we have made the necessary arrangement accordingly. However, as the shareholders are aware, the softcopy of annual report is available from PGB's website. In line with our sustainability aspiration, we would like to encourage the shareholders to utilise the softcopy of the annual report.	

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2. Strategy, growth, business & market outlook

No.	Question
19	What is the expected share price in Dec 2023.
Answer	
Share price movement is an outcome from a confluence of different factors such as the global and domestic economy, policies, political scenarios, and fundamentals of a company, hence some factors are not within the control of PGB. Nevertheless, we firmly view that our share price is backed by business fundamentals which partly shielded us from the volatile business environment.	
No.	Question
20	What is the expected CAPEX for regulated and non-regulated businesses respectively for FY23? What about the next few years?
Answer	
Total CAPEX for 2023 is expected to be comparable to 2022, of which about 45% is for regulated business. We expect the trend for the next few years to remain the same.	
No.	Question
21	"PGB will continue to explore opportunities in the renewable energy sector and invest in sustainable technologies" (page 73 of Integrated Report). What are the potential investments in the renewable sector?
Answer	
Currently PGB is exploring stepping out opportunities including renewables subject to meeting the investment threshold. We will make the necessary announcement as and when the time comes.	
No.	Question
22	In an interview published by The Edge on 5 Nov 2022, CEO Abdul Aziz Othman revealed that PetGas is eyeing for opportunity to expand into floating LNG storage vessels and onshore storage facilities. (a) Can you elaborate on this vision? (b) PGB's sister company MISC is in the business of floating storage units. Is there any overlap?
Answer	
a) PGB is pursuing the growth opportunity in the LNG storage business. We will make the necessary announcement as and when the time comes. b) Between PGB and MISC, we complement each other to provide this service.	
No.	Question
23	Can you provide further details on the Gas Hub Studies mentioned in page 68 of the Integrated Report? What are the vision, timeline and size of opportunity?
Answer	
This study is being undertaken by the Government. The planning and execution of the initiative to realise the Gas Hub is under the purview of the Government. We believe that the Gas Hub will spur the gas demand, providing opportunities for our facilities expansion.	
No.	Question
24	Congratulation to PGB for attaining cumulative value amounting to RM427.5m from 2019 to 22 under R2 Game Plan, which has exceeded the RM182m target. What are the operational and financial targets under the follow-up PGB Strategic Agenda running from 2023 to 2030?
Answer	
The new strategic agenda outlines the path from 2023 to 2030 is only finalised recently. The focus is to sustain Operational Excellence while pursuing growth opportunities.	

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4. Operational

No.	Question
25	What is the lifetime of a gas pipeline? When the replacement is due and estimated cost of replacement?
Answer	
<p>As disclosed in our Audited Financial Statement, the useful life of a gas pipeline is estimated to be between 20 to 55 years. Timing and cost of pipeline replacement will vary depending on the commissioning date and other contributing factors such as size, material and location.</p> <p>Our first major gas pipeline from Kerteh to Kemaman reaches 40 years of service, and currently undergoing replacement.</p>	
No.	Question
26	FY22 gross profit was lower by 14% at RM2.35 billion as a result of higher operating expenses due to higher fuel gas and internal gas consumption expenses. Is there a mechanism to pass these higher costs to the customers? Can the Board explain how this works?
Answer	
<p>The fuel gas cost for the Utilities business is a passthrough costs to steam & Industrial gases customers. However, for electricity the passthrough is limited as per tariff set by ST. In 2022, Utilities business has completed most long-term contract renewals in which the improved terms will allow a more balanced cost pass-through between electricity, steam and industrial gases which will reduce the business exposure to gas price volatility.</p> <p>IGC costs for Gas Transportation and Regasification is recoverable via regulated tariff. Under RP2, price impact will be recovered in the following year through annual adjustment.</p>	
No.	Question
27	<p>The lower tariffs for Transportation and Regasification businesses under RP2 will be partly negated by a high-pressure compression tariff (Tariff C) for PGU (page 61 of IR).</p> <p>a) Assume constant 2022 volume. What will be the revenue for Transportation and Regasification respectively under RP2?</p> <p>b) Is Tariff C derived from new investment under RAB for New Kluang Compression Station?</p> <p>c) Any other new investments under RAB that could contribute?</p>
Answer	
<p>a) The revenue for RP2 is calculated based on reserved capacity and approved tariff. Both reserved capacity and approved tariff are publicly available on ST website.</p> <p>b) Yes, tariff C is partly derived from New Kluang Compressor Station.</p> <p>c) Any approved CAPEX by ST will contribute to the tariff.</p>	
No.	Question
28	Can you explain what is the internal gas used in Transportation and Regasification businesses? What are the internal gas consumption expenses, as a percentage of revenue, in FY21 and FY22 respectively?
Answer	
<p>Internal gas is mainly used to run the compressors to boost the gas pressure along the pipeline and at the regasification facilities.</p> <p>The percentage of internal gas consumption expenses as compared to Group's total revenue for FY2021 and FY2022 ranges from 3% to 4%.</p>	
No.	Question
29	<p>According to the AM Bank research report on 30 Jan, "Management also highlighted that the capacity for all 3 regulated segments has been fully booked currently, thus assuring stable earnings delivery in RP2".</p> <p>a) Is it common that these capacities are fully booked (presumably by Petronas)?</p> <p>b) If capacities are fully booked, how can PGB provide additional capacity to third party shippers?</p>
Answer	
<p>a) Yes, at the moment these capacities are fully booked.</p> <p>b) For RGTSU and RGTP, the Access Arrangement allows for the transfer of some reserved capacity from existing capacity users to the new capacity user should the need arise. As for PGU, there is still unreserved capacity and PGB will receive additional revenue if there is capacity reservation during the year when there is a new shipper.</p>	

