

PETRONAS GAS BERHAD

Registration No.: 198301006447 (101671-H)
(Incorporated in Malaysia)

The Minutes of the 42nd Annual General Meeting ("AGM") of the Company held at the Taming Sari Grand Ballroom, Royale Chulan Kuala Lumpur, 5 Jalan Conlay, Kuala Lumpur City Centre, 50450 Kuala Lumpur, Malaysia on Wednesday, 23rd April 2025 at 10.00 a.m.

Present at the : Board of Directors:

Meeting Venue

YBhg. Datuk Adif Zulkifli

(Chairman/Non-Independent Non-Executive Director)

Encik Abdul Aziz Othman

(Managing Director/Chief Executive Officer)

Puan Farina Farikhullah Khan

(Senior Independent Non-Executive Director/Chairman, Board Audit Committee)

YBhg. Datuk Mark Victor Rozario

(Independent Non-Executive Director/Chairman, Nomination and Remuneration Committee)

YBhg. Datuk Yeow Kian Chai

(Independent Non-Executive Director/Chairman, Board Sustainability and Risk Committee)

Mr Sujit Singh Parhar s/o Sukhdev Singh

(Independent Non-Executive Director)

Cik Marina Md Taib

(Non-Independent Non-Executive Director)

Puan Hasliza Othman

(Non-Independent Non-Executive Director)

Chief Financial Officer:

Encik Shahrul Azham Sukaiman

**Members and
Proxies**

As per the attendance list

In Attendance : Company Secretaries:
Puan Mek Yam @ Mariam Hassan
Puan Cik Azizahwati Ishak

By Invitation : External Auditors Partner:
Mr. Lam Shu Shiang

Poll Administrator : Puan Rozleen Monzali
Boardroom Share Registrars Sdn. Bhd.

Scrutineers : Ms Melissa Liew
Scrutineer Solutions Sdn. Bhd.

1.0 PROCEDURES FOR MEETING/INTRODUCTION TO PHYSICAL PARTICIPATION AND POLL VOTING

The Company Secretary briefed on the AGM procedures and the appointment of Boardroom Share Registrars Sdn. Bhd. ("Boardroom") as Poll Administrator to conduct the polling process and Scrutineer Solutions Sdn. Bhd. as Independent Scrutineer to verify the poll results.

It was also highlighted that the voting session had commenced from the start of the meeting until the announcement of its closure.

The Company Secretary explained that the shareholders could access to the poll voting by scanning a special QR code which was generated during registration by using their own smartphones/tablets, or alternatively, shareholders could proceed to the polling station located at the back of the Ballroom to cast their votes.

A short video by Boardroom was played to demonstrate to the shareholders and their proxies, corporate representatives and attorneys who were present at the 42nd AGM on the e-voting procedure through the platform provided by Boardroom.

Subsequently, the Company Secretary invited the Chairman of the Board, YBhg. Datuk Adif Zulkifli ("Datuk Chairman"), to officially commence the meeting.

2.0 WELCOME BY THE CHAIRMAN

The Chairman, YBhg. Datuk Adif Zulkifli, welcomed and thanked the shareholders and their representatives for attending the Company's 42nd AGM and for their continuous support. He proceeded to inform that the Company had decided to convene a physical AGM in accordance with the circular from Securities Commission of Malaysia

dated 30th August 2024 and a letter from Bursa Malaysia dated 23rd December 2024 which requires all public listed companies to conduct hybrid or physical general meetings starting from 1st March 2025.

The Chairman further explained that the physical meeting arrangement was intended to enhance shareholders' engagement, allowing for more meaningful participation and interaction during the AGM.

3.0 NOTICE OF MEETING

The Chairman informed that notice of convening the meeting had been circulated to all the shareholders and advertised in The Star, Berita Harian, Borneo Post, Suara Sarawak and Utusan Borneo on 21st March 2025. The same was also published through the announcement to Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the Company's Corporate website respectively. Additionally, eligible shareholders had also received the Notice by email on the same date, which included a link to the Company's corporate website for viewing the full Notice of AGM. The Notice of Meeting dated 21st March 2025 was taken as read.

