

Penang water operator records RM24m profit after tax, declares final dividend of 1 sen per share

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PBAHB chairman Chow Kon Yeow said the decrease in total revenue reflected a sideways shift in water consumption due to the increasing number of consumers in Penang who work from home in 2020. — Picture by Sