

## Pre-AGM questions

### 1. Voucher and door gifts

No.	Question
1	As shareholders are battling the pandemic by obeying SOP, hope this virtual AGM should be rewarded with a form of token of appreciation.
2	As shareholders are battling the pandemic by obeying SOP, hope this virtual AGM should be rewarded with a form of token of appreciation.
3	Appreciate any voucher. Thank you.
4	Would request for door gift as part of incentive to motivate shareholder participation in this AGM.
5	Petronas do give out Setel e wallet to shareholder for participate in this AGM.
6	Seek your kindness to provide e voucher or cash voucher via Setel app to those who participate in this virtual AGM while at the same time improve shareholder relationship. This is a fair demand since Petronas gas pay substantial dividend to government.
7	Recommend to give evoucher e.g. TNG ewallet as cost of holding physical meeting is reduced.
8	Will the board consider to provide Petronas e-voucher for those attending on the virtual AGM? Appreciate your board in considering this as it's cheaper than conducting actual AGM.
9	Please provide some e vouchers to those who attend the AGM. Thank you.
10	Is the company giving out Petrol voucher as door gift.
11	Kindly provide e-cash voucher for those who participate in this AGM.
12	Is the company giving door gift to shareholders attending the virtual meeting.
13	Will the company be giving any doorgifts/e vouchers to shareholders/proxies attending this live streaming AGM and remote voting? Thank you.
14	Mr. Chairman. Kindly provide e vouchers to shareholders who attend RPV.
15	Hope this year the company will give doorgifts/e vouchers to shareholders/proxies attending this live streaming AGM and remote voting.
16	Hope this year the company will give doorgifts/e vouchers to shareholders/proxies attending this live streaming AGM and remote voting.
17	To the chairman and BOD, please be informed that it is very expensive for the shareholders/proxies to attend a virtual AGM and remote voting in term of data usage then a physical one, therefore we hope the company will consider giving some e vouchers to those attendees as a gesture of appreciation. Thank you.
18	Hope this year the company will give doorgifts/e vouchers to shareholders/proxies attending this live streaming AGM and remote voting. Thank you.
19	Dear Board of Directors, please give RM100 petrol setel to your shareholders that attend & vote at AGM, thanks.

## Pre-AGM questions

No.	Question
20	To the chairman and BOD, please be informed that it is very expensive for the shareholders/proxies to attend a virtual AGM and remote voting in term of data usage then a physical one, therefore we hope the company will consider giving some e vouchers to those attendees as a gesture of appreciation. Thank you.
21	Hope this year the company will be giving doorgifts/e vouchers to shareholders/proxies attending this live streaming AGM and remote voting. Thank you.
22	Would the BOD consider distributing e-vouchers to the RPV participants of this virtual AGM as a form of CSR activity by the Company?
23	Would the company be considering e-voucher in the form of setel vouchers?
<b>Answer to question number 1 - 23</b>	
<p>PGB will be providing Setel e-voucher worth RM50 as a token of appreciation to all its shareholders, proxies, corporate representatives and attorneys who participate in today's AGM.</p> <p>The Setel e-voucher will be sent via email by Tricor to your registered email based on today's AGM attendance record within 5 working days.</p>	

## 2. Dividend and repatriation

No.	Question
24	From the analyst report, it is understood that the management is reviewing its capital structure as the Company is in a net cash position vs. Regulated Asset Base (RAB) assumptions of Debt equity ratio of 65:35. It is also noted that the Company will be investing about RM541 mil on new pipeline projects. What does this mean to the shareholders and dividend going forward?
<b>Answer</b>	
<p>We are guided by our dividend policy which is a payout ratio of around 50% consolidated profit after tax and non-controlling interest. The Group's dividend payout ratio has been more than 70% in the last five years, with the highest level of dividends paid in respect of financial year 2020 of 127 sen per share (equivalent to dividend payout ratio of 125%).</p> <p>In conducting the capital structure review, due consideration will be given to opportunities to maximise shareholders return. This will, however, need to be balanced with funding requirements for business operations and growth for the longer term.</p> <p>The RM541 million new lateral gas pipeline project is expected to add on to PGB's PGU Regulated Asset Base (RAB).</p> <p>Under IBR, the valuation methodology for RAB is currently transitioning from Depreciated Replacement Cost to Net Book Value over Regulated Period 1 and Regulated Period 2.</p> <p>Under Incentive-based Regulation (IBR), PGB's PGU earns a certain rate of return on its RAB to maintain future revenue (RP3).</p>	

## Pre-AGM questions

No.	Question
25	Any increased in frequency and increased in dividends?
26	Hi, can I know the dividend payout ratio for the company? Any special dividends in coming financial year?
<b>Answer to question number 25 - 26</b>	
<p>Currently, PGB pays dividends on a quarterly basis and there are no plans to increase the frequency of payments.</p> <p>In determining the amount of dividends to our shareholders, as mentioned previously, we are guided by our dividend policy which is a payout ratio of around 50% consolidated profit after tax and non-controlling interest. The Group's dividend payout ratio has been more than 70% in the last five years, with the highest level of dividends paid for financial year 2020 of 127 sen per share.</p> <p>We also strive to balance between maximising shareholders' return whilst maintaining funding requirements for business operations and growth.</p>	
27	Any bonus issue to be declared?
<b>Answer</b>	
There are no plans to issue bonus shares at this point of time.	