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No.	Question
30	Refer to the video in PGB Gas Transportation website. Why is the introduction of VPS and Bunkering services is performed by the MD and the Head of Commercial Business Division of Petronas Dagangan (instead of by PGB)? https://www.petronas.com/pgb/our-business/gas-transportation
Answer	
For the VPS and Bunkering business, PGB does not own the LNG molecule. PETRONAS as the molecule owner has appointed PETRONAS Dagangan Berhad as the agent.	
No.	Question
31	<ul style="list-style-type: none"> a) Is the Peninsular Gas Utilisation (PGU) pipeline network fully insured for operational losses against sabotage and accidents? b) How do initiatives like virtual fencing and nested drones help to realise cost savings of RM218m in 2022 (page 44 of Integrated Report)? c) Was the 2022 fire incident at Sabah-Sarawak Gas Pipeline (SSGP) in any way related to PGB?
Answer	
<ul style="list-style-type: none"> a) Yes, the assets are fully insured. b) The savings of RM218 million are for all Digital initiatives at PGB, which includes the virtual fencing and nested drones. c) No. The asset is owned by PETRONAS, and we are no longer the operator. 	
No.	Question
32	Refer to schematic diagram in page 16 of Integrated Report. Are propane & butane, ethane, and salesgas transported via separate and dedicated pipelines?
Answer	
Yes, propane, butane, ethane and salesgas being transported via separate and dedicated pipelines.	
No.	Question
33	<p>The 20-year Gas Processing Agreement (GPA) with Petronas was signed in 2013-14. The negotiations for the Third Term of the GPA are expected to be finalized by the year's end.</p> <ul style="list-style-type: none"> a) What are the scopes of negotiations? b) Looking back, what had been the financial impacts when transiting from first to the second term of GPA?
Answer	
<ul style="list-style-type: none"> a) Similar to the regulated business, the scope of negotiation covers costs required to process the gasses and corresponding return. In addition, performance-based incentive and KPI are being negotiated. b) Between the 1st and 2nd term, there were improvements to the Annual Fees and performance bonus terms. 	
No.	Question
34	<p>Page 8 of Integrated Report mentions renewal of long term contracts with Petronas Chemical subsidiaries.</p> <ul style="list-style-type: none"> (a) Do the contracts refer to the utilities segment? (b) How do the renewed contracts "reduce vulnerability to gas price volatility and regulatory constraint"? (c) What are the expected changes in margin under the new contracts? (d) What are the annual revenues derived from these contracts?
Answer	
<ul style="list-style-type: none"> a) Yes, the contracts are for Utilities segment. b) In 2022, Utilities business has completed most long-term contract renewals in which the improved terms will allow a more balanced cost pass-through between electricity, steam and industrial gases which will reduce the business exposure to gas price volatility. c) & (d) It is challenging to estimate the changes in margin and annual revenues as the main driver for this segment is gas price, which is volatile. 	
No.	Question
35	Within the utilities business segment, what are the revenue contribution by percentage from electricity, steam, and industrial gases respectively?
Answer	
More than 75% of the utilities segment revenue are contributed by steam and electricity products.	