4.0 QUORUM, SHAREHOLDERS AND PROXIES DETAILS

Upon confirmation by the Company Secretary on the presence of the requisite quorum, the Chairman called the meeting to order.

The total number of shareholders and their representatives present at the start of this AGM was 1,317, which represented a total of 432,574,030 shares. The Chairman was also appointed by 594 shareholders as proxy representing 1,217,167,814 shares, which represented 61.51% of the total voting rights at this AGM.

The shareholders and their representatives were also informed that all resolutions at this meeting required a simple majority vote.

5.0 PRESENTATION BY THE MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

Before proceeding with the business of the Meeting, the Chairman invited Encik Abdul Aziz Othman ("Encik Aziz"), the Managing Director/Chief Executive Officer ("MD/CEO") of the Company to deliver his presentation.

Encik Aziz thanked the shareholders, invitees and representatives for their attendance and proceeded to begin his presentation by first addressing the recent Fire Incident at Putra Heights that occurred on 1 April 2025. Encik Aziz further emphasised that the

Company is fully committed to addressing the incident with transparency and accountability.

Subsequently, a montage on PGB 2024 Highlights was played followed by Encik Aziz presentation on the performance of the Company in 2024 and the outlook for 2025 as posted on the Company's website at www.petronas.com/pgb under Investor Relations.

After the said presentation, the Chairman thanked Encik Aziz and proceeded with the business of the meeting.

6.0 AGENDA ITEM NO. 1:
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2024 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Audited Financial Statements and Reports of the Directors and Auditors for the financial year ended 31st December 2024 ("AFS"), which had been circulated to all the members of the Company within the prescribed period, were tabled to the meeting.

The Chairman explained that the AFS were for information only as they did not require shareholders' approval. Hence, it shall not be put forth for voting.

It was declared that the Audited Financial Statements for the financial year ended 31st December 2024 together with the Reports of the Directors and Auditors thereon were duly received and noted.

7.0 AGENDA ITEM NO. 2:
RETIREMENT OF DIRECTOR UPON CONCLUSION OF THE 42ND AGM OF THE COMPANY

The Chairman informed that YBhg. Datuk Yeow Kian Chai ("Datuk Yeow") will be retiring in accordance with Article 107 of the Company's Constitution and had expressed his intention not to seek for re-election.

The Chairman further explained that Datuk Yeow's retirement were for information only and shall not be put forth for voting.

On behalf of the Board, the Chairman expressed his heartfelt appreciation and gratitude to Datuk Yeow for his invaluable contributions throughout his tenure as a Director of the Company.

8.0 AGENDA ITEM NO. 3:

RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 100 OF THE COMPANY'S CONSTITUTION

The Chairman informed that in view that he would be standing for re-election in accordance with Article 100 of the Company's Constitution, he handed over the Chairmanship to Puan Farina Farikhullah Khan ("Puan Farina") being the Senior Independent Director of the Company for Resolution 1.

The Chairman informed that YBhg. Datuk Adif Zulkifli ("Datuk Adif") had given his consent to be re-elected and highlighted that the Board had endorsed the NRC's recommendation that Datuk Adif would be eligible to stand for re-election.

The Chairman then put forth the following Resolution 1 for the shareholders' consideration:

8.1 ORDINARY RESOLUTION 1 – RE-ELECTION OF YBHG. DATUK ADIF ZULKIFLI

"THAT YBhg. Datuk Adif Zulkifli retiring in accordance with Article 100 of the Company's Constitution, be hereby re-elected as a Director of the Company."

Puan Farina handed over the Chairmanship to Datuk Adif for subsequent business of the meeting.

9.0 AGENDA ITEM NO. 4:

RE-ELECTION OF DIRECTOR PURSUANT TO ARTICLE 107 OF THE COMPANY'S CONSTITUTION

The Chairman informed that Puan Farina would be retiring in accordance with Article 107 of the Company's Constitution.

The Chairman also informed that Puan Farina had given her consent to be re-elected and highlighted that the Board had endorsed the NRC's recommendation that she would be eligible to stand for re-election.