## Pre-AGM questions

### 4. Strategy, growth and business outlook

No.	Question
28	Clean energy is the future, does the Company have plans for Renewable Energy and solar?
<b>Answer</b>	
<p>PGB is already in the clean energy business as gas remains the cleanest form of fossil fuel. However, we are also exploring new opportunities to complement our current gas infrastructure business. This includes new prospects emerging from energy transition, such as potential hybrid solar and Combined Heat and Power COGEN (CHP) solutions in collaboration with PETRONAS.</p> <p>We will provide more updates as we progress accordingly.</p>	
29	There is an improved outlook for Oil and Gas industry currently. How does the Company intend to generate more profit and are there any future plans for business expansion?
<b>Answer</b>	
<p>PGB Group provides gas infrastructure services and is not the molecule owner. Hence, our main revenue streams are kept whole and are not immediately affected by changes in the oil and gas industry.</p> <p>However, the Group can benefit from improved gas demand as this may lead to opportunities for PGB to invest in new gas infrastructure.</p> <p>Moving forward, PGB is exploring growth potential leveraging on energy transition through:</p> <ol style="list-style-type: none"> <li>i. Potential collaborations in delivering integrated utilities solutions,</li> <li>ii. Opportunities in power generation; and</li> <li>iii. New prospects emerging from energy transition (e.g. potential hybrid solar and Combined Heat and Power COGEN (CHP) solutions in collaboration with PETRONAS).</li> </ol> <p>We will make necessary announcements as we progress accordingly.</p>	
30	The world is moving away from fossil fuels, how does PETRONAS Gas ensure its relevance and competitiveness in the years and decades to come?
<b>Answer</b>	
<p>As mentioned before, PGB's main revenue streams are guaranteed irrespective of utilisation rate under long term contracts.</p> <p>Gas is the cleanest form of fossil fuel and will remain relevant as part of the transition towards sustainable and renewable energy. Alternatives such as Renewable Energy will require considerable investment and time to mature.</p> <p>Based on Suruhanjaya Tenaga (ST) forecasts, renewable energy will only contribute around 25% of total fuel generation mix for Malaysia whereas gas will continue to contribute about 40% on average from 2021 to 2030.</p> <p>Leveraging on energy transition, PGB is also looking into other growth opportunities to complement our current business. This includes:</p> <ol style="list-style-type: none"> <li>i. Potential collaborations in delivering integrated utilities solutions,</li> <li>ii. Opportunities in power generation; and</li> <li>iii. New prospects emerging from energy transition, including potential hybrid solar and Combined Heat and Power COGEN (CHP) solutions in collaboration with PETRONAS.</li> </ol>	

## Pre-AGM questions

No.	Question
31	Is the movement in the world natural gas prices does not affect PGB cost of purchase from PETRONAS at all?
<b>Answer</b>	
<p>PGB is not significantly affected by changes in gas price as any cost to purchase will be mainly passed through, except for fuel gas in producing electricity.</p> <p>However, contribution from electricity sales to overall Group profit is small.</p> <p>The Group can benefit from favourable movement in natural gas prices as this may lead to opportunities for investment in new gas infrastructure as per customers' additional requirements.</p>	
32	Does PGB able to raise price to its customer? Is the ceiling price set by the Government?
<b>Answer</b>	
<p>PGB has both regulated and non-regulated businesses.</p> <p>For the regulated businesses i.e. Gas Transportation and Regasification:</p> <ul style="list-style-type: none"> <li>- Tariffs are regulated by Suruhanjaya Tenaga and determined in accordance with Tariff Determination Guidelines.</li> <li>- Tariffs are determined once every Regulatory Period (RP) which spans 3 years, based on Annual Revenue Requirements (including returns) and forecast reserved capacity. There are avenues for Revenue Adjustments within an RP.</li> </ul> <p>We are currently in the first regulatory period, RP1 covering 2020 to 2022.</p> <p>For the non-regulated businesses:</p> <ul style="list-style-type: none"> <li>- Gas Processing: The fees in the form of reservation charge as well as other performance incentives are outlined in the 30-year Gas Processing Agreement with PETRONAS. The reservation charge ensures OPEX and CAPEX recovery plus an agreed return. The fees are subject to review and revision on a 5-yearly term, and we are currently in the 2nd Term covering 2019 to 2023.</li> <li>- Utilities: As this is under merchant mode, price revisions can be made with steam, industrial gas and water customers as prescribed in the respective agreements. However, electricity tariff revision is subject to Suruhanjaya Tenaga (ST) regulation under the Electricity Supply Act 1990.</li> </ul>	
33	Will PGB consider replacing all household with pipeline CAPEX investment? Will it be cheaper in cost if pipeline are created throughout country, especially major cities instead of existing cylinder gas?
<b>Answer</b>	
<p>In Malaysia, the distribution gas pipeline business which covers pipelines to households is currently undertaken by Gas Malaysia Berhad (GMB). It is a regulated business under Suruhanjaya Tenaga.</p> <p>As it is not under direct purview of PGB, we are not able to comment further.</p>	