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No.	Question
36	<p>Utilities segment has been affected by the high fuel gas input cost for electricity power generation (page 70 of IR).</p> <p>a) Does the utilities segment charge the same electricity tariff like Tenaga? b) Since that ICPT surcharge is increased by 20 sen/kwh for industrial customers (page 62), does PGB raise its tariff by the same quantum? c) Can PGB emulate Tenaga by asking for an ICPT mechanism? d) Are costs fully passed through for non-electricity (such as steam and industrial gases)?</p>
Answer	
<p>a) Yes, Utilities segment applies the same electricity tariff in line with TNB tariff. b) Yes, PGB Utilities segment also follows the ICPT surcharge of TNB by the same quantum. c) Since our tariff follows TNB, the ICPT mechanism is also applicable for us. d) Yes, Steam and industrial gases products are cost pass-through.</p>	
No.	Question
37	<p>The CEO also told The Edge that there is a lack of demand from third party shippers to take up spare regasification terminal capacity. PGB only had one shipper for two years. Further gas price liberalization needs to happen.</p> <p>Can you elaborate? What are the benefits of bringing in third party shippers to the various players? What are the market dynamics that discourage third party shippers? What could be done by the government?</p>
Answer	
<p>The objective of the Government is to have open access and liberalised gas market. However, at this moment the gas price to the power sector is not liberalised, hence limiting other shippers from taking up the capacity.</p>	
No.	Question
38	<p>Gas-powered power plants are expected to replace coal-based power plants from 2030 to 2040. However, no new gas-powered plants will be built before 2030. Besides Malaysia reserve margin is high. Current focus is on renewable energy.</p> <p>Does it mean PGB will have limited opportunity to expand its RAB before 2030? How can PGB adapt?</p>
Answer	
<p>RAB also includes CAPEX to ensure the reliability, safety and rejuvenation of our assets. We believe these CAPEX will be able to sustain our RAB.</p>	

3. Financial

No.	Question
39	How does the company plan to use the cash it has?
Answer	
<p>We maintain sufficient cash balance to fund our business operations, CAPEX requirements of existing business operations and growth projects, as well as to sustain payment of dividends to shareholders.</p> <p>Our healthy cash balance ensures that we are in a good position to capture new growth opportunities. As mentioned by MDCEO earlier, we are looking at opportunities to grow our business within our core infrastructure business, utilities solutions as well as exploring stepping out opportunities to leverage on energy transition i.e., carbon capture and storage.</p> <p>Moving into 2023, we will continue to optimise our capital structure in meeting operational and growth plans requirement.</p>	
No.	Question
40	<p>According to AM Bank research report on 30 Jan, "Management explained that the lower tariffs for all 3 regulated assets in RP2 are mainly due to lower weighted average cost of capital (WACC)".</p> <p>a) Does it mean a higher proportion of debt funding is assumed in RP2? b) Does it mean PGB should use more debt funding, which is cheaper, to obtain the same return?</p>

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Answer	
<p>For clarity, reduced tariffs are only applicable for Gas Transportation and RGTP. WACC in the context of RP is referring to the allowed return on our asset base. The return is determined by ST which are heavily driven by historical and prevailing economics and market-based parameters as well as benchmarking. The gearing assumption is in accordance with ST tariff guideline which is generally consistent from one RP to another.</p> <p>We acknowledge the need to have an efficient capital structure especially for our regulated businesses.</p>	

No.	Question
41	PGB reported a lower profit after tax of RM1,758.5m in FY22. What is the profit after tax if the effect of prosperity tax is excluded?

Answer	
The impact to PGB was an additional tax of approximately RM130 million.	

No.	Question
42	The gross margin of Gas Transportation segment has declined from 75% in 2018, to 60% in 2021, and to 48% in 2022. However, the volatility in foreign exchange and internal gas consumption will be passed through under RP2. Barring unforeseen circumstances, can margin at least recover to around 60% in 2023?

Answer	
Despite the lower RP2 tariff, we expect the margin for GT to remain healthy. Even though there are passthrough mechanism in place, it is challenging to estimate the margin as there will be a time lag for the recovery.	

