

Pre-AGM questions

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

1. Voucher and door gifts

No.	Question
1	Any doorgift?
2	As world oil & Gas prices had shot up drastically & the company should have reaped handsome profit, so would the Board consider a higher value say Rm150 for our Setel eWallet? TQ.
3	Any vouchers??
4	<p>We, the humble shareholders, would truly appreciate if our highly respectable Board could kindly consider giving shareholders a very generous door gift for attending this highly important AGM as it is not easy to attend this meeting online due to a lot of line interruptions, platform problems, inconveniences, covid stress,etc..</p> <p>We also have to set aside precious time, efforts and commitment similar to that displayed by Board members. Thank you very much for your kind understanding and support.</p>
5	<p>I would be truly grateful if the Board could kindly consider giving shareholders a good & generous door gift for attending this important AGM as it is not easy to attend this meeting online due to a lot of line interruptions, high wifi costs, platform problems, inconveniences, etc..</p> <p>Many of us as shareholders have to set aside precious time, efforts, dedication and commitment like the Board members. Thank you.</p>
6	Kindly provide Setel petrol voucher to those who participate in this virtual AGM.
7	Kindly provide e voucher to those who participate in this virtual AGM, We as a shareholder will do our part to promote company products by word of mouth. The marketing campaign will be as success as our former premier PR slogan i.e Malu Apa Bossku
8	Do provide Setel reload petrol to those who join this virtual AGM.
9	Sincerely hope for e-cash voucher for those who participate in this AGM. We never demand to reduce on director remuneration & further endorse / concur all resolutions to show our utmost support to the boards on the past and future.
10	<p>I would be truly grateful if the Board could kindly consider giving shareholders a good and generous door gift for attending this important AGM as it is not easy to attend this meeting online due to a lot of line interruptions, high wifi costs, platform problems, inconveniences, etc..</p> <p>Many of us as shareholders have to set aside precious time, efforts, dedication and commitment like the Board members and company staff. Thank you.</p>
11	<p>We, the humble shareholders, would truly appreciate if our highly respectable Board could kindly consider giving shareholders a very generous door gift for attending this highly important AGM as it is not easy to attend this meeting online due to a lot of line interruptions, platform problems, inconveniences, covid stress...</p> <p>We also have to set aside precious time, efforts & commitment similar to that displayed by Board members & company staff. Many thanks for your kind understanding & support.</p>
12	Hope the company will consider giving some e vouchers/e wallet to all its shareholders/proxies attending this RPV as a token of appreciation for their attendance. TQ.
Answer for Question 1 - 12	
PGB will maintain Setel e-vouchers worth RM50 for this AGM as a token of appreciation to all its shareholders, proxies, corporate representatives and attorneys who participate at today's AGM. The Setel e-voucher will be sent via email by Tricor to your registered email based on today's AGM attendance record within 5 working days.	

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2. Strategy, growth, business & market outlook

No.	Question
13	According to the capacity mix projection by Energy Commission, the share of gas will reduce from 45% in 2021 to 36% in 2029. How does the trend mean for the asset utilization and new capex opportunity for the 4 segments, namely transportation, regassification, gas processing and utilities?
Answer	
<p>Asset utilisation is not a factor for PGB revenue generation. Revenue for the Gas Processing, Gas Transportation and Regasification segments, which make up more than 90% of our business, are secured as they are underpinned by long term contracts which fully underwrites capacities regardless of utilisation.</p> <p>Nevertheless, under RMK-12 as announced by the Prime Minister recently, gas-powered power plant is expected to replace coal-based power plant from 2030 to 2040. This will increase the gas demand significantly providing opportunity for PGB to expand the gas transportation and regasification capacity. In addition, there will also be opportunity for PGB to expand its gas-based power generation capacity.</p>	
No.	Question
14	How much capex is PGB looking at for 2022?
Answer	
<p>As we enter into the endemic phase of COVID-19 in 2022, we expect some ramp-up in maintenance activities. Hence, forecast CAPEX for 2022 is anticipated to be slightly higher, around RM1.4 billion. This compares to RM1.2 billion incurred in 2021.</p> <p>In addition, the higher CAPEX is also contributed by the four major projects that we have FID'd last year in line with our growth aspiration.</p>	