## Pre-AGM questions

### 5. ESG

No.	Question
34	Bursa Malaysia is encouraging all public listed companies to adopt good Environment, Social and Governance (ESG) practices in their business operations. What is PGB's annual budget in terms of percentage of total expenditure in pursuing the ESG agenda?
<b>Answer</b>	
<p>We allocate sufficient expenditure for ESG efforts each year, depending on the identified initiatives and their requirements.</p> <p>As part of PETRONAS Group and in line with its aspiration to achieve net zero carbon emission by 2050, PGB is currently identifying the required initiatives to meet this target. In the meantime, PGB is undertaking activities to ensure Clean Air Regulation compliance and enhance energy efficiency through Energy Loss Management System, among others.</p>	

### 6. Corporate governance

No.	Question
35	What is your projected growth of net profit for the coming years in order to justify the Directors fees?
<b>Answer</b>	
<p>On projected growth of net profit, we do not provide financial forecasts.</p> <p>The directors' fees reflect the increased role and participation of the directors in steering PGB's strategic and growth objectives. It also allows the Board to attract, motivate and retain high calibre talents.</p> <p>The fee structure complies with regulatory requirements and are benchmarked against market.</p>	

## AGM Live questions

### 1. Voucher and door gifts

No.	Question
1	Please give us petronas gas e-voucher. Thank you
2	Please give us petronas gas e voucher or e wallet .thank you directors .
3	Is the company giving door gift to shareholders attending this virtual AGM
4	Reconsider giving door gift eg setel or touch and go evoucher etc
5	Since this is 2nd virtual AGM, I humbly request BOD to give eVoucher and/or eWallet credit (in lieu of refreshments during physical AGM) to shareholders as a token of appreciation
6	Last year many companies did not provide door gifts or vouchers due to the pandemic restrictions. However this year some companies had revived. so hopefully this 2nd AGM the Board may consider doing so to reward participants with a Petronas Gift Card or eVoucher / eWallet as a token of appreciation. TQ
7	Good morning to all. May this 2nd virtual AGM the Board will consider a reward for attending participants as a token of appreciation like a Petronas Gift Card or other form of eVouchers / eWallet. Sadly we had missed out the previous year. TQ
8	Virtual AGMs are good during this pandemic but have deprived us of the benefit of attending in person at a nice location and meeting or seeing the BOD in person not to mention the generous door gifts that Petronas Gas have given to attendees in the past. Due to the savings that are now there due to virtual AGMs, can the company consider mailing gift vouchers to those who took time to attend and vote during this virtual AGM? For the BODs kind consideration. Thank you
9	Dear BOD - Kindly give us some e-vouchers or e-wallet for being loyal shareholders and attending this meeting. Times are bad now. TQ
10	Sincerely hope for petrol credit via Setel app to those who attend this virtual AGM. This could aid group in marketing its product and increase adoption of Setel App.
11	Please consider giving e-voucher to participating shareholders in view of the amount of hassle and cost for registration to attend the meeting, Thank you
12	Seek your kindness to provide e petrol cash voucher to those who attend this AGM. This is part of the EXTENDED environment, social and corporate framework.
13	May I seek your attention do provide freebies to those attend this virtual AGM. There is no logistic concern on distributing door gift. Since group can leverage on Setel App for distribution and shareholder may give a first try. This could increase adoption rate of Setel App.
14	Any Door gifts
15	Please give us petronas card or e-voucher.thank you.
16	Any door gifts?
17	Good morning everyone. We as a shareholder just hope that the company will kindly give away evouchers to those who attend the RPV as a token of appreciation. Thank you
18	Please give Petronas e- voucher as a token of appreciation to shareholders who participate in this virtual Agm. Ty you.
19	Can the board kindly consider giving Touch n Go e- wallet as reward to shareholders who take interest to participate in this RPV. Thank you.
20	Please give Petronas e- voucher to shareholders who participate in this virtual Agm . Thank you.