No.	Question
43	In 2022, PGB indicated a 3-year timeline to achieve an optimal gearing ratio of 55%. a) Do the timeline and target remain unchanged? b) What are the challenges faced (if any) in reaching the optimal gearing?

Answer	
PGB performs funding assessments based on project's requirements from time to time, while pursuing to optimise capital structure. PGB has a good credit standing and will only pursue financing as and when required.	

4. Others

No.	Question
44	Petronas Chemical publishes the transcript of analyst briefing in its website. Can PGB do the same, or just simply provide the webcast recording?

Answer	
Thank you for the feedback. We will publish the transcript starting Q1 2023.	

No.	Question
45	Please maintain the option of online participation for future AGMs

Answer	
<p>Thank you for your suggestion. PGB will continue to consider virtual meetings in line with the Revised Guidance Note by Securities Commission in which listed issuers are encouraged to continue leveraging on technology to conduct their general meetings.</p> <p>Furthermore, we think that a virtual AGM is more effective, making it easier for our shareholders to participate especially for those with logistical constraints. We have seen a higher number of participants attending virtual AGM than the physical event.</p>	

AGM live questions

Note: Some question and feedbacks by shareholders have been edited for brevity and clarity

1. Vouchers and door gifts

No.	Question
1	This year can increase gift value up to RM200?
2	What is the doorgift for AGM PETGAS this year?
3	Any door gift or vouchers giving out?
4	Any doorgift?
5	Please give setel petrol vouchers. Thank you.
6	Is the company giving any doorgift to shareholders attending this AGM?
7	Any Door Gifts?
8	Any door gifts for shareholders?
9	Any door gifts for shareholders?
10	Got gift?
11	As economy picking up hope PETRONAS Gas give higher door gift next year.
12	Please increase the value of door gifts.
13	Please forward door gifts.
14	Is there any door gift to further incentivize shareholders' attendance to the AGM?
15	Any door gift?
16	Directors, please give us door gift. Everything goes very expensive. We need some money to survive.
17	Is the company considering to provide Setel vouchers, e-vouchers or TNG e-wallet as a token of appreciation to shareholders who participate in the virtual AGM and is the company considering to increase the value of door gifts ?
18	Any doorgift?
19	Did the company (BOD) consider to giving out door gift such as e voucher/e wallets for those who attending the AGM,tq.
20	Any increase of Doorgift to RM150 or more as a token of appreciation and also cost of living have increased.
21	Is there any door gift for this AGM?
22	Please consider giving e voucher to participating shareholder.
23	Got gift?
24	How do I receive my door gift?
25	Will value PETGAS if continue the Setel eVoucher vas a token of appreciation. TQ
26	Would the BOD give RM100 Setel e- voucher to shareholders as a token of appreciation for taking time to attend today's RPV.
27	I humbly request BOD to give eWallet or eVoucher to attendees as a gesture of goodwill for this annual event.
28	Will value PETGAS if continue the Setel eVoucher vas a token of appreciation. TQ
29	Please give us some e vouchers/e wallet for attending this RPV as a token of appreciation. Tq
30	Please give us some e vouchers/e wallet for attending this RPV. Tq
31	Please give us some e vouchers/e wallet for attending this RPV. Tq
32	Please give us some e vouchers/e wallet for attending this RPV as a token of appreciation. Tq
33	Please give us some e vouchers/e wallet for attending this RPV. Tq
34	Please give us some e vouchers/e wallet for attending this RPV as a token of appreciation. Tq
35	Please give us some e vouchers/e wallet for attending this RPV. Tq
36	Please give us some e vouchers/e wallet for attending this RPV as a token of appreciation. Tq
37	Please give us some e vouchers/,e wallet for attending this RPV. Tq
38	Please give us some e vouchers/e wallet for attending this RPV as a token of appreciation. Tq
39	I am a long time shareholder. I would like to request for RM100 Setel e voucher as a token of appreciation for attending today's RPV meeting
40	Please provide some form of e-vouchers for AGM attendees. Thanks.