3. Financial

No.	Question
15	Am Investment report dated 3 Mar 2022 mentions about "management's unchanged optimal gearing strategy to attain a debt-to-equity ratio comparable with other utilities/infrastructural companies' 55% over the next 3 years from its net gearing position of only 3% currently." (1) Can the management confirm that it indeed targets to achieve optimal gearing, at a debt-to-equity ratio comparable with other utilities? (2) Is 3 year a reasonable transition timeline?
Answer	
<p>As a gas infrastructure company with a portfolio comprising both regulated and unregulated business, we continue to look for opportunities to optimise our capital structure/gearing. While we have indicated a 3-year timeline and a 55% D/E ratio as a guide, the actual timing and final ratio may vary as we have to take into consideration external market conditions and any requirement for internal funding on growth opportunities currently being progressed.</p> <p>So far, we have raised long-term Islamic Sukuk at our Regasification Terminal in Pengerang and secured external Islamic financing facility primarily for our Gas Transportation Business CAPEX. We will make the necessary announcements with further details in due course.</p>	
No.	Question
16	Is the company expected to be adversely impacted by Cukai Makmur, any numbers that can be shared?
Answer	
<p>Cukai Makmur is a one-off tax imposed on companies that have continued to generate high income streams within the pandemic period as announced during Budget 2022 speech. It was gazetted on 31 December 2021 and effective for Year Assessment 2022. Cukai Makmur is not expected to significantly affect the Group's cash flow or ability to pay dividends.</p> <p>Furthermore, PGB's Regasification segment is shielded as there are tax incentives in place.</p>	

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No.	Question
17	When will the capital structure review be completed as according to the annual report this process is ongoing in FY2021 and started in 2020?
Answer	
The capital structure review exercise is still ongoing, and we will be progressing the exercise in 2022. We will make the necessary announcements with further details in due course.	

6. Request for printed Annual Report

No.	Question
18	Please send printed annual report as cannot access annual report portal. This site can't be reached. app.myetricor.com took too long to respond.
Answer	
We take note on your request for the hard copy of the annual report, and we have made the necessary arrangement accordingly. Moreover, the softcopy of annual report can be accessed and downloaded from PGB's website	