## AGM Live questions

No.	Question
21	Good morning Mr.chairman and board of directors.I wish to request for Petronas Reloadable Gift Card as a token for this Agm.Tqvm in advance for your kind consideration.
22	Kindly forward door gifts. Thank you.
23	Please reward your loyal warga emas shareholders during covid 19 pandemic with some e vouchers..Thank you.
24	I hope the Board would consider giving all participants of this virtual meeting some evouchers such as Setel reloads to brighten up our day during this Covid-19 pandemic. Thank you.
25	Since the directors who attend company meeting will get their allowances. We as shareholders to spend our times to take part in this AGM must be treated equally. The company also must give us some e-voucher or e-wallet to us During this difficult time, if the company do so is indirectly helping the Country's economy grow. We hope the Board will consider our suggestion. TQ
26	Mr Chairman. Kindly provide e vouchers to shareholders who attend RPV.
27	Please give participants of this virtual meeting some Setel top ups as token of appreciation for attending this meeting. Thank you in advance.
28	As shareholders we would appreciate if the Board can offer some simple door gift, probably in e-wallet form . Thanking you in advance for your consideration.
29	Can reconsider giving door gift as your expense in virtual is less than physical meetingeg e-wallet tand go or setel etc
30	BOD with the savings from holding the AGM via RPV, kindly consider to reward shareholders via e-product vouchers (Petronas petrol etc), e-wallet reload etc
31	Any door gift after the agm ?
32	Hope the bod will give us faithful shareholders shopping or food vouchers thank
33	Good morning to the Board of Directors, Please do consider giving e- vouchers to shareholders who are attending this RPV AGM, as a gesture of appreciation for the continuous support and loyalty to the company. Tq. Regards, Goh
34	Mr. Chairman, please give Ewallet credits (e.g. Touch&Go) for us loyal minority shareholders voting today. Thank you.
35	Please give us some vouchers, evouchers or ewallet top ups as door gifts. Thank you for your kind consideration.
36	We as shareholders would really appreciate t if the Board can giving out some form of vouchers ( like e-vouchers) for thos attending . Thanks
37	BOD with the savings from holding the AGM via RPV for 2 years (Y2020 and Y2021) kindly consider to reward shareholders with Petronas e-products vouchers etc ( petrol cards)



## AGM Live questions

No.	Question
38	Dear Mr. Chairman, please consider giving those attending this AGM e-Vouchers. Thanking you in advance
39	In this pandemic environment, many of your share holders r facing some form of financial problem, why not PGas give each share holder who has taken part in the Remote AGM a door gift of RM50 by crediting it into their eWallet of their choice. This not only helping your share holders to reduce their financial constraint but also promoting e-Commence at the same time
40	Hi good morning. Keep up the good job. Thank you. Also, please reward the participatants in this Virtual AGM in view of the present pandemic time
41	Any voucher tq
42	Mr. Chairman, we loyal shareholders are taking time & efforts to register, go online & vote for the AGM & would appreciate that the company reward us appropriately with Touch&Go credits or post some food vouchers to us. Thank you.
43	Gd morning Mr.Chairman n BOD, would be much appreciate the company consider in giving out some token to the shareholders who taken time to take part in this meeting during this challenging time. tk
44	Do you give out door gifts like petrol voucher like pre-MCO periods?
45	Good morning. Keep up the hard work. TQ. Kindly distribute goodies in the new norm.
46	Can give door gifts for shareholders who attend the AGM virtually like KLCC, your associated listed company?
47	Any doorgift given?
48	I am MDM Ngee, I would like to request the company to give us some e vouchers for we participants. Thank you
49	Thank you for the good job. Kindly distribute some door gofts to the shareholders and participants. TQ
50	Are u giving us ANY e vouchers for voting online since this is the second year into the virtual agm
51	Since the company saves a lot of money on Virtual Agm, please reward the shareholders with generous e vouchers for the time and effort taken in attending this meeting online.
52	Any gift for shareholders in this AGM?
53	Any vouchers for shareholders  Thanks.
<b>Answer to question number 1 - 53</b>	
<p>PGB will be providing Setel e-voucher worth RM50 as a token of appreciation to all its shareholders, proxies, corporate representatives and attorneys who participate in today's AGM.</p> <p>The Setel e-voucher will be sent via email by Tricor to your registered email based on today's AGM attendance record within 5 working days.</p>	

## AGM Live questions

No.	Question
54	Any e-wallet as door gift to reconsider. Any bonus issue.
Answer	
Please refer to the above for our response regarding e-wallet/door gift.	
There are no plans to issue bonus shares at this point of time.	

## AGM Live questions

### 2. Strategy, growth and business outlook

No.	Question
55	<p>What is the outlook of Petgas Bhd going forward according to each segment given the surging operating expenses of over 32%, and also a very reduced share price today?</p> <p>What's instore for the gas processing segment with a RM120 million decline in revenue; please explain on the competition and factors impacting it as well as how company is planning to raise your growth performance and what could derail your plans?</p>
Answer	
<p>As for outlook of each segment, our Gas Processing, Gas Transportation and Regasification businesses, which account for over 90% of the Group's gross profit, are underpinned by long-term arrangements. These arrangements fully underwrite our capacity and services, ensuring steady earnings regardless of utilisation. The Group's Utilities segment contribution will be driven by customer demand, underpinned by economic conditions.</p> <p>Gas Processing segment revenue in fact increased by 0.5% or RM8.4 million from RM1,702.3 million to RM1,710.7 million in 2020 following new revenue stream from liquified petroleum gas importation and exportation services at Tanjung Sulong Export Terminal, Terengganu and higher Performance Based Structure incentives in line with continued world-class operational performance recorded.</p> <p>You may refer to page 34 of the Integrated Report 2020 for more details.</p> <p>Currently, PGB is exploring growth opportunities leveraging on the Company's existing competencies as well as new areas under energy transition.</p> <p>This includes:</p> <ul style="list-style-type: none"><li>• Potential collaborations in delivering integrated utilities solutions;</li><li>• Opportunities in power generation; and</li><li>• New prospects emerging from energy transition, including potential hybrid solar and Combined Heat and Power COGEN (CHP) solutions in collaboration with PETRONAS.</li></ul> <p>For each opportunity, we perform risk assessment by identifying potential risks in order to arrive to an informed decision.</p>	