AGM live questions

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41	We would greatly appreciate some form of e-vouchers for those who attended this AGM. Thank You
42	We hope the Board can provide some form of e-vouchers for those who attended the AGM. Thanks
43	Please give e-wallet or evouchers to those shareholders attending this meeting.
44	Is the company giving out any form of vouchers for this AGM?
45	I need voucher to buy food, please.
46	As a token of appreciation for attending this Agm remotely, please give evouchers to the loyal shareholders.
47	Kindly provide setel RM200.00. Tqvm
48	Good morning Mr.Chairman and board of directors. Kindly give us RM100 setel e-wallet for being loyal shareholders and attending this AGM. Times are bad now. Please be considered to us shareholders during this trying times. Thankyou.
49	Would a token of appreciation be given to all shareholders who attended this meeting?
50	Reward participant to encourage support for virtual meeting.
Answer for Question 1 – 50	
PGB will provide Setel e-vouchers worth RM100 for this AGM, as a token of appreciation to all its shareholders, proxies, corporate representatives and attorneys who participate at today's AGM. The Setel e-voucher will be sent via email by Tricor to your registered email based on today's AGM attendance record within 5 - 7 working days	

2. Request for the printed Annual Report

No.	Question
51	Please send me hardcopy annual report
52	Please send me hardcopy annual report
53	Kindly send me printed copy of Petronas Gas Annual Report. Requested on-line earlier but never receive it yet .
54	Did not receive Hardcopy of PGB's Annual Report despite requests make long time ago?
55	Dear Chairman, As at now, I still have not received the printed annual report required 3 weeks ago. Can you please arrange one to courier to me?
56	Pls send me a printed copy of annual report. Tq
57	Please send me a printed copy of the Annual Report, tq
58	I haven't received PETRONAS Gas Annual Report
59	Morning to the board, can U send me the printed annual report to my registered address, thanks
60	Please send me hardcopy annual report.
61	I haven't received my PETRONAS Gas Annual Report
62	Please send a copy of the 2022 Annual Report to me. Thank you.
63	Morning to the board, being a senior shareholder with poorer eye-sight, the online pdf annual report is torturing to the eyes, kindly send the printed annual report to me, thank you.
64	Please a print AR 2022 and SBB Statement. Thanks
65	I would like to request a printed hard copy of the company annual report
66	Morning BOD,please send a copy of annual report to me
67	Can I have a hardcopy of the annual report to be sent to me?
Answer for Question 51 - 67	
We take note on your request for the hard copy of the annual report, and we have made the necessary arrangement accordingly. However, as the shareholders are aware, the softcopy of annual report is available from PGB's website. In line with our sustainability aspiration, we would like to encourage the shareholders to utilise the softcopy of the annual report.	

AGM live questions

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2. Strategy, growth, business & market outlook

No.	Question
68	What is the future growth for PETGAS?
Answer	
PGB growth areas are LNG storage, Power generation, Integrated utilities solution, and Position in carbon capture and storage value chain	
No.	Question
69	Would PETGAS consider venturing into power sector since currently your company in the utilities sector?
Answer	
Yes, we already ventured in Cogeneration (COGEN) and Kimanis Power. As you can see from our announcement recently on the FID of the 52MW power plant in Sipitang, this is the result of our continuous efforts to grow in this area.	
No.	Question
70	What is the outlook for non-regulated business?
Answer	
The outlook for gas demand in Malaysia will increase aligned with the opening of economic sector post pandemic. There will be growth opportunities on new industrial parks requiring gas-based utilities solutions and ancillary services. The non-regulated part of Regasification business is also expected to increase in line with the more vibrant activities of LNG vessel. .	
No.	Question
71	Are there any plans for expanding into new markets or launching new products/services?
Answer	
PGB focus growth areas are in LNG storage, power generation, integrated utilities solution, and positioning ourselves in carbon capture and storage value chain. We will make the necessary announcement as we progress accordingly.	
No.	Question
72	Petronas Gas is a well performed company all these years with consistent profits and dividends. What are the outlooks for the current and future. Do Petronas Gas emphasise on research & development to improve its products.
Answer	
PGB R&D is more on operational efficiency and we also actively seeking new growth opportunities to sustain the current and future profitability of the Company. In optimising our operations, PGB has embarked into several technological initiatives e.g. Remote Operating Centre (ROC), Drone monitoring system and Gas Processing Technical Centre (GTC).	
No.	Question
73	How is the dropping of gas price affect Petronas Gas Berhad business?
Answer	
For clarity, currently gas price is still high due to lagging effect of Malaysian Reference Price (MRP). Last year, we saw unprecedented rise of fuel gas price impacting our margin. We have learnt from experience, as such we are able to minimise the impact through several operational optimisation initiatives and we have also successfully negotiated with ST to allow 100% pass through of IGC price impact to shippers in RP2.	
No.	Question
74	What does PETGAS plan to do if the gas price stays high so as to improve profits?
Answer	
Last year, we saw unprecedented rise of fuel gas price impacting our margin. We have learnt from experience, as such we are able to minimise the impact through several operational optimisation initiatives and we have also successfully negotiated with ST to allow 100% pass through of IGC price impact to shippers in RP2.	

