

PRE AGM-Questions

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

1. Gas Supply

No.	Question
1	<p>In 2024, all the Group's facilities continue to uphold world-class reliability standards. The strategic adoption of advanced digital technologies has been instrumental in surpassing planned Overall Equipment Effectiveness and achieving exceptional Product Delivery Reliability, ensuring an uninterrupted gas supply for the nation. (page 21 of IR2024)</p> <p>Prior to the recent unfortunate gas pipeline explosion in Putra Heights, has there been any instance of gas supply disruption? What are the contingency plans does PGB have in place to manage the gas supply in the event of such incidents?</p>
Answer	
<p>Our consistent delivery of internationally high standard of operational excellence at PGB has meant that we have never faced any gas delivery interruption comparable to the unprecedented incident in Putra Heights. We recognise the significant impact such incident can have, and while our own operations remained unaffected, upon the occurrence of the incident, PGB executed its business contingency plan, working closely with Suruhanjaya Tenaga and the shipper, to ensure minimal interruptions to gas supply. We understand from the shipper that supply has now resumed for the majority of customers as of today.</p>	

2. Growth Contributions

No.	Question
2	<p>Key developments include the expansion of LNG storage facilities in Pengerang, the construction of a new pipeline to Pulau Indah, and the addition of two gas compressor stations—all of which strengthen Malaysia's energy network. In addition, several major infrastructure upgrade projects have been sanctioned in 2024, including a piping replacement project in Kemaman and gas turbine upgrading at Utilities Kertih. (page 22 of IR 2024).</p> <p>In regard to each of these developments, please explain the consequent positive implications and value-add contribution including percentage increase in capacity, estimated revenue contribution, efficiency and any other positive outcomes.</p>
Answer	
<p>The LNG storage facility in Pengerang will generate new revenue stream for the company, as it will be leased under a 20-year agreement. Upon completion, this project will increase the LNG storage capacity of the Group by approximately 20%.</p> <p>The new pipeline to Pulau Indah, the addition of two compressor stations, and pipeline replacement works in Kemaman are part of regulated CAPEX approved by Suruhanjaya Tenaga (ST). These projects fall under the Incentive-Based Regulation (IBR) framework, through which the Group will earn regulated returns on the incurred CAPEX.</p> <p>The utilities gas turbine upgrading is part of sustaining CAPEX which will prolong the life of the assets in line with the renewal of the contract as announced by PGB in 2022 and 2023.</p>	

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3. Power Opportunities

No.	Question
3	<p>A second gas power plant in Kimanis is slated to begin operations in 2026 and will bolster energy supply as part of the Sabah Energy Roadmap and Master Plan 2040 while reinforcing its revenue base. The Company has also received the Initial Letter of Notification from the government for the development of a 120 MW power plant in the Federal Territory of Labuan, which will also support Sabah and Labuan's long term energy ambitions. (page 22 of IR 2024).</p> <p>With increasing solar PV developments in Sabah, how does PGB mitigate the risk of generation overcapacity in the East Malaysia power market post-2026? Given grid stability issues in Sabah, would it be feasible for PGB to pursue battery storage or solar hybrid models?</p>
4	When is the 120 MW power plant expected to be operational?
5	Apart from Sabah, are there plans to expand into power generation as an Independent Power Producer in other states or regions?
Answer	
<p>At present, Sabah's power reserve margin remains relatively low, and the state continues to face challenges in ensuring consistent and reliable power supply. Hence, the second gas power plant in Kimanis, scheduled to begin operations in 2026, and the new power plant in Labuan, expected to operationalise by Q1 2028, are being developed to support the reserve margin as well as to replace the retiring Stesen Janakuasa Patau-Patau.</p> <p>We also expect both plants to be dispatched at high load despite the higher solar facilities deployment taking into consideration of intermittency issue associated with solar generation.</p> <p>In addition, both power plants in Sabah and Labuan operate under the guaranteed Power Purchase Agreement (PPA) model, that ensures fair returns for the company regardless of the plant load, which mitigates financial exposure even in varying demand scenarios.</p> <p>Regarding battery storage and solar hybrid solutions, both are seen as having strategic fit with PGB's business. Accordingly, we will actively pursue these opportunities as part of our growth agenda.</p> <p>Looking beyond Sabah and Labuan, in line with PGB's strategy to expand its power generation capacity, we are actively pursuing new power generation opportunities both in Peninsular Malaysia, as well as across the region.</p>	

4. Energy Demand

No.	Question
6	<p>The rising electricity demand from data centres necessitates reliable energy sources, driving opportunities in gas-based power generation and grid stability. (page 35 of IR 2024).</p> <p>Has the Group recorded strong growth in energy demand from the power sector and data centres? What was the estimated increase in demand from these sectors in 2024 compared to 2023?</p>

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7	Given that most data center clusters are concentrated in Peninsular Malaysia (e.g. Johor, Klang Valley). How is the Company addressing the potential geographic mismatch between supply assets (Sabah/Labuan) and demand clusters?
Answer	
Based on data input from our shipper, in 2024, we recorded approximately a 7% increase in sales gas deliveries to the power sector compared to 2023.	
The new power plants in Sabah and Labuan are developed to meet regional demand and ensure energy security in East Malaysia. At the same time, we recognise the rising electricity requirements from data centre clusters in Peninsular Malaysia, and PGB is actively pursuing opportunities in gas-fired power plants, the output of which will be connected to the national electricity grid, to address this growing demand.	