The Chairman then put forth the following Resolution 2 for the shareholders' consideration:

9.1 ORDINARY RESOLUTION 2 – RE-ELECTION OF PUAN FARINA FARIKHULLAH KHAN

"THAT Puan Farina Farikhullah Khan retiring in accordance with Article 107 of the Company's Constitution, be hereby re-elected as a Director of the Company."

10.0 AGENDA ITEM NO. 5:

ORDINARY RESOLUTION 3 - TO APPROVE THE INCREASE OF THE DIRECTORS' FEES FROM RM288,000 TO RM360,000 PER ANNUM FOR THE NON-EXECUTIVE CHAIRMAN AND FROM RM144,000 TO RM240,000 PER ANNUM FOR EACH NON-EXECUTIVE DIRECTOR WITH EFFECT FROM 1ST MAY 2025

The Chairman informed that the Board had proposed to the shareholders for approval to increase the payment of Non-Executive Chairman's fee from RM288,000 to RM360,000 per annum and Non-Executive Directors' fees from RM144,000 to RM240,000 per Director per annum with effect from 1st May 2025.

The shareholders were informed that the increase in Directors' fees is timely in order to ensure the remuneration structure remains competitive and relevant to retain and attract skilled and experienced Directors. The Chairman shared that the said remuneration has not increased since 2018. The Chairman added that this is also in line with Practice 7.1 of the Malaysian Code on Corporate Governance 2021 which recommended for the review of policies and procedures in determining the remuneration of Directors be reviewed periodically.

The Chairman then put forth the following Resolution 3 for the shareholders' consideration:

"THAT the increase of Non-Executive Chairman's fee from RM288,000 to RM360,000 per annum and the Non-Executive Directors' fees from RM144,000 to RM240,000 per annum with effect from 1st May 2025, be hereby approved".

11.0 AGENDA ITEM NO. 6:

ORDINARY RESOLUTION 4 – TO APPROVE THE DIRECTORS' FEES AND ALLOWANCES PAYABLE TO THE NON-EXECUTIVE DIRECTORS OF UP TO AN AMOUNT OF RM3,000,000 WITH EFFECT FROM 24TH APRIL 2025 UNTIL THE NEXT AGM OF THE COMPANY

The Chairman proceeded with agenda item no. 6 on the payment of Directors' fees and allowances to the Non-Executive Directors ("NEDs") of up to an amount of RM3,000,000.00 with effect from 24th April 2025 until the next AGM of the Company.

The Directors' fees and allowances for the NEDs for the period from 24th April 2025 until the conclusion of the next AGM ("FYE2025/FYE2026") were calculated based on the estimated number of scheduled Board and Board Committees meetings and on the assumption that all of the NEDs would remain in office until the next AGM. This resolution was to facilitate payment of the Directors' fees and allowances for the Financial Year Ended 2025/2026.

The Chairman then put forth the following resolution to the shareholders for their consideration:

"THAT the payment of the Directors' fees and allowances payable to the Non-Executive Directors of up to an amount of RM3,000,000 with effect from 24th April 2025 until the next Annual General Meeting of the Company be hereby approved."

12.0 AGENDA ITEM NO. 7:

ORDINARY RESOLUTION 5 – RE-APPOINTMENT OF KPMG PLT AS AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING 31ST DECEMBER 2025 AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

The Chairman informed the shareholders that the Board recommended to the shareholders for approval of the re-appointment of KPMG PLT as Auditors of the Company who would hold office until the conclusion of the next AGM and to authorise the Directors to determine their remuneration.

The auditors, KPMG PLT, had expressed their willingness to continue office.

The Chairman then put the following resolution to the shareholders for their consideration:

"THAT KPMG PLT be hereby re-appointed as Auditors of the Company for the financial year ending 31st December 2025 and that the Directors be hereby authorised to fix their remuneration."

13.0 AGENDA ITEM NO. 8:

ANY OTHER BUSINESS

The Chairman informed that the last item on the agenda for this AGM was to transact any other business of which due notices should be received in accordance with the Companies Act 2016. The Company Secretary confirmed that the Company had not received any notice of any other business to be transacted at this meeting.

14.0 QUESTION & ANSWER SESSION

The Chairman informed the shareholders that the Company received a list of questions from the Minority Shareholder Watch Group ("MSWG") on 16th April 2025 and had responded to their queries ahead of this AGM, of which the same were posted on the Company's website at www.petronas.com/pgb under Investor Relations.