## AGM Live questions

No.	Question
56	What is the forecast for current year revenue and profit growth for Petronas Gas Berhad. Is the company seeking new areas to increase the revenue and growth. Tq
<b>Answer</b>	
<p>We do not provide financial forecasts or revenue and profit projections.</p> <p>PGB is exploring growth opportunities leveraging on the Company's existing competencies as well as new areas under energy transition.</p> <p>This includes:</p> <ul style="list-style-type: none"> <li>• Potential collaborations in delivering integrated utilities solutions;</li> <li>• Opportunities in power generation; and</li> <li>• New prospects emerging from energy transition, including potential hybrid solar and Combined Heat and Power COGEN (CHP) solutions in collaboration with PETRONAS.</li> </ul> <p>We will make necessary announcements in due course as the initiatives are at a very early stage.</p>	
57	How is new gas price implemented recently will affect the company future earning?
<b>Answer</b>	
<p>PGB is not significantly affected by changes in gas price as any cost to purchase will be mainly passed through, except for fuel gas in producing electricity.</p> <p>However, contribution from electricity sales to overall Group profit is small, i.e. around 1%.</p>	
58	Referring to Page 25 of annual report, one of the game plan is "To reduce the asset utilization gap by 30% through commercial excellence – "30"", what does this means? What is an asset utilization gap, are these referring to assets that are not running in full utilization? Thank you.
<b>Answer</b>	
<p>The asset utilisation gap refers to the difference between plant capacity and its actual utilisation.</p> <p>Commercial Excellence is an initiative under the 301Q99 Pushing Forward roadmap to improve plant utilisation gap, mainly for our Utilities business, through retention of existing customers and capturing of new customers. In 2020, for instance, PGB commenced new supply of steam to Polyplastic Asia which increased utilisation for steam at Utilities Gebeng to 100%.</p>	
59	Can you give some examples of the adjacent business opportunities mentioned in the "Step Out" initiative?
<b>Answer</b>	
<p>Examples of business opportunity under "Step Out" initiative include, but is not limited to, new prospects emerging from energy transition, including potential hybrid solar and Combined Heat and Power COGEN (CHP) solutions in collaboration with PETRONAS.</p>	

## AGM Live questions

No.	Question
60	What is the outlook for the demand for Gas 2021 and 2022?
<b>Answer</b>	
<p>In the short term, the outlook for gas demand in Malaysia is relatively flat.</p> <p>However, as per offtake projection by Energy Commission, we believe that in the long run there would be an increase in gas demand from energy sector in view of the retirement of a few of gas-fired power plants and coal-fired power plants from 2029 onwards.</p>	
61	In En Aziz's presentation earlier, one of the growth focus area was power generation and regasification terminal - Malaysia and regional. Can I clarify what does it mean by "regional"? Petgas business has historically been in Malaysia only.
<b>Answer</b>	
Regional refers to neighbouring countries.	
62	Is PGB intends to go into Hydrogen gas to generate power
<b>Answer</b>	
We are open for any new opportunity if it meets our strategic fit in line with our grow strategy and its economy viability.	
63	Is there any immediate or long-term risk that PGB sees that will affect the business model and profitability?
<b>Answer</b>	
<p>The key risks pertain to:</p> <ol style="list-style-type: none"> <li>1. Health Safety, Security and Environment</li> <li>2. Operational Reliability, Delivery and Efficiency</li> <li>3. Gas Market Dynamics</li> <li>4. Gas Market Liberalisation</li> <li>5. Business Growth</li> <li>6. Human Capital</li> <li>7. Compliance to Regulation</li> <li>8. Sustainability</li> </ol> <p>Further description on the risks above and mitigation thereof can be found on pages 46 to 55 of PETRONAS Gas Berhad Integrated Report 2020.</p>	
64	Will there be any plans to explore Gas-to-Liquid (GTL) plants in Malaysia?
<b>Answer</b>	
We are open for new opportunities if it fits our business strategy and also depending on the risks and returns.	

## AGM Live questions

No.	Question
65	<p>Good morning &amp; selamat berpuasa.</p> <p>Would Petgas consider setting up an online ordering platform or mobile app for cylinder gas and it would prompt the nearest retailer to deliver it to the household?</p> <p>Thank you.</p>
66	<p>Thank you for a good dividend payout for 2020, has the present government reduced the subsidy for petronas gas tank for domestic consumption, reason being, the price paid for 14kg gas tank had been increased of lately!</p> <p>Will there be further price increase in the near future?</p>
<b>Answer to question 65 -66</b>	
<p>Thank you for your question and suggestion. However, the business for household cylinder gas is undertaken by PETRONAS Dagangan Berhad (PDB).</p>	
67	<p>What is the prospect of the company for the current financial year?</p>
<b>Answer</b>	
<p>As announced by the Group on 20 December 2019, the Energy Commission has approved the Incentive-based Regulation tariffs for Regulatory Period 1 (RP1) for Gas Transportation and Regasification services which commence from 1 January 2020 to 31 December 2022.</p> <p>The Group's Gas Transportation and Regasification business segments are anticipated to continue contributing positively to the Group's earnings under the RP1 tariffs.</p> <p>The Group's Gas Processing segment is expected to remain stable on the back of its strong and sustainable income stream under the 2nd Term of the 20-year Gas Processing Agreement effective from 2019 until 2023.</p> <p>The Group's Utilities segment contribution will be driven by customer demand, underpinned by economic conditions.</p> <p>The COVID-19 pandemic is not expected to significantly impact the Group's overall earnings as the Group's business model and long-term contracts ensures steady revenue streams, particularly for Gas Processing, Gas Transportation and Regasification business segments</p>	