5. Putra Heights Fire Incident

No.	Question
8	<p>The recent Putra Heights gas pipeline explosion which resulted in multiple injuries and damage to properties and assets, was indeed an unfortunate incident.</p> <p>We take cognizance that the Group would have adopted a robust HSE Policy, utilised a range of risk assessment tools and progressively adopted various digital tools to strengthen process safety. Notwithstanding these, and whilst investigation is ongoing, there are certainly various lessons that can be learned to further strengthen the Group's policies, procedures and processes.</p> <p>In the meantime, could the Board provide insight and feedback on the likely areas that require more immediate attention and enhancements and the immediate plans?</p>
9	What initiatives does PGB have to educate communities living near gas infrastructure about pipeline safety, emergency response, and reporting hazards?
Answer	
<p>The Putra Heights pipeline incident was unprecedented, and we remain deeply concerned over its impact on the affected communities. Since the incident, our immediate priority has been ensuring the safety and welfare of residents, restoring gas supply, and fully cooperating with authorities throughout the ongoing investigation. We have recently announced the formation of an Independent Task Force, which will provide strategic oversight of the post-incident investigation process, recovery and restoration efforts, the safety of our gas transportation infrastructure, and other matters related to the incident.</p> <p>At the same time, we recognise the importance of public awareness. We have long established programs in place to educate communities living near our gas infrastructure, including reporting of the hazards. Our education and awareness initiatives emphasise the importance of safety around our gas infrastructure assets. These programmes cover education on prohibited activities such as trespassing, unauthorised construction and /or excavation, and the disposal of hazardous materials. Additionally, we have strategically placed signages throughout the right-of-way to inform the public about the dos and don'ts and provided emergency contact number for the public to reach out.</p>	
No.	Question
10	It is reported that gas pipelines have 40-50 years lifespan, this incident leads to question on safety and reliability of these pipelines has PGB commissioned checking and tests to ensure it's still reliable and assure the public that it's still safe?
Answer	

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We acknowledge your concern on the reliability and safety of our pipeline following the recent incident. Our pipeline has been designed, operated and maintained based on international standards accepted by the regulators in Malaysia. This includes scheduled inspections and tests to ascertain the reliability and safety of the pipeline.	
No.	Question
11	In terms of insurance was the pipeline and this incident covered by fire/business interruption/public liability insurance?
Answer	
Yes, PGB has insurance coverage for both property damage and third-party liability claim.	
No.	Question
12	In light of the production disruption to companies' operations due to gas supply disruption, has Petgas received any letter of demand/lawsuits from these companies?
Answer	
To date, PGB has not received any formal demands or lawsuits. We understand that affected parties may seek legal recourse. While it is premature to comment on any specific claims, we respect that legal rights of all individuals involved and are committed to address any concerns through the appropriate legal processes and in line with the findings of the ongoing investigation.	
13	When is PGas expected to fully recover from this episode in term of operation and finance?
Answer	
As mentioned in our earlier Bursa announcement on 8 April 2025, we will only be able to ascertain the extent of financial impact upon completion of the investigation tentatively by May 2025.	
In terms of operation, subject to the outcome of ongoing investigations, regulatory approvals and actual progress at site, the best estimate for restoration of pipeline services at the affected locations is at the earliest by 1 July 2025.	
No.	Question
14	What is estimate quantum of revenue & bottom-line loss suffered from the shut-down of PGas pipeline?
15	What are the estimated liabilities of the company due to claims from affected parties, especially the houses damaged by the pipe explosion?
16	With the Putra Heights incident, what is the probability that the VIU/cashflow from these assets being impacted and therefore the possibility of impairment?
We acknowledge your concern on the potential financial impact due to the pipeline fire incident. As per our Bursa announcement on 8 April 2025, the financial impact can be only be ascertained upon completion of the investigation tentatively by May 2025.	
We are fully committed to address this issue with transparency and accountability and we will continue to keep shareholders updated accordingly.	

6. Sustainability

No.	Question
17	To achieve its net zero carbon emissions target for 100% of operationally controlled Scope 1 and 2 emissions, the Group has established short-and medium-term interim targets to track our progress:

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	<p>SHORT-TERM - Achieve a 20% reduction in emissions by 2030 compared to the 2019 baseline.</p> <p>MEDIUM-TERM - Achieve an 80% reduction in emissions by 2040 compared to the 2019 baseline. (page 44 of SR 2024)</p> <p>What is the Group's current achievement in the reduction of emissions? Is the Group on track to achieve its 20% reduction by 2030?</p>
Answer	
<p>PGB's 20% reduction target by 2030 was set in 2022, based on the identified carbon abatement initiatives. As at 2024, we have exceeded our targets for 2023 and 2024.</p> <p>Based on the Group's operational forecast and projects, we are on track to achieve our target of 20% reduction by 2030.</p>	
No.	Question
18	<p>Assumptions: Full implementation of all global commitments, including Nationally Determined Contributions (NDCs) and net zero targets, by their intended deadlines.</p> <p>Implications: Higher regulatory risks as Malaysia would need to accelerate its transition to green energy sources, requiring a significant shift towards low-carbon technologies like carbon capture and storage (CCS). Natural gas demand may decline due to the emphasis on renewable energy, increasing the urgency for PGB to decarbonise its operations. (page 52 of SR 2024).</p> <p>How does the Board view the risk of declining natural gas demand due to the emphasis on renewable energy, and how quickly and effectively is PGB able to decarbonise its operations and at the same time venture extensively into generating more income from various sources of renewable energy?</p>
Answer	
<p>The board is of the view that the natural gas demand in Malaysia is expected to increase in line with National Energy Transition Roadmap (NETR) complementing renewables to replace coal-fired power plant as well as incremental demand.</p> <p>The board is also of the view that due to the intermittency of renewables sources, natural gas is set to be the primary contributor of energy source.</p> <p>As gas will continue to remain relevant, our focus is to decarbonise the gas value chain including reducing emissions through operational excellence and developing Carbon Capture, Utilisation and Storage (CCUS) solutions.</p> <p>Nevertheless, we continue to pursue renewables opportunities in line with our growth agenda.</p>	
No.	Question
19	<p>Given the observed increase in utilities' GHG intensity in 2024 due to hydrogen-rich gas supply interruptions, what specific preventive measures are being implemented to mitigate the risk of similar interruptions and ensure a steady supply of low-carbon fuel in the future?</p>
Answer	
<p>PGB's hydrogen-rich gas supply is single-sourced, leaving it susceptible to supply disruptions. Moving forward, PGB is looking to explore opportunities to diversity our low-carbon fuel supply, securing reliable ways to reduce our emissions. We will also continue exploring other abatement options to optimise fuel consumption. In addition, we will assess the feasibility of adding renewables as part of our fuel mix portfolio.</p>	

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No.	Question
20	The reports mention the completion of Carbon Footprint Assessments (CFAs) for new power plant projects. Can the Board share specific examples of how the CFA findings and the internal carbon price influenced the final design, technology selection, or mitigation measures for the Kimanis or Labuan power plant projects, demonstrating tangible ESG integration into investment decisions?
Answer	
In compliance to our Carbon Footprint Assessments (CFAs), both Kimanis and Labuan project design and technology are assessed against the PGB carbon commitments. The selection of the gas engine generator for these two projects have been taken into consideration of the required design and technology as well as meeting Environmental Quality (Clean Air) Regulations 2014 (CAR 2014) requirement.	