For the benefit of the shareholders, the Chairman then invited Puan Azizahwati Ishak, the Company Secretary, to read out the questions from MSWG and for Encik Aziz thereupon to respond to the said questions accordingly.

The shareholders were informed that the Company had received 52 pre-submitted questions, whereby out of 52 questions, 14 questions were on hybrid meeting, 6 questions were on door gifts and the balance of questions are related to the recent Fire Incident, operational and financial performance. The Company had addressed all 52 pre-submitted questions at the AGM.

The Chairman also assured the shareholders that the Company endeavored to answer all live questions raised by the shareholders. However, if any questions were not answered at the AGM due to time constraints, the response would still be published on the Company's corporate website at www.petronas.com/pgb under the Investor Relations page within three (3) working days, together with the responses to all the other questions.

The Company received 40 live questions from the shareholders and their representatives and had addressed all the live questions during the Question and Answer ("Q&A") session. Some of these questions were repetitive or similar; this included the question on door gifts, whereby the Company received 2 questions on this topic. The Company addressed all questions from the shareholders during the live Q&A session as per **Appendix 1** of this Minutes of AGM.

The details of all the pre-submitted and live questions were posted on the Company's website at www.petronas.com/pgb under Investor Relations.

15.0 POLL VOTING (E-VOTING)

For the benefit of the shareholders, the Chairman informed that he had been appointed to act as proxies for a number of shareholders and should vote in accordance with the instructions given.

The Chairman reminded shareholders who have yet to cast their votes to do so before the voting session was closed. The Meeting was adjourned at 1.25 p.m. for electronic voting.

The Meeting was reconvened at 1:35 p.m., and the Chairman announced the closure of the voting and that the meeting would be reconvened in 20 minutes to allow for the poll verification process by the Scrutineers.

(The poll results were handed over to Scrutineer for validation).

16.0 ANNOUNCEMENT OF POLL RESULTS

The Chairman called the meeting to order at 1:55 p.m. for the declaration of poll results, as verified by the Scrutineer, as follows:

PETRONAS GAS BERHAD 198301006447 (101671-H)
Minutes of the 42nd Annual General Meeting held on 23rd April 2025

Resolution	Vote in favour		Vote Against		Results
	No. of Shares	%	No. of Shares	%	
Ordinary Resolution 1 To re-elect Datuk Adif Zulkifli who retires in accordance with Article 100 of the Company's Constitution and being eligible, offer himself for re-election.	1,624,710,956	98.4428	25,701,026	1.5572	Accepted
Ordinary Resolution 2 To re-elect Farina Farikhullah Khan who retires by rotation in accordance with Article 107 of the Company's Constitution and being eligible, offer herself for re-election.	1,643,914,389	99.5548	7,351,093	0.4452	Accepted
Ordinary Resolution 3 To approve the increase of the Directors' fees from RM288,000 to RM360,000 per annum for the Non-Executive Chairman and from RM144,000 to RM240,000 per annum for each Non-Executive Director with effect from 1 May 2025.	1,650,515,877	99.9539	760,995	0.0461	Accepted
Ordinary Resolution 4 To approve the Directors' fees and allowances payable to the Non-Executive Directors of up to RM3,000,000 with effect from 24 April 2025 until the next Annual General Meeting of the Company.	1,650,513,944	99.9541	758,029	0.0459	Accepted
Ordinary Resolution 5 To approve the re-appointment of KPMG PLT, as Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration.	1,648,432,100	99.8349	2,725,682	0.1651	Accepted

Based on the poll results, the Chairman then declared that all resolutions tabled at the AGM were carried.

17.0 END OF MEETING

On behalf of the Board of Directors and Management of the Company, the Chairman extended his appreciation to the shareholders for attending the AGM and for their continued support to the Company.

There being no further business, the meeting adjourned at 2:10 p.m.

CONFIRMED AS CORRECT MINUTES

-SIGNED-

Datuk Adif Zulkifli
Chairman

[This version is for the purpose of uploading to the Company's corporate website]

AGM Live Questions

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

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

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

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

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

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.	