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No.	Question
75	What is the market outlook for natural gas?
Answer	
We expect demand for natural gas in Malaysia to continue to increase owing to the opening up of activities post pandemic as well as the plan to phase out coal-based power plants.	
No.	Question
76	What are the Petronas Gas plans for new energy in future?
Answer	
Currently PGB is exploring stepping-out opportunities including renewables subject to meeting the investment threshold. We will make the necessary announcement as and when the time comes.	
No.	Question
77	How many years is Malaysia's gas reserve left?
Answer	
This is not within PGB's purview. Currently, there are extensive activities to enhance the reserve by PETRONAS.	
No.	Question
78	Will recession affect company business?
Answer	
As an infrastructure company, significant portion of our earnings are based on capacity payment underpinned by long term contracts which provides stability in earnings. There might be increased in our operating costs, however we are committed to continue with our cost discipline and operational excellence.	
No.	Question
79	<p>Increased in cost of revenue is very much higher than the revenue increased, which is a diminishing return on earnings.</p> <p>a) Please explain how Co. will improve this and will the declining gas prices enhance our earnings going forward?</p> <p>b) What is the gas pricing outlook?</p> <p>c) How well is our Co. insulated from a US debt default?</p>
Answer	
<p>a) For our regulated business, all operating costs are pass through under RP2. In addition, Utilities business has completed most long-term contract renewals in which the improved terms will allow a more balanced cost pass-through between electricity, steam and industrial gases. This will help to reduce the business exposure to gas price volatility. We are also committed to continue cost discipline and operational excellence.</p> <p>b) We continue to monitor gas price as it is a significant portion of our operating cost. Last year, we saw an unprecedented rise in fuel gas prices owing to the geopolitical crisis. Based on the latest outlook, the price is expected to trend downward but remain at an elevated level.</p> <p>c) As an infrastructure company, significant portion of our earnings are based on capacity payment underpinned by long term contracts which provides stability in earnings. Nonetheless, our credit-worthy customers may be impacted.</p>	
No.	Question
80	How does the management think about US shale gas in the coming near future? Do you see a surge of supply similar to what happened years ago?
Answer	
We continue to monitor the gas industry. However, as an infrastructure company, significant portion of our earnings are based on capacity payment underpinned by long term contracts which provides stability in earnings. Our Utilities business is more susceptible to gas price volatility. Any surge of supply in shale gas will impact the LNG market dynamic of which the domestic gas price is based on. In the previous surge of supply of shale gas, LNG and domestic gas prices were weaken hence providing better margin for our business.	

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3. Operations

No.	Question
81	There is a large spacious land at Segamat Operation centre and Seremban RO. Was there any initiative from management to wisely use this spacious land to add extra income to PETGAS i.e., to build data storage centre?
Answer	
PGB continue to explore on initiatives to optimize and monetize our landbanks to support our growth agenda as well as optimising our assets. However, any decision including land optimisation is subject to the feasibility study and we will make announcement if there is update.	
No.	Question
82	What is the total CO2 generated in 2022? And what is the target reduction in next 3 years?
Answer	
As explained in 2022 Sustainability Report, PGB greenhouse gas (GHG) emission was at 4.70 million tonnes (CO2e) against a target cap of 5.0 million tonnes (CO2e). PGB will continue to make effort in the upcoming years to attain the target of further 20% reduction of emission by 2030 as per PGB Net Zero Carbon Emission (NZCE) Pathway.	
No.	Question
83	Please help us understand the gas industry dynamics between federal government, and state government (e.g., Sabah / Sarawak) etc., and how does these dynamics affect downstream users?
Answer	
PGB regulated business is under the purview of Suruhanjaya Tenaga ("ST") which is to remain at federal level. We have noted that for Sabah, the equivalent authority of ST will be established. However, we expect our power business in Sabah will remain business as usual owing to our long-term Power Purchase Agreement. At this moment, we have yet to establish any business in Sarawak.	
No.	Question
84	As an investor, how should I look at PETGAS vs. GAS-Malaysia? What're the differences, and most importantly respective competitiveness?
Answer	
In general, PGB as the transportation licensee, transports the gas from entry points to city gates via our PGU pipelines. Gas Malaysia Berhad as a distribution licensee, distributes the gas from city gates to the end consumers. Hence, both PGB and GMB complement each other.	