7. Shareholders' Return

No.	Question
21	To disclose the Total Shareholders' Returns (TSR) of Petronas Gas Berhad (PGB) for the past 1, 3, and 5 years up to the end of the financial year ended 2024. What would the Board attribute the performance to.
Answer	
PGB's cumulative Total Shareholders' Return (TSR) over the past 1,3 and 5 years are 6.7%, 11.6% and 30.5% respectively, which reflect the Company's healthy performance, underpinned by its resilient business model and consistent dividend payouts.	
No.	Question
22	The Board's views on what are the one or two key critical drivers of TSR for the Company. Would this be return on equity, EPS growth or any other metric? If so, what was the performance of these metrics for the past 1, 3 and 5 years?
Answer	
The company's robust TSR is directly correlated to its competitive dividend yields which were 4.2%, 4.2% and 4.9% for the relevant periods. The key driver to this is the Company's underlying profitability, evidenced by various metrics, one of which is Return on Equity (ROE), which were 13.4%, 13.1% and 14.1% for the corresponding periods.	
No.	Question
23	What are the strategic initiatives that are being put in place by the Company to improve these key drivers and enhance TSR for the next three years.
Answer	
To sustain TSR over the next 3 years, PGB is focusing on three critical areas:	
<ul style="list-style-type: none"> i. Ensuring operational excellence, with continued efforts to ensure 100% capacity availability and maximization of incentives available. ii. Project delivery excellence by ensuring safety and timely execution of growth projects within the sanctioned cost. iii. Business development excellence to secure identified growth initiatives timely. 	

8. Board Governance

No.	Question
24	Regarding the departure from MCCG Practice 5.2, where only 50% of the Board comprises Independent Non-Executive Directors (INEDs), how does the Board assess the effectiveness of the alternative measures, such as the Senior Independent Director (SID)

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	role and INED-chaired committees, in ensuring robust independent oversight and challenging management proposals, particularly given the Chairman is non-independent?
Answer	
While the Board does not adopt MCCG Practice 5.2 in full, we remain committed to ensuring robust independent oversight with the following measures:	
<ul style="list-style-type: none"> i. All Board Committees are chaired by Independent Non-Executive Directors (INEDs), with membership strictly comprising INEDs. ii. The Board Audit Committee (BAC) is responsible for reviewing recurrent and non-recurrent related party transactions (RRPT/RPT), audit matters, and endorsing all proposals involving related parties. iii. At the Board level, Non-Independent Non-Executive Directors (NINEDs) with a conflict of interest are not eligible to vote on proposals involving related parties. The Company Secretary is responsible for advising all Board members on matters relating to conflict of interest during Board deliberations. 	
No.	Question
25	The Board Effectiveness Evaluation 2024 identified enhancing Board capabilities in Sustainability/ESG reporting risk, targets, and initiatives as a key improvement area. What specific actions or training programs are planned for 2025 to address this identified gap?
Answer	
During the year 2024, The Board has attended several in-house and external trainings such as Global and National Sustainability Insights, GHG Emissions and Carbon Regulations, and Scope 3 Emissions and Disclosures. In 2025, we intend to continue upskilling our Board, focusing on emerging energy and sustainability topics via attending conference such as Energy Asia and training programmes and management updates on topics such as Taskforce on Nature-related Financial Disclosures (TNFD), International Financial Reporting Standards (IFRS), carbon tax, circular economy, and Carbon Capture, Utilisation and Storage (CCUS) Bill to further expose the Board with the latest trends and development in this area.	

9. Rotation of Audit Partner

No.	Question
26	Regarding Ordinary Resolution 5, we would like to clarification on whether there are any changes to the existing audit partner, Mr Chong Chen Kian, considering he is reaching his tenure of 7 years as the audit partner for PGAS.
Answer	
Mr Chong Chen Kian has reached his 7-year tenure limit. In line with By-Laws of the Malaysian Institute of Accountants requirement, the new audit partner has been appointed starting from the Financial Year 2024 audit exercise.	

10. Directors' Fee

No.	Question
27	The Director's Remuneration Framework was last reviewed in 2018. Considering the proposed significant increase in fees for the Non-Executive Chairman (25%) and Non-Executive Directors (67%) effective May 2025 (Resolution 3), what specific market benchmarks or performance metrics justify these substantial increases, beyond the general statement of being in the lower quartile previously?

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28	Regarding Ordinary Resolution 4, concerning the proposed increase in fees for the Non-Executive Chairman and Non-Executive Directors, we would appreciate further clarification on the methodology used to determine the revised amounts. Specifically, we seek to understand the rationale behind the proposed 25% increase for the Chairman and the 66% increase for the Non-Executive Directors.
29	Could you provide more information on the recent AGM Notices released by the Petronas Group of Companies, specifically regarding the resolutions on Directors Remuneration (Fees and Benefits) and the proposed increase across the three Boards?
Answer	
<p>The revised amount was determined through a benchmarking exercise conducted by an independent consultant. Peer companies were selected based on financial criteria (market capitalization, turnover, and operating profit or EBITDA) and sector similarity using Standard Industrial Classification (SIC) codes. Cross-sector companies were included if they met at least one financial criterion. The analysis positioned PGB in the lower quartile (18% of the bottom 25%) of the remuneration level.</p> <p>The review of Directors' remuneration is a periodical exercise undertaken to ensure that the remuneration package is competitive, which enables PGB to attract and retain talents with balanced skillset on the board. This is in line with the expectation in a regulated and capital-intensive industries like PGB.</p> <p>The current review proposed an upward revision of the package to make it comparable with other Malaysia listed companies within the industry.</p>	