AGM live questions

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

1. Vouchers and door gifts

No.	Question
1	Would the BOD kindly consider giving shareholder with rm 50 Setel e - voucher as a token of appreciation for attending today's RPV. Thank you.
2	Please give us the same door gift as last year. TQ
3	Setel voucher please. Thanks??
4	Please give us a door gift for attending this meeting. Thank you.
5	Setel voucher please. TQ.
6	Good morning, This year AGM is the BOD considering an eWallet/eVoucher as a token of appreciation? TQ.
7	Please give vouchers.
8	Please consider a greater amount of Setel eWallet as previously it was RM100.
9	Please consider giving e voucher to participating shareholder Thank you.
10	Will the BOD consider the same amount as previous year Petronas gift card was RM100? TQ
11	Any door gift?
12	Do we receive door gift/e-voucher for attending today AGM? If not, can provide the reasons as other companies (i.e Maybank) do give door gift for attending AGM. Thanks..
13	Any vouchers?
14	Any doorgift for shareholders attending this AGM.
15	Please consider giving e-voucher to participating shareholders as token of appreciation for effort and cost of attending and supporting the company. Thank you.
16	I humbly request BOD to give eWallet or eVoucher to minority shareholders as a token of appreciation. I believe the token sum is small, manageable & within annual budgeted expenses.
17	Reward the participant to encourage support for VIRTUAL MEETING as it save cost, time, labour, printing expenses, etc.
18	Please forward door gifts. Thank you.
19	Any door gifts for shareholders?
20	Good morning to all. My full support for all the resolutions. Hope our Company will provide food vouchers to all loyal shareholders participating in this RPV.
21	Can the BOD reconsider to increase the door gift to RM100?
22	My full support for all the resolutions. Hope our Company will provide food vouchers to all loyal shareholders participating in this RPV.
23	BOD kindly consider rewarding shareholders with e-product vouchers via Setel. Thanks.
24	We, the humble shareholders, would truly appreciate if our highly respectable Board could kindly consider giving shareholders a very generous door gift for attending this highly important AGM as it is not easy to attend this meeting online due to a lot of line interruptions, platform problems, inconveniences, wi-fi expenses, covid stress... We also have to set aside precious time, efforts & commitment similar to that displayed by Board members & company staff. Many thanks for your understanding.
25	I would be truly grateful if the Board could kindly consider giving shareholders a good & generous door gift for attending this important AGM as it is not easy to attend this meeting online due to a lot of line interruptions, high wifi costs, platform problems, inconveniences, etc..Many of us as shareholders have to set aside precious time, efforts, dedication & commitment like the Board members and company staff. Thank you.
26	Dear Directors, during the past 2 years pandemic, shareholders have not been given any door gifts for attending AGMs online. We need to cope with a lot of line interruptions, high wifi costs, platform problems, inconveniences, covid stress, etc. while Directors and staff are adequately paid working online. Can our respected Boards please help to give care and concern, value the great shareholders' contributions and existence in AGMs by giving good doorgifts as appreciation? Thank you.
27	Dear Directors, our company has saved hundreds of thousand ringgit from the 3 pandemic years on AGM costs & expenses as they were held virtually. We, as shareholders, have been working hard to attend the highly important AGMs online but were not given due acknowledgment and appreciation in the form of a doorgift. We hope you could kindly consider showing some care & concern by giving us a good & generous doorgift. Thank you.
28	Any doorgifts for shareholders attending. This AGM like e vouchers for purchasing gas.

AGM live questions

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29	By attending this as a minority shareholder will i get any e voucher in my email?
30	Door gifts of setel voucher. TQ.
31	Any doorgift?
Answer for Question 1 - 31	
PGB will maintain Setel e-vouchers worth RM50 for this AGM as a token of appreciation to all its shareholders, proxies, corporate representatives and attorneys who participate at today's AGM. The Setel e-voucher will be sent via email by Tricor to your registered email based on today's AGM attendance record within 5 working days.	

2. Strategy, growth, business & market outlook

No.	Question
32	What will be the 10 years growth plan for Petgas.
Answer	
<p>PGB is exploring growth opportunities within the Company's existing competencies as well as new areas leveraging on energy transition. This includes:</p> <ul style="list-style-type: none"> • Power in Peninsular Malaysia, Sabah and Regional; • Integrated Utilities Solution at Industrial Park and small COGEN; and • Step out for a new opportunities Energy Transition <p>We will provide more updates and make the necessary announcements as we progress accordingly.</p>	
No.	Question
33	<p>The MD/CEO reported on page 41 of the AR that a further RM154 million profits from projects are anticipated by 2025.</p> <p>(1) Are the anticipated profits from all the 13 projects mentioned?</p> <p>(2) What is the basis in arriving at the RM154 million profits?</p>
Answer	
<p>The anticipated profits of RM154 million is part of the contribution from the 13 projects mentioned in the Annual Report and derived based on our economic projection. We will make the necessary announcements in due course.</p>	
No.	Question
34	How we could increase our revenue which was hovering at 5.5B to 5.6B from 2017 till 2021 since Natural Gas price is on the upward trends and becoming important source of energy that is greener?
Answer	
<p>PGB revenue is not affected by natural gas price. More than 90% of our business (Gas Processing, Gas Transportation and Regasification) are secured, underpinned by long term contracts which fully underwrites capacity regardless of natural gas price.</p> <p>For Utilities segment, the higher natural gas price can be passed-through to steam and industrial gas customers as per the contract price formula. The exception is electricity, which only makes up a small portion of total sales.</p>	