## AGM Live questions

No.	Question
68	Given that tariff is expected to decline further during RP2, what are the key drivers to sustain the group future earnings growth?
Answer	
<p>In the long term, the key driver for PGB growth is energy demand in the country and regionally.</p> <p>An increase in energy demand will create opportunities for gas infrastructure expansion for regasification, gas pipeline and utilities.</p> <p>In the immediate future, PGB is exploring growth opportunities leveraging on the Company's existing competencies as well as new areas under energy transition.</p> <p>This includes:</p> <ul style="list-style-type: none"><li>• Potential collaborations in delivering integrated utilities solutions;</li><li>• Opportunities in power generation; and</li><li>• New prospects emerging from energy transition, including potential hybrid solar and Combined Heat and Power COGEN (CHP) solutions in collaboration with PETRONAS.</li></ul>	

## AGM Live questions

### 3. TPA/IBR

No.	Question
69	<p>How would the shift from Depreciated Replacement Cost (DRC) to net book value (NBV) affect the group's earning during current RP1 and the coming RP2?</p> <p>What is the magnitude of tariff decline expected by the management by the end of RP2 as compared to now?</p>
70	<p>Good morning board of directors, wish you all stay healthy during this period. Below are my questions:</p> <p>1. Can the board kindly explain what is the impact of migration on asset base valuation from depreciated replacement cost to net book value for gas transportation business in layman's terms?</p>
<b>Answer to question 69 - 70</b>	
<p>Under Incentive-based Regulation, PGB earns an agreed return on the Regulated Asset Base (RAB) value for its Gas Transportation and Regasification businesses.</p> <p>The shift in RAB valuation methodology from Depreciated Replacement Value (DRC) to Net Book Value (NBV) is not favourable as NBV is generally lower than DRC.</p> <p>The shift will only apply to the Gas Transportation business. Regasification business' RAB valuation is already on NBV.</p> <p>However, the impact will be cushioned as it will be done over 6 years (i.e. Regulatory Period 1 and Regulatory Period 2). The impact will also be offset by additional CAPEX, such as the recently announced 42km lateral gas pipeline project.</p> <p>The tariffs for Regulatory Period 2 and beyond are yet to be determined and approved by Suruhanjaya Tenaga.</p>	
71	<p>In the Third Party Access (TPA) arrangement, the importers/ shippers use the Petronas Gas facilities to send the gas to consumers.</p> <p>Does it mean TPA will only affect the gas processing business but not others?</p> <p>What is the impact of competition since TPA is in place?</p>
<b>Answer</b>	
<p>Under the Gas Supply Act 2016 (Amendment), TPA is applicable to PGB's Gas Transportation and Regasification businesses. PGB's Gas Processing segment is not within the scope of the regulation.</p> <p>TPA encourages liberalisation of the domestic gas market and promotes healthy competition. Nevertheless, Gas Transportation and Regasification businesses have relatively high barriers to entry, requiring among others high capital outlay and specific technical know-how.</p>	



## AGM Live questions

### 4. Financial

No.	Question
72	<p>Can the Board share the breakdown of the contribution of the share of total comprehensive income of RM123.046 Million (page 121 of Fin Report) for the 3 operating JVs namely:</p> <p>(1) Kimanis Power                      (2) Pengerang Gas Solutions                      (3) Industrial Gases Solutions</p>
<b>Answer</b>	
<p>Out of the share of total comprehensive income of RM123.046 million, over 65% is contributed by Pengerang Gas Solutions Sdn Bhd, around 30% is from Kimanis Power Sdn Bhd and remaining is from Industrial Gases Solutions Sdn Bhd.</p>	
73	<p>An amount of RM7.328 Million was recognized in Profit &amp; Loss as "Other financing costs" in FY2020.</p> <p>Please provide details of the nature of this Other financing costs and whether there will be similar amount to be recognized in FY2021?</p>
<b>Answer</b>	
<p>Other financing costs relate to one off costs for early settlement of corporate shareholder loan and issuing cost of Islamic financing facility of Pengerang LNG (Two) Sdn Bhd, subsidiary of the Group.</p>	
74	<p>Petronas Gas invested about 1 billion per annum in PPE in FY2019 and FY2020. What is the expected rate of increase in Capex over the medium term?</p> <p>What is the expected annual Capex by 2025 which is the end of RP2?</p>
<b>Answer</b>	
<p>Forecast CAPEX for 2021 is anticipated to be slightly higher, around the region of RM1.2 - 1.3 billion.</p> <p>Forecast CAPEX for the next 5 years is around RM4.4 billion, although this may change depending on new projects approved in future.</p>	
75	<p>The Group Financial Review on page 30 - para 4 states that, "The higher revenue from these three business segments offset lower revenue from Utilities business with lower sale of excess electricity into the grid."</p> <p>This statement contrast with statement on page 48, "Impact to our business" - No impact to the business as we currently have limited exposure to the power business. Please explain the contrasting statements. Thank you.</p>
<b>Answer</b>	
<p>Thank you for your feedback.</p> <p>Revenue of Utilities segment decreased by 4.2% or RM57.1 mil in 2020 due to lower electricity demand.</p> <p>However, the contribution from electricity sales to the Group is relatively small at gross profit level, i.e. around 1% of total Group gross profit.</p> <p>Hence, there is no impact to PGB's overall business.</p>	