11. Management Remuneration

No.	Question
30	Concerning the departure from MCCG Practice 8.2 on disclosing the remuneration of the top five senior managers, how does the Board assure shareholders that remuneration is appropriately linked to performance and aligned with market benchmarks for these key executives, given the reliance on PETRONAS Group policy and PDPA constraints preventing full disclosure?
Answer	
<p>Although the company departs from MCCG Practice 8.2 due to PETRONAS Group policy and Personal Data and Protection Act (PDPA) constraints, the Board assures shareholders that the remuneration of top senior managers is appropriately linked to performance and market benchmarks through adherence to PETRONAS' remuneration philosophy, which is based on three principles: "Adaptable Rewards" that align with business goals and evolving strategies, "Equitable Rewards" that reflect individual accountabilities, competencies and performance, and "Sustainable Rewards" that are market-competitive, inclusive and compliant with statutory requirements.</p>	

12. Carbon Tax

No.	Question
31	With the impending carbon tax implementation in Malaysia by 2026, how is the Board assessing the potential financial impact across PGB's segments, and what strategic adjustments are being considered beyond the ongoing carbon abatement initiatives?
Answer	
<p>The Company has conducted an assessment on contractual rights and obligations arising from impending carbon tax implementation. Based on the assessment, the potential financial impact</p>	

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has been qualified under several scenarios. We continue to assess to have better clarity on the contractual rights and obligations between PGB, customers and shippers.

For new investments and contract renewals, PGB has included provision on carbon tax in the project economics and contracts.

13. Operation Cost

No.	Question
32	Given the rise in expenses and gas costs leading to a decline in 4Q net profit for 2024, what strategies is PGB implementing to manage operational costs and sustain profitability in the coming fiscal year?
Answer	
At PGB, operational efficiency initiatives were critical in mitigating higher operating cost in 2024 and it will continue into 2025 and moving forward. One of the key drivers is operating at optimum level which helped to minimise fuel gas utilisation and maximise efficiency.	
Additionally, we leverage on technology and advanced analytics to avoid unplanned shutdowns and costly repairs.	

14. Mode of AGM

No.	Question
33	I am in my 70's and prefer remote voting in the comfort of home.
34	Why isn't there a virtual AGM this year?
35	Please hold your future AGMs/EGMs using hybrid mode in order for more shareholders to attend them.
36	Please hold your future AGMs/EGMs using hybrid mode in order for more shareholders to attend them.
37	Kindly hold future AGMs/EGMs via hybrid mode to enable more shareholders to attend them.
38	Dear Chairman, Kindly arrange the online meeting again. I am far away and would love to join as well.
39	Pls conduct virtual AGM parallels with physically attending the meeting. This will provide opportunities for those investors that stay far away from KL.
40	Will future AGMs offer hybrid or virtual options for shareholders located outside of Kuala Lumpur?
41	Propose Hybrid AGM instead of only physical. Pls reconsider plight of shareholders who are outstation, need to apply leave etc.....
42	Why do this AGM not have online participation? With only on-site AGM, your company is paying more for the meeting and take away the right of other shareholder which do not stay in Klang Vally area. Next time, please at least organize a hybrid meeting. Online and onsite.
43	Why not offering a hybrid AGM format? A hybrid meeting would allow both physical and virtual participation, encouraging more shareholders to attend and engage. Will the management consider implementing hybrid AGMs in the future to improve accessibility and inclusivity?
44	Since virtual AGMs allow remote shareholders to participate more conveniently, I would like to request the company to reintroduce the hybrid mode in future AGMs. Is this something the management would consider?

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45	Propose hybrid AGM instead of physical session. Please consider plight of shareholders who are outstation, need to apply leave etc. A hybrid meeting would allow both physical and virtual participation, encouraging more shareholders to attend and engage. Will the management consider implement hybrid AGMs in the future to improve accessibility and inclusivity?
46	Request to have this AGM in hybrid format -physical and online. This allows shareholders from outside KL area to participate without incurring much travel costs and time. And also, those who are working. I hope can make it mandatory to have hybrid AGMs in fact, this should be considered a basic ESG requirement - for better Governance, it's essential to facilitate shareholders participation in AGMs and provide avenue to ask questions, regardless of where they are from.
Answer	
Thank you for the feedback. The Company will explore the possibility of hybrid meetings for future AGMs.	
We will continue to assess the best options, to provide the best possible experience for all shareholders.	

15. Copy of Integrated Annual Report (IAR)

No.	Question
47	Hi, please send me a hard copy of annual report, thanks.
48	Hi, may I request a hard copy of annual report, thanks.
49	Hi, please send me a hard copy of annual report, thanks.
50	Hi, please send me a hard copy of annual report, thanks.
51	Hi, may I request a hard copy of annual report, thanks.
Answer	
The printed copy of the Annual Report will be sent to your registered address in the Record of Depositors within four (4) working days after AGM.	

16. Door gift

No.	Question
52	Will there be distribution of Setel gift cards at AGM venue, to reward the loyal shareholders, including those attending as proxies, as part of long term ESG of PetGas. TQ.
53	Dear the BOD, kindly please provide a door gift/food voucher to attending shareholder cum proxy. Will be most appreciated & thankful.
54	Please increase amount of door gift to compensate the lost opportunity for plant visit.
55	Any door gits for attending AGM?
56	Do you give door gift voucher for participant who join this AGM?
57	Can shareholders attending this upcoming AGM get the usual SETEL credit to the Apps?
Answer	
Shareholders/proxies who attend PGB's 42nd AGM in person will be given RM100 SETEL voucher as door gift. These vouchers can be used at all PETRONAS' retail stations to experience the new offerings in addition to fuel. Recipients will receive details via email within 5 working days from the date of PGB's 42nd AGM.	
On the amount of SETEL voucher, our focus in rewarding shareholders remain via dividend distribution.	