4. Financial

No.	Question
85	Kindly provide the annual capex of the Group for this year. How much of this is for the decarbonisation initiatives?
Answer	
Forecast CAPEX for 2023 is anticipated to be around the region of RM1.2 billion, comparable to 2022. Our sustainability approach covers the four lenses of sustainability, i.e. Continued Value Creation, Safeguarding the Environment, Positive Social Impact and Responsible Governance. Based on this approach, almost all our activities are contributing to the sustainability effort. In 2022, we have spent in excess of RM3 million specifically for GHG emission reduction and positive social impact activities.	
No.	Question
86	As economy improving hope PETRONAS Gas will give higher dividend next quarter.
87	What were the motivation to return declare special dividends in FY19, FY20 and FY21? With the FY22 volatility behind us, and the Group's net cash position coupled with stable cash flows, will the Board seriously consider more special dividends to return excess cash to shareholders?
88	No question but hoping dividend can give more.
Answer	
In determining dividend payouts to shareholders, we have been consistently balanced between maximising shareholders' return whilst maintaining solvency as well as cash requirements for business operations and growth.	

AGM live questions

Note: Some question and feedbacks by shareholders have been edited for brevity and clarity

No.	Question
89	What is the impact to the company financial if KWSP increase to 20%?
Answer	
We believe that it will not give significant impact to the financial since manpower costs contribute to less than 10% of the total cost of revenue for the Group.	

No.	Question
90	How much profit this year?
Answer	
Profit after tax for FY2022 was at RM1.76 billion.	

No.	Question
91	Why profit after tax lower?
Answer	
PAT in 2022 declined by 17% as compared to 2021, as a result of lower contributions from all segments following higher operating expenses, mainly fuel gas and internal gas consumption expenses. The impact from unfavourable foreign exchange movement also impaired the profit.	

No.	Question
92	Will the profit or loss at PETDAG and PCHEM affect the account of PETGAS?
Answer	
PGB has very minimal transactions with PDB. PCG subsidiaries are among the major customers for PGB's Utilities business and in 2022 Utilities business contributed less than 7% to our Profit Before Tax.	

No.	Question
93	How does the current financial performance compare to industry benchmarks?
Answer	
Currently, there is no comparable peers in Malaysia. PGB business is very diversified, consisting of four different segments i.e., Gas Processing, Gas Transportation, Regasification and Utilities. For FY2022, we registered a healthy profit of RM1.76 billion.	

No.	Question
94	How does the fluctuation of RM vs USD affect the profitability of Petronas Gas?
Answer	
Our foreign exchange exposure mainly relates to: a) USD finance lease liabilities on RGTSU's Floating Storage Units which is retranslated to RM for reporting purposes. b) USD finance lease liabilities on PLNG2's Jetty Terminal Usage which is retranslated to RM for reporting purposes. c) Certain payments to overseas vendors which is typically in foreign currency and mitigated through forward hedging contract on transactional basis. (Currently managed by IFSSC)	

No.	Question
95	When to pay dividend?
Answer	
PGB has recently paid our fourth interim dividend for FY2022 on 15 March 2023.	

No.	Question
96	The CFO explained that PGB only pursued financing when there are new projects. Given its stable cashflow, what stop PGB from raising non-project borrowings to fund its working capital, and thereby returning more cash as special dividends? This will also raise the ROE and improve profitability.
Answer	
We will perform our assessment accordingly.	