AGM live questions

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No.	Question
35	PGAS has announced the 42km lateral gas pipeline project to new power plant in Pulau Indah. (1) What is the progress of this project and expected commissioning date? (2) The total investment/capex for this project. (3) What is the duration of the contract to the power plant?
Answer	
(1) The project is currently in execution stage with the overall progress as of 31 March 2022 is as planned to meet the expected Commercial Operation Date will be in Q1 2023. (2) The approved CAPEX is approximately RM540 million (3) We do not have any direct contract with the power plant; however, we do have a Gas Transportation Agreement (GTA) with the gas shipper with the duration of 21 years	
No.	Question
36	Oil Price shot up due to Russia-Ukraine war. The government now has to increase many fold to oil subsidize just to keep RON 95 and diesel price affordable to low income group, but at the same time Petronas Gas is also making many fold profit due to world high oil price. Do Petronas gas has any plan to help our government in subsidizing just to keep the oil price affordable to low-income group?
Answer	
As a gas infrastructure and utilities player, PGB does not benefit from higher oil prices . We are not in a position to comment on oil subsidy as this is not within our purview.	
No.	Question
37	What is the impact/exposure of military campaign Ukraine Russia on PETGAS performance/operations?
38	With Russian-Ukraine crisis persist what additional revenue opportunities can we get and what steps have been taken so far to maximize our revenue
Answer for Question 37 - 38	
PGB is a gas infrastructure and utilities company which operates in Malaysia. With more than 90% of our business underpinned by long term contracts which fully underwrite capacities regardless of utilisation, our revenue stream is secured. We are not affected by the Ukraine-Russia conflict and there is limited avenue to maximise revenue from the conflict.	
No.	Question
39	Will the increase in oil price affect the profits of Petronas Gas? Thank you.
Answer	
The Gas Processing, Gas Transportation and Regasification segments, which make up more than 90% of PGB's business, are not affected by oil prices. Revenue for these segments is secured as they are underpinned by long term contracts, which fully underwrites capacities regardless of natural gas price. For the remaining Utilities segment, any increase in fuel gas price will be passed through to customers as per the contract price formula. The exception is electricity, which only makes up a small portion of total sales.	
No.	Question
40	Invest in Russia and Europe.
Answer	
We do not have any plans to invest in Russia and Europe at present.	

AGM live questions

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No.	Question
41	What PGB has for the next milestone? Do PGB sees carbon capture storage (CCS) or hydrogen as opportunity Thanks.
42	Can you comment on the green hydrogen prospect?
Answer for Question 41 - 42	
PGB is exploring growth opportunities within the Company's existing competencies as well as in new areas, leveraging on energy transition which includes Carbon Capture & Storage and hydrogen production. We will provide more updates and make the necessary announcements as we progress accordingly.	
No.	Question
43	Is there any plan for PGB to increase the gas selling price to TNB within this year?
Answer	
PGB does not sell gas to TNB and the gas selling price is not under our purview.	
No.	Question
44	Have the global prices of O&G recovery to elevated levels recently help improve our Co's profitability and have we captured the full potential of this price elevation? Why then are investors' interest in our shares still so poor that our share price remains well below previous years' prices when O&G prices were similar?
Answer	
As a gas infrastructure and utilities company with 90% of its business fully underwritten regardless of utilisation, PGB is not affected by oil prices.	
PGB share price has remained resilient throughout 2021, closing the year at RM18.00 compared to RM17.18 in 2020, despite global crisis relating to COVID-19 pandemic and slow economic growth. In fact, PGB share price trended higher by 4.8%, which outperformed FBMKLCI which saw a downward trend of close to 4% in 2021.	

3. Operations

No.	Question
45	What are the products under the purview of Petronas Gas?
46	What are the difference between Petronas Dagangan and P.Gas as both are selling Petronas products?
Answer for Question 45 - 46	
PGB's core revenue streams are as follows: <ul style="list-style-type: none"> • Gas Processing services – process natural gas into components for shippers • Gas Transportation services – transport salesgas to shippers' end-customers • Regasification services – receive, store and regasify LNG to salesgas for shippers • Utilities – produce, market and supply electricity, steam, industrial gases and demin water to various petrochemical business and third parties 	
PETRONAS Dagangan Berhad, our sister company, is a retailer and marketing arms for downstream petroleum products.	