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17. Strategic Plan

No.	Question
58	What are the future strategic plans for PGB's non-regulated, particularly for the Utilities side?
Answer	
As per my presentation earlier, PGB foresees ample opportunities in growing our non-regulated segment including Utilities, leveraging on our core competencies whilst exploring adjacent business and step-out.	
<ul style="list-style-type: none"> i. The domestic energy sector observes the rising of gas demand, driven by coal plant retirements and the growing energy needs of data centres, which increases the reliance of natural gas as cleaner as reliable energy source. Leveraging our capability and experience with the Kimanis Power Plant and our co-generation facilities, we are strategically positioned to explore more opportunities in developing gas-fired power plants in Peninsular Malaysia and the region. To further complement our power business segment, we are also exploring the opportunities in solar and energy storage system. ii. In parallel, PGB is collaborating with PETRONAS and other stakeholders to explore opportunities in Carbon Capture, Utilisation and Storage (CCUS) infrastructure services to support our decarbonization pathway. iii. PGB will also continue to pursue adjacent and step-out opportunities, such as harnessing cold energy available at our regasification terminal and maximizing PGB's existing assets for new solutions or services. 	

18. Growth

No.	Question
59	Does the Board expect further growth on the regulated segment?
Answer	
Yes, we expect further growth in the regulated segment, driven by the government's aspiration for cleaner energy solutions and rising electricity demand from the expansion of data centres.	
Hence, we foresee that there will be an increase in demand for natural gas, which necessitates the expansion of our existing regasification and pipeline infrastructure, as well as potential development of additional regasification terminal.	

19. Plant tour

No.	Question
60	Regarding plant tour 2024, the number of participants is only limited but you blast the email to everyone until response overwhelmed. This year 2025, to organise more and MORE plant visit for shareholders who miss the tour. Come on.... few places but so many shareholders want to go for plant tour....
Answer	
We appreciate your enthusiasm and request to visit our facilities. As per last year, we will continue to organize plant visits subject to safety and operational continuity of the facilities. We take note of your feedback, and we strive improve the process.	

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20. Meeting date

No.	Question
61	Please schedule the meeting to other day as it crashes with other meeting.
Answer	
<p>PGB is committed to upholding Practice 13.1 of the Malaysian Code on Corporate Governance 2021, which recommends that the Notice of AGM be issued at least 28 days prior to the meeting. For the 2025 AGM, the Notice was issued 32 days in advance, in compliance with this best practice.</p> <p>As companies do not have prior visibility of other issuers' AGM schedules until their Notices are publicly released, it is not always possible to avoid date clashes. In accordance with the Company's Constitution, which states that two members personally present shall form a quorum, the Company proceeded with the meeting as scheduled.</p>	

21. Contact details

No.	Question
62	In line with our revised institutional engagement framework, we are planning intend to distribute a shareholder letter, prior to AGM, addressed to your leadership. To facilitate this, we kindly request the contact details for the Chairman of PGAS (the letter will be to the one who chaired the AGM) Datuk Adif Zulkifli, the Chairman of PGAS, as well as the relevant members of your Chairman's office team.
Answer	
Chairman office address, COSEC & IR email address shared to Adam Abdullah Shukri, Strategic Investments from Permodalan Nasional Berhad on 11 April 2025.	

22. Business Outlook

No.	Question
63	How is middle crisis affect company business?
Answer	
<p>We assume the question relates to the impact of the Middle East crisis on PGB. The escalation of the geopolitical conflicts may impact PGB in two areas :</p> <ol style="list-style-type: none"> Supply chain risk where potential delays of equipments delivery for projects and operations e.g longer alternative shipping routes and an increase in insurance risk premiums. PGB is closely monitoring the situation to minimise the exposure. Cost escalation risk due to a potential increase in global oil price impacting fuel gas cost and utilities business profitability. Any upward movement of oil price will impact the fuel gas cost. However, fuel gas cost is fully passed through to customers, except for electricity. 	

AGM Live Questions

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1. Putra Heights Fire Incident

No.	Question
1	Relating to the Putra Heights incident, it was reported that the fire happened at 8.08 am. May I know at what time PGB detected the leakages?
2	How many percentages of the pipeline which is near to residential area like in Putra Heights?
3	We understand that the fire went up as high as 30 metres. From my rough calculations, it involves about 70 tonnes gas being burnt. Rough estimate, how long the leakages happened – minimum and maximum?
Answer	
<p>The fire was reported at approximately 8:06–8:07 a.m., and the company was alerted by 8:20 a.m. Unlike a fixed plant, the pipeline spans a long distance, which complicates response efforts. It took nearly 30 minutes to isolate the affected 30–80 km segment. The company first confirmed the leak was on its pipeline before initiating containment. Records indicate a sudden and significant leak, which was detected almost immediately. In Putra Heights area, the pipeline runs for 10–18 km near populated areas; nationwide, about 100 km of the pipeline is located close to dense populations. Inventory details require technical calculations, and final figures will be shared after the investigation concludes.</p>	
No.	Question
4	As you mentioned about insurance coverage, can we expect that there will be no impairment needed for the coming quarter announcement since all will be covered by insurance?
5	What is the current insurance coverage for the situation, given that residential areas and buildings are closer to the pipeline? Is the coverage for general damages sufficient? Considering this special incident, will the company review all policies to ensure better protection? Additionally, could you provide details about your insurance policy and the insurance companies you are working with? Are you using a single insurance provider or multiple companies to cover incidents?
Answer	
<p>The need for impairment is still under review and will be determined following the investigation concludes, which is tentatively expected in May. As of now, no Impairment been confirmed. The company holds insurance covering property damage and third-party liability. While the insurer remains undisclosed, coverage is confirmed as sufficient, pending investigation results.</p>	
No.	Question
6	There was a call to tunnelling all the pipelines in critical areas. Do you think it is possible to do that for safety purposes?
7	Are there plans to install or upgrade sensors, tools, or alarm systems to enhance safety following the recent incident? Does your technology team intend to implement sensors around the pipeline in the future? Given the affordability of alarm systems, it would be beneficial for Petronas Gas Berhad to explore IoT and AI technologies to improve detection and reduce manpower requirements.
8	Regarding your safety procedures, your CEO mentioned that a pressure drop was detected. Despite having all the necessary equipment and sensors in place, and your team identifying the issue immediately, why did the system not automatically activate the cut-off? Given that a pressure drop indicates a serious problem rather than a gradual decline, why was physical verification and communication required before closing the valve? Shouldn't the system include an automatic cut-off feature?