AGM live questions

Note: Some question and feedbacks by shareholders have been edited for brevity and clarity

No.	Question
97	How much Ukraine war affect the PGB profit.
Answer	
The conflict in Ukraine has led to higher cost environment where in our case, the cost of the fuel gas that we have used was much higher compared to 2021.	
No.	Question
98	Could the company comment on its RP2 tariff and its impact to financial performance since some analyst said its low, while some other analyst said its a good outcome for the company.
Answer	
Tariff is reduced for Gas Transportation (GT) and RGTP, while RGTSU tariff is maintained as per RP1. The allowed return for both GT and RGTP facilities are within the industrial average and is expected to generate healthy profit. On top of that, the introduction of high-pressure tariff (tariff C) which allows GT to gain additional revenue which will cushion the impact of lower tariff for GT.	
No.	Question
99	Will the EV CAR affect the PGB profit?
Answer	
The increase of EV CAR on the road is expected not to have significant impact to PGB's profit.	
No.	Question
100	Can the company issue bonus shares as a reward for the shareholders.
101	When can the company reward shareholders with bonus issue?
Answer	
We will make the assessment accordingly.	
No.	Question
102	When do we have dividend reinvestment in your company?
Answer	
There are no plans for dividend reinvestment at this point of time.	
No.	Question
103	How much does the company spend on this virtual AGM?
Answer	
Cost of organising 40th AGM is approximately RM300,000, significantly lower than the physical AGM cost.	

5. Shareholders' visit

No.	Question
104	Is PetGas shareholders' plant visit programme to be re-introduced?
105	Will PGAS organise site visit for shareholders?
106	Any invitation for plant visitation for all shareholders? Please send invitation to our email if you can arrange.
107	As shareholder, can we pay a visit to PETRONAS Gas facilities?
108	Is there any plant tour? if have would like to participate. kindly let me know how to participate. thank you
Answer for Question	
Site visit for shareholders will be subject to facilities availability and feasibility.	

6. Others

No.	Question
109	Zaman moden ini ada rumah yang menggunakan kan dapur elektrik. Mengikut kajian PETGAS adakah penggunaan gas memasak masih relevan lagi 10 tahun akan datang?
Answer	
Penjualan gas memasak merupakan perniagaan PETRONAS Dagangan Berhad.	

AGM live questions

Note: Some question and feedbacks by shareholders have been edited for brevity and clarity

No.	Question
110	Will there be any plan to expand into the existing NGV vehicle market and encourage NGV as alternative for cleaner energy usage?
Answer	
NGV business is not under PGB's purview. It is relevant to another PETRONAS' subsidiary operated by PETRONAS NGV Sdn. Bhd.	
No.	Question
111	Would the management considered to conduct physical AGM next year? Because i could not log in to vote in the Petronas Dagangan Bhd's AGM yesterday, I have tried to log in from 10.20AM to 11AM yesterday, but i could not log in to vote, as a result i could not get my e voucher.
112	When will we be able to participate in physical meeting? Thank you.
Answer	
PGB will continue to consider virtual meetings in line with the Revised Guidance Note by Securities Commission in which listed issuers are encouraged to continue leveraging on technology to conduct their general meetings.	
Furthermore, we think that a virtual AGM is more effective, making it easier for our shareholders to participate especially for those with logistical constraints. We have seen a higher number participants attending virtual AGM than the physical event.	
No.	Question
113	As a serious investor, I'm very impressed with Mr/Mdm. Ee Yih Chin's questions. Please, Tricor / PGB, help pass my contact number to Ee and help us connect each other. I would like to chat with him privately, thanks.
Answer	
We are not able to disclose a shareholder's personal details consistent with the Personal Data Protection Act 2010.	
No.	Question
114	Sent email 1 month ago to IR to request for some Raya packets but didn't receive until now.
Answer	
Apologies for the oversight. However, PETRONAS Gas Berhad's raya packets distribution is limited to staff only.	
No.	Question
115	Don't let politician to take away company profit to bail out their problem so as not to affect the dividend and bonus issue.
Answer	
Thank you for your input. We take note on your concern.	
No.	Question
116	Untuk tahun 2023 berapa banyakkah peluang pekerjaan akan ditawarkan kepada fresh graduate?
Answer	
Kami membuka peluang pekerjaan untuk semua peringkat termasuklah graduan baru yang berkelayakan dan menepati keperluan perniagaan kami pada sesuatu masa. Sekiranya ada kekosongan, pihak yang berminat boleh semak di www.petronas.com	
No.	Question
117	Can shareholder get the opportunity to work with PGB?
Answer	
Yes, they can. It is subject to PETRONAS hiring process and procedures.	