## AGM Live questions

### 5. Business and operations

No.	Question
76	in FY2020, what is the mixture of gas processed by PGAS in percentage terms which are sources directly from Petronas and those imported from other 3rd party suppliers?
<b>Answer</b>	
In FY2020, all of gas processed by PGB are from PETRONAS.	
77	It was mentioned by the MD of gas supply contracts with Polyplastics and Kaneka in Gebeng. What are the tenure of these contracts?
<b>Answer</b>	
The contract with Polyplastics Asia Pacific and Kaneka is for a duration of 20 years.	

### 6. Restructuring and financing

No.	Question
78	Currently Petronas Gas is in a net cash position. But given its stable and recurring earnings it could take more debt capital which is cheaper. What is the management thought on that?  What is the optimal gearing ratio from the management point of view?  How long will it take to reach the desired gearing level?
<b>Answer</b>	
<p>With Gas Transportation and Regasification businesses now regulated, there is an increasing need for PGB to be more capital efficient and have an optimised balance sheet, which may include taking up more debt capital.</p> <p>We are currently undertaking a capital structure review exercise as disclosed in the Integrated Report 2020. In 2020, we have raised RM1.7 billion external financing via issuance of Sukuk Murabahah at Pengerang LNG (Two) Sdn Bhd (PLNG2), our subsidiary. Shortly after the year end, we have also secured an external Term Loan of p to RM1.3 billion for the Gas Transportation business. The exercise may take 2-3 years.</p> <p>In terms of optimal gearing ratio, this will depend on funding requirements of new opportunities and projects which are progressing. Nevertheless, the Group has ample balance sheet capacity and earnings structure to accommodate higher level of gearing.</p>	

## AGM Live questions

### 7. Corporate governance, board and secretarial matters

No.	Question
79	Can you let us know what will be the net profitability for the coming years in order to justify your high director fees? Or your increased kin revenue or net profit?
<b>Answer</b>	
We do not provide financial forecasts or revenue and profit projections.	
The directors' fees reflect the increased role and participation of the directors in steering PGB's strategic and growth objectives. It also allows the Board to attract, motivate and retain high calibre talents.	
The fee structure complies with regulatory requirements and are benchmarked against market.	

### 8. Conduct of AGM and administrative matters

No.	Question
80	How much does the company spend on this virtual Agm? Would the board kindly consider giving Setel e-voucher as a token of appreciation to shareholders who participate in this RPV. Thank you. I would like to request a printed hard copy of the company annual report.
<b>Answer</b>	
We have saved a considerable amount by conducting the AGM virtually compared to organising a physical meeting.	
PGB will be providing Setel e-voucher worth RM50 as a token of appreciation to all its shareholders, proxies, corporate representatives and attorneys who participate in today's AGM.	
The Setel e-voucher will be sent via email by Tricor to your registered email based on today's AGM attendance record within 5 working days.	
We take note on the request for hardcopy annual report, and we will make the necessary arrangement.	
81	Hi, live stream seems to be not working, please confirm if I have enter the meeting ya.. TQ!
82	Hello Tricor, the live stream cannot enter, video just searching mode, nothing appear ya.. what should I do now ya.. Please advise! TQ!
<b>Answer to question 81 - 82</b>	
Thank you for your feedback. We trust the issue was resolved and will look into improvement areas for next AGM.	
83	Both shareholders and companies are now used to virtual AGM. Please continue to provide the option of remote participation after Covid-19. It is environmentally friendly and it encourages shareholders who live remotely to participate.
<b>Answer</b>	
We take note of the suggestions.	