AGM Live Questions

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

Answer	
<p>The company is committed to full transparency and supports an independent investigation. Twenty agencies are involved, with DOSH as the ultimate authority. The company is fully cooperating and providing all required data. DOSH will issue its findings, including root cause analysis and recommendations. Additionally, the company formed an independent task force, led by an external expert, to review the incident, pipeline system, high-risk areas, safety procedures, and overall safety culture. The pipeline was constructed to meet international standards. The company awaits DOSH's final report and will act on all recommendations to further strengthen safety.</p>	
No.	Question
9	<p>Many buildings damaged in the recent incident were built after the pipeline. International standards require a safety buffer zone between the pipeline and buildings. What is the required buffer zone distance? Do you think Malaysian standards are adequate compared to international ones? Will this be addressed in your upcoming inquiry by independent experts? If the buffer zone is found insufficient, what measures will be taken, considering the impact on nearby properties.</p>
Answer	
<p>The company maintains a 40-meter-wide right of way (ROW) for three pipelines, with a safety buffer zone in line with international standards. The Pipelines are centered within this zone to ensure adequate safety margins. While local authorities regulate development outside the ROW, the company is sometimes consulted and provides feedback. Due to nearby buildings, expanding the buffer zone is not feasible. As an alternative, the company is exploring other safety measures, including thicker pipeline walls and closer isolation valves. An independent task force is reviewing these options, and all recommendations will be transparently evaluated and implemented.</p>	
No.	Question
10	<p>Do you have a system in place for detecting gas leaks in your pipeline?</p>
11	<p>Could you specify the depth of your pipeline and any protective measures above it? If excavation occurs, will the protection be encountered first? Is there a monitoring system for leaks, given the pipeline's 50-year age? How many valves are installed? The recent fire, lasting four hours, suggests there may not be enough valves. With the pipeline operating at 1000 PSI, the risk is significant. Frequent water pipe bursts in my area are resolved by valves. What preventive measures are in place for your pipeline to avoid incidents rather than just detecting them?</p>
12	<p>Regarding the trigger mechanism for the Putra Heights incident, the fire reached a height of 30 meters at 8:08 AM, but alerts were only made around 8:20 AM. If your system is robust and sophisticated, shouldn't the leakage have been detected much earlier? This suggests a need for improvement in detection capabilities.</p>
Answer	
<p>The company employs a pressure-based detection system to monitor for potential gas leaks, ensuring early identification. The isolation system, including strategically placed valves, is designed in accordance with international safety standards. The spacing between valves varies depending on operational requirements and population density, typically ranging from 18 to 40 kilometres.</p> <p>In relation to the incident at Putra Heights, the system shutdown will be included as part of a comprehensive review. The company will await the completion of the ongoing investigation</p>	

AGM Live Questions

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before conducting a detailed analysis to identify areas for improvement and implement necessary enhancements.

2. Financial & Dividend

No.	Question
13	My question revolves around your gearing level. Currently your gearing is about 11.5%. I'd like to ask the management about if there is an optimal gearing that the company is looking at? Because typically for infrastructure companies that regulated, the gearing ratio can be at a higher level given that you have a consistent, very reliable and forecastable cash flows.
14	A follow up question, so you are saying you will be funding your new project through balance sheet gearing rather than equity fund raising, is that correct?
Answer	
<p>Yes, we understand that PGB's current gearing is relatively low compared to other industry players. We continuously performs funding assessments based on project requirements to optimize our capital structure. Given our good credit standing, we pursue funding only as needed.</p> <p>As mentioned in the MD/CEO presentation, we sanctioned several major infrastructure upgrade projects last year and are focusing on securing more high-impact projects. Therefore, we expect our gearing to increase as these projects mature.</p>	
No.	Question
15	We note that there is a declining JV contribution last year. What are the reasons to these, are there structural challenges or is it just one-off impact to the financial performance?
16	There is a concern regarding the FOREX as well. We note that there is an early settlement on the lease liabilities but given the uncertainties and Trump's new policy, will there be any impact in 2025.
Answer	
<p>A significant portion of our foreign exchange exposure (FOREX) on dollar lease liabilities has been mitigated by prior payments. There still some exposure remains. To manage the risk, we deploy necessary mitigation measures through financial instruments, such as hedging. Under the (in full) IBR framework by Suruhanjaya Tenaga (ST), FOREX exposure is a pass-through item. Currently, the impact is assessed as minimal.</p>	
No.	Question
17	Quarter 4 profit after tax, its RM419.2M compared to RM465.6M in Quarter 4 2023 and in Quarter 3 2024 RM541.2M. Can you please explain why it has reduced so much?
Answer	
<p>The lower profit after tax for Q4 2024 compared to Q4 2023 is due to a one-off tax optimization benefit by one of our JV companies in Q4 2023, which was not present in Q4 2024. This explains the significant drop in year-over-year profit.</p> <p>As for the comparison with the preceding quarter, it's a phasing issue. We saw higher activities in Q4 2023, leading to slightly lower profits in Q4 2023.</p>	

AGM Live Questions

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No.	Question
18	Does the annual report require adjustment on numbers, such as non-adjusting events on fire incident? if no adjustment needed, shouldn't there at least be a disclosure in the annual report based on FRS101,108136, and 110?
19	On my first inquiry, can we have an external auditor to confirm that there is no adjustment needed?
Answer	
<p>The recent incident does not require disclosure in the financial statements or the annual report. The financial statements reflect events up to February 2025, while the annual report covers activities through March 2025. As the incident occurred in April 2025, it falls outside the reporting periods for both documents. Accordingly, no adjustments or disclosures are necessary in the current reporting cycle.</p>	
No.	Question
20	The directors are getting their increment for director fees. We are happy to welcome it. But on the dividend side, it looks a bit sad for the shareholders. It remains stagnant as 72 sen. The Board should consider the cost of living for all the shareholders.
Answer	
<p>Our practice is to balance shareholder returns with business operational needs and growth requirements. The dividend payout of 72 sen, translating to a 77% payout ratio, reflects our commitment to providing sustainable returns to our shareholders. We aim to balance returning money to shareholders and investing in future projects to maintain sustainable dividends. If circumstances allow, we may consider higher dividends once these projects yield returns for PGB.</p>	

