

Penang water firm's post-tax profit down 45pc

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PBAPP chairman Chow Kon Yeow speaks to reporters after the 2018 PBA Annual General Meeting in George Town June 28, 2018. — Picture by Sayuti Zainudin"

GEORGE TOWN, June 28 — PBA Holdings Bhd (PBAHB) recorded a profit after tax (PAT) of RM37.3 million in 2017, 45 per cent lower than the preceding year.

Penang Water Supply Corporation (PBAPP) and PBA Holdings Bhd chief executive officer Datuk Jaseni Maidinsa said there were two main reasons for the drop.

“PBAPP discounted water bills for 604,547 water consumers in Penang for one water supply billing cycle in support of the Penang Bangkit flood relief efforts in November last year,” he said at a press conference after the PBA Holdings Bhd annual general meeting today.

This cost PBAPP RM16.6 million in foregone revenue.

PBAHB also received a tax bill for RM3.7 million in 2017, compared to the previous year when it received RM7.1 million in tax refunds.

Jaseni said both factors reduced PBAHB's PAT by a total of RM27.4 million.

He said PBAHB also reduced its sales and administrative costs by about RM1.9 million in 2017, bumping post-tax profit back up to RM37.3 million.

He also announced the appointment of new Penang Chief Minister Chow Kon Yeow as the non-independent and non-executive chairman of PBAHB and PBAPP pursuant to the companies' constitutions.

Separately, he announced three initiatives PBAPP will undertake.

The first is the RM125 million Butterworth-to-Penang Twin Submarine Pipeline Project to facilitate more efficient pumping of treated water from Sungai Dua which is scheduled for completion in December 2020.

"Penang is waiting for the Ministry of Energy, Green Technology and Water to hand over the expanded 73.5 billion-litre Mengkuang Dam," he said.

He said the key condition for the hand over is a RM100 million allocation for a new barrage across Sungai Muda at Rantau Panjang.

PBAPP is also seeking a commitment from the ministry to construct the RM80 million Lahar Yooi Pumping station and to complete the RM100 million raw water pipeline project from the Mal Sulong Pump House in Seberang Perai Tengah to the Sungai Dua Canal by March 2020.

Jaseni said PBAPP will again seek approval from the National Water Services Commission (SPAN) for its proposed review of Penang's water conservation surcharge (WCS).

PBAPP had applied to SPAN in April 2017 for a review of the WCS from 48 sen per 1,000 litres to RM1 per 1,000 litres for domestic consumption above 35,000 litres per month.

He stressed that the WCS would not affect 77 per cent of Penang's 518,001 domestic consumers who used less than 35,000 liters of water per month in 2017.

"The objective of the WCS review is to convince the remaining 23 per cent of domestic consumers to use water wisely at home," he said.

He said Penang's per capita domestic consumption is 276 litres/capita/day (l/c/d) and PBAPP hoped to reduce it to 257 l/c/d.