## AGM Live questions

No.	Question
	PGB will continue to consider virtual meetings to facilitate shareholders' participation in General Meetings and voting, especially when large physical meetings are discouraged ( e.g. due to COVID-19).
84	Good morning all, I am Ngee Geok Choo, Thank You for this AGM. Please send me a copy of the latest annual report
<b>Answer</b>	
We take note and we will make the necessary arrangement.	
85	It is very difficult to register as a vendor to bid competitively for recyclable scrap. If you can assist shareholders, please email your advise to marketing@ramametals.com and provide a PIC for me to follow up.
<b>Answer</b>	
Please refer to <a href="https://www.petronas.com/be-our-partner/licensing-and-procurement-in-malaysia">https://www.petronas.com/be-our-partner/licensing-and-procurement-in-malaysia</a> .	
86	Could you pls send the presentation slides to shareholders
<b>Answer</b>	
The presentation slides will be uploaded to our website at <a href="https://www.petronasgas.com/IR/Pages/AGMEGM.aspx">https://www.petronasgas.com/IR/Pages/AGMEGM.aspx</a> .	
87	Can AGM be held like before, physically and not via virtual but to practice S.O.P
<b>Answer</b>	
With the ongoing COVID-19 pandemic, the SC has on 5th March 2020 issued a revised Guidance Notes and FAQs on the conduct of General Meeting for listed issuers.	
It states the various modes of conducting general meetings for areas with movement restriction, subject to the requirements under the prevailing and applicable SOPs.	
It further states that listed issuers are encouraged to leverage technology to conduct their general meetings beyond MCO period.	
88	Could I find out what is the cost of conducting this virtual AGM? Tq
<b>Answer</b>	
We have saved a considerable amount by conducting the AGM virtually compared to organising a physical meeting.	
89	TQ for the highest dividend for this year. However, since we have saved on the hall rental and refreshment, can we get extra amount on the e-voucher from RM50 to RM100 like before?
<b>Answer</b>	
Our focus in rewarding shareholders is through dividends.	
The RM50 Setel e-voucher is provided to you, our shareholders as a gesture of appreciation for attending and participating in the company's AGM.	

## AGM Live questions

No.	Question
90	Can hybrid AGM be the normal?
<b>Answer</b>	
<p>PGB will continue to consider virtual, hybrid or other forms of meetings to facilitate shareholders' participation in General Meetings and voting, especially when large physical meetings are discouraged (e.g. due to COVID-19).</p> <p>The 38th AGM is carried out via Tricor's TIIH online platform where shareholders can participate remotely and vote in absentia.</p>	

## 9. Dividend and repatriation

No.	Question
91	Good morning. In view of the surging oil prices, kind in this new pandemic kindly distribute higher dividend to the shareholders. TQ
92	WILL THE COMPANY BE ABLE TO MAINTAIN OR INCREASE THE DIVIDEND FOR THE COMING YEAR
93	What is the rationale for the company to payout more than 100% in dividend in 2020? Are there pressure from the holding company?
<b>Answer to question 91 - 93</b>	
<p>The first special dividend of 50 sen in respect of Q2 2020 was paid as part of PGB Group's capital restructuring exercise which was undertaken in view of the increasing need for the Group to have an efficient capital structure.</p> <p>The second special dividend of 5 sen paid in respect of Q4 2020, reflecting PGB Group's robust performance in 2020.</p> <p>In determining the amount of dividends to our shareholders, we are guided by our dividend policy which is a payout ratio of around 50% consolidated profit after tax and non-controlling interest.</p> <p>The Group's dividend payout ratio has been more than 70% in the last five years, with the highest level of dividends paid in respect of financial year 2020 of 127 per share.</p> <p>We strive to maximise shareholders' return, however this will need to be balanced with funding requirements for business operations and growth for the longer term.</p>	
94	Any plan for PGB to issue bonus shares to increase the liquidity?
<b>Answer</b>	
There are no plans to issue bonus shares at this point of time.	

## AGM Live questions

No.	Question
95	Any future development that may benefited the shareholders? Dividend and gift wise etc?
<b>Answer</b>	
<p>In determining the amount of dividends to our shareholders, we are guided by our dividend policy which is a payout ratio of around 50% consolidated profit after tax and non-controlling interest.</p> <p>The Group's dividend payout ratio has been more than 70% in the last five years, with the highest level of dividends paid in respect of financial year 2020 of 127 per share.</p> <p>We strive to maximise shareholders' return, however this will need to be balanced with funding requirements for business operations and growth for the longer term.</p> <p>For PGB's 2021 AGM, the Company will be providing Setel e-voucher worth RM50 as a token of appreciation to all its shareholders, proxies, corporate representatives and attorneys who participate in today's AGM.</p> <p>Door gifts for future AGMs will be considered by Management in due course.</p>	

## 10. ESG

No.	Question
96	Foreign investor is looking heavily in ESG (environmental, social & corporate governance) parameters, have PGB prepare to manage the company towards this direction to be a preferred company & sustainability?
<b>Answer</b>	
<p>As part of PETRONAS Group and in line with its aspiration to achieve Net Zero Carbon Emission by 2050, PGB is currently identifying the required initiatives to meet this target. In the meantime, PGB is undertaking activities to ensure Clean Air Regulation compliance and enhance energy efficiency through Energy Loss Management System, among others.</p> <p>For 2021, we will continue with our environment sustainability efforts which includes reduction in carbon emission, improvement in energy and waste management:</p> <ul style="list-style-type: none"> <li>• Utilisation of EXAPILOT software at GPS which has contributed towards propane and butane flaring reduction, and overall reduction in energy intensity and carbon footprint</li> <li>• Utilisation of energy efficient technologies to reduce energy consumption resulting in lower cost and Internal Gas Consumption incentives.</li> <li>• Continue CSR programmes/activities particularly on conservation of biodiversity and community development surrounding our operations nationwide.</li> </ul>	