3. Growth

No.	Question
21	You have a monopoly in certain areas, and your performance has been reasonably good. However, I am concerned about your growth. I noticed that while your utilities segment's revenue has increased significantly, the segment's profit remains poor. Could you comment on what might be wrong in this area? Regarding electricity generation, gas, and steam, you mentioned expanding into power generation. How efficient are you compared to IPP and Tenaga? What is your competitive advantage? Is it related to sourcing inputs or energy sources? Could you explain your advantage and how it compares to others in the industry?
Answer	
<p>The company operates within a dynamic utilities market, where product pricing is closely tied to fluctuations in gas prices and other external factors, leading to periodic revenue variability. To mitigate these effects and support sustainable profitability, the company emphasizes rigorous cost containment strategies.</p> <p>A standout example of operational excellence is its Independent Power Producer (IPP) in Sabah, which ranks among the most reliable in the region. Leveraging a competitive edge in efficient operations and consistent grid dispatch, the company maximizes the value of its IPP assets. These facilities typically benefit from guaranteed power purchase agreements, ensuring certain returns. Our experience with the Kimanis Power Plant positions us competitively in the market.</p>	

AGM Live Questions

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4. Regulatory Period

No.	Question
22	I would like to understand more about the Regulatory Period (RP). According to the annual report, it will impact your gas transportation segment, and RP2 is set to end in 2025. Could you explain how RP3 will work and its typical duration? Which of PGB's business segments will be affected? I believe it will impact the gas transportation and regasification segments. There was a significant revenue drop in 2018, and I am unsure if it was related to RP2. My concern is whether RP3 will be at the same level as RP2. If not, will PGB experience another decline in revenue and profitability?
Answer	
<p>The current Regulatory Period (RP2), which governs our Gas Transportation and Regasification business, will conclude at the end of 2025. Negotiations for the next cycle, RP3, are currently ongoing between PGB and the regulator. We have submitted our proposal, which focuses on maintaining performance targets and securing sustainable returns for the company. We are concurrently discussing with the regulator to recalibrate certain parameters. These negotiations are critical, and we continue to engage constructively to achieve a balanced outcome for all stakeholders.</p>	

5. Governance Matter

i. Board's Remuneration

No.	Questions
23	We have some concerns regarding the Board's remuneration. We are interested in Boards's view particularly the Independent Directors in timing of the revision given PETRONAS ongoing rightsizing effort. So, any thoughts about the perception and timing of this. Appreciate your thoughts, thank you.
24	Next inquiry is on attracting talent. If you want to encourage talents, perhaps might opt for hybrid meeting in the future, perhaps we can also audit on independent consultants on how independence they are, as similar increase was also being proposed to other companies, PETRONAS-related like MHB, PetChem. Even though, financially, cashflow-wise, it has reduced. Whether you want to benchmark whatever situation, the company should be able to generate enough fund to pay for any increase fee. That should be the basic principle and talent that we should actually look into it.
25	On the fee's increase to directors, I think it needs to be justified although it may not be big issue for PETRONAS Gas. But you still need to justify it. Who is the consultant you used to do the benchmarking and who are the peers you used for comparison?
26	Regarding the increase in director fees, I have reviewed your year-end profits. In 2018, profits were rising, but by 2024, they have declined over the past two years, despite revenue increasing by RM1.8 billion. Is there a justification for raising director fees under these circumstances? If shareholders are not seeing, an increase in their returns, then an increase in director fees seems unjustified. Therefore, I believe this resolution should not be supported.
Answer	
<p>Board remuneration has been under review for an extended period, with the last adjustment implemented in 2018. This revision applies not only to PGB but also to PETRONAS-affiliated</p>	

AGM Live Questions

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companies. This exercise included benchmarking against peer companies, particularly other publicly listed entities and non-Malaysian companies.

The findings revealed that current board remuneration stands in the bottom quartile (bottom 25%) with current median Non-Executive Directors' remuneration is at the 18 percentile point, highlighting necessity of this revision.

This revision is therefore critical to enhancing talent retention, including for international board members such as Mr. Sujit from Singapore. While the company may not match Singapore's remuneration levels, we remain committed to offering market-competitive remuneration packages that attract and retain both Malaysian and international board talent.

Furthermore, the company engaged a reputable independent consultant to conduct a comprehensive benchmarking exercise, selecting a diverse sample of 18 companies comprising 6 international and 12 Malaysian firms. This balanced approach ensures a well-rounded comparison, with a primary focus on Malaysian companies, including Government-Linked Companies (GLCs) and similar companies. While the company does not aim to match international remuneration standards, the consistency and credibility of the consultancy's findings provide a solid foundation for informed decision-making.

The company acknowledges shareholder concerns regarding directors' remuneration and has addressed the matter thoroughly. With the information now provided, the company trusts that shareholders are equipped with sufficient insight to cast an informed vote. The company appreciates shareholders' understanding on this important issue

The initiative does not directly affect PETRONAS Gas, reinforcing the independence and strategic direction of the company.