4. Financial

No.	Question
47	The Regasification business segment in the Segmental information showed an increase in profit contribution of RM810.977 million vs RM713.113 million in FY2020 despite not much changes to the Revenue received. What are the reason(s) for the better profits despite similar Revenue reported?
Answer	
The Regasification business segment gross profit increased as a result of lower operating costs. This was largely attributable to lower contractual electricity Take-or-Pay charges at our subsidiary, Pengerang LNG (Two) Sdn Bhd in FY2021.	
No.	Question
48	How many percentages of the revenue mentioned (5.5B to 5.6B) came from export?
Answer	
All of PGB's revenue is generated in Malaysia.	

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No.	Question
49	<p>Petronas Gas is in a net cash position. It has stable and recurring earnings. It can take on a lot more debt which is a cheaper form of financing.</p> <p>1) What is the level of net debt to equity, or other leverage ratios, that the Group aims to achieve? 2) How long will it take to reach the aim?</p>
Answer	
<p>As a gas infrastructure company with a portfolio comprising both regulated and unregulated businesses, PGB continues to look for opportunities to optimise our capital structure or gearing. While we have indicated a 3-year timeline and a 55% D/E ratio as a guide, the actual timing and final ratio may vary as we have to take into consideration external market conditions and any requirement for internal funding on growth opportunities currently being progressed.</p> <p>We will make the necessary announcements with further details in due course.</p>	
No.	Question
50	What is the average annual capex in the coming few years?
Answer	
CAPEX for 2022 is expected to be RM1.4 billion. Thereafter, CAPEX is forecasted to average around RM1 billion a year. This is based on projects which have already been approved to-date and hence may change if new projects are FID'd.	
No.	Question
51	How much does the company spend on this virtual AGM?
Answer	
The cost is about RM200,000.	
No.	Question
52	When is the company going to give bonus issues? How about dividend reinvestment to be carried out this year?
Answer	
There are no plans for bonus shares and dividend reinvestment at this point of time.	

5. Corporate governance

No.	Question
53	What is your succession planning for retiring Directors?
Answer	
<p>The Board has a Board Succession Planning Framework in place, with the assistance of the Nomination and Remuneration Committee in ensuring the orderly identification and selection of new Directors in the event of an opening on the Board, whether such opening exists by reason of an anticipated retirement, an unanticipated departure, the expansion of the size of the Board, or otherwise. Such structured succession plan addresses the composition and effectiveness of the Board.</p> <p>In 2021, as part of succession planning, two new Independent Non-Executive Directors were appointed to the Board.</p>	

AGM live questions

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6. Request for printed Annual Report

No.	Question
54	I would like to request a printed hard copy of the company annual report. Thank you.
55	Morning to the board, i tried many times to request for the annual report via Tricor online portal, it's still down, as such kindly send to me the printed copy for the annual report of Petronas Gas Bhd as my eye-sight is not good anymore in reading on my desktop online in pdf format.
56	Hi, Can you send a Hard Copy of Annual Report to me. TQ.
57	May I have a hardcopy of the annual reports, TQVM.
58	Please send hard copy of annual report for both Petronas Gas & Petronas Dagangan to me. TQ.
Answer for Question 54 - 58	
We take note on your request for the hard copy of the annual report and will make the necessary arrangement accordingly. The softcopy of annual report can be accessed and downloaded from PGB's website. For matters related to entity other than PGB, kindly contact the entity directly.	
No.	Question
59	The request of annual report in Tricor web is not responding for last one week. Can Tricor respond to this. Thank you.
Answer	
Reply from Tricor: Request for annual report page is currently under maintenance. We have put up a notice on our website for shareholders to contact or e-mail to us.	