No.	Questions
27	On corporate governance matters, for your non independent directors, there are four of them. Two of them are former employees of PETRONAS. So, in terms of perception, it might be perceived that only two are independent as only two have former employment with PETRONAS. This might affect the real independence on the company.
Answer	
<p>The company adheres strictly to Bursa Malaysia's regulations concerning the appointment of independent directors. These rules, which previously required a two-year cooling-off period for former employees, auditors, and consultants, have been extended to three years. The company remains fully compliant with these updated requirements.</p> <p>In addition, the company enforces a robust "fit and proper" policy to ensure that all directors, particularly independent directors to uphold the highest standards of integrity and professionalism. Throughout their careers, the directors have consistently demonstrated a strong commitment to integrity, accountability, and the responsible discharge of fiduciary duties. This commitment reinforces the company's dedication to sound corporate governance and ethical leadership.</p>	

AGM Live Questions

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ii. Bonus and Key Performance Indicators (KPIs)

No.	Question
28	My next inquiry is about RM 400,000 + Bonus paid to the CEO. May I know does it include the KPI on ensuring HSSE matters like preventing events like Putra Heights from happening. What would be the KPI this year following the Putra Heights incident?
Answer	
<p>The company's bonus structure is guided by industry benchmarks to ensure market competitiveness and alignment with overall corporate performance. It also reflects the scope of responsibilities held by the Managing Director/Chief Executive Officer (MD/CEO). A key component of the bonus determination process is safety performance, which is treated as a critical Key Performance Indicator (KPI).</p> <p>It will have a significant bearing on the bonus payout this year regarding the CEO and all the executives underscoring the company's commitment to accountability and operational excellence. For a company like PGB, both performance and safety are fundamental metrics that drive executive compensation and reinforce a culture of responsibility and continuous improvement.</p>	
No.	Question
29	As about the bonus, it is just my feedback. I just don't find that the financial operation justifies any bonus because your profit after tax is RM2.17 billion compared to last year RM2.2 billion. Your cashflow from operation differs. The difference is about RM211,000 and your net cash flow decreased by RM925,000, a reduction of 10% but your bonus amount to compare to the total pay package is 20% or more but it's just my feedback.
Answer	
<p>The company's bonus structure is not strictly confidential, but it is determined through a comprehensive evaluation of multiple Key Performance Indicators (KPIs) and metrics. Financial performance is just one of several factors considered. The bonus framework is designed to reflect a balanced scorecard approach, ensuring that rewards are aligned with a broad range of performance outcomes, including operational, strategic, and safety-related objectives.</p>	

iii. Director's fee

No.	Questions
30	As for the director fees, For the non-independent director, they pay to the company, not directly to the staff, is it?
Answer	
<p>Any directors' fees of the non-independent directors who are employees of PETRONAS are paid directly to PETRONAS. They do not receive directors' fees, as they are employees of PETRONAS and are compensated through their regular salaries from the company. Their remuneration is structured as part of their employment package, not as board-related fees. As such, any approved adjustments to directors' fees do not apply to or affect them.</p>	

AGM Live Questions

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6. Site Visit

No.	Question
31	Can we also have the contact of the investor relations, because we want to know the possible site visit that you have, like in the past.
Answer	
We will provide the contact details for PGB Investor Relations.	

7. AGM

i. Venue of AGM

No.	Question
32	Good afternoon chairman, regarding the venue of KLCC, if KLCC is not available, maybe Mandarin Oriental hotel can be considered as a venue as some of us can take MRT and LRT especially if there is a heavy rain, we will have problem with the traffic.
Answer	
We've noted that the Mandarin Oriental is currently undergoing renovations, making the ballroom unavailable. We'll continue to assess venue options annually to determine the most cost-effective choice based on our evolving needs and requirements.	
No.	Question
33	Could you explain why PGB chose Royale Chulan for the AGM instead of another hotel near KLCC, such as the Mandarin Oriental?
Answer	
The company held the AGM at Royale Chulan as the KLCC Convention Centre was unavailable on the preferred date. Although AGMs were previously held at KLCC, it was not an option this year. The company will plan and book early to secure KLCC for the next AGM.	

ii. Cost of AGM

No.	Question
34	Can we know how much the cost of this actual meeting? how much is the cost of the online meeting you had previous and how much is the cost of the food pack that we have for today?
Answer	
A fully virtual AGM is typically the least expensive, while a physical meeting costs slightly more. A hybrid format is the costliest, requiring separate setups, systems, and personnel for both formats. Bursa's guidance is needed on this matter. This year, the company will hold a physical AGM to support post-COVID shareholder engagement. Cost considerations are factored into overall event planning. Specific cost details for today's meeting require follow-up, as last year's figures are not readily available. Disclosure of such costs depends on the company's standard practices.	

AGM Live Questions

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No.	Question
35	I can share with you that some of the companies, their hybrid meeting costing about RM20,000 and online meeting costing them about RM10,000 but of course the number and the meals are different from today.
Answer	
Thank you for the feedback. The cost of holding the AGM depends on various factors, including the number and size of attendees, the choice of hotel, and whether the event is held virtually, physically, or both. Therefore, it is difficult to compare one company to another.	

iii. Voucher and Door Gifts

No.	Question
36	And I remember the last time before Covid, I attended the last meetings. We were treated very well with door gifts immediately. But why now we must wait 2 weeks' time. This is something unfriendly.
Answer	
The company provided RM100 Setel vouchers as door gifts, prioritizing strong dividend as returns to shareholders. Due to high registration (1,834 shareholders/proxies), vouchers will be distributed within five days. Each voucher includes a unique code to ensure secure delivery.	
No.	Question
37	I'm both shareholder and a proxy. According to boardroom, I'm not entitled to the proxy gift.
Answer	
Each individual is entitled to one door gift, regardless of whether they are attending the meeting as a shareholder and concurrently as a proxy for another shareholder.	

iv. Requested for the printed Annual Report

No.	Question
38	I have requested for a copy of annual report, and it was not provided.
Answer	
The company recognizes that some senior shareholders prefer hard copies of the Annual Report. These will be available within four days upon request. The share registrar has arranged distribution for those who requested copies. Attendees can provide their names today to receive a copy by post.	

AGM Live Questions

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v. Voting System

No.	Question
39	On the administrative matter, as for your voting system, I hope that they can have a confirmation when we have already voted currently. We don't really know if it passes through or not.
Answer	
We thank you for the feedback and we will explore this further.	

8. Others

No.	Question
40	How does the Sarawak Petrol impact PETRONAS locally?
Answer	
Regarding PETROS, the company is not at liberty to comment. As the PGB AGM, the company addresses only matters pertaining to PGB The issue between PETRONAS and PETROS is beyond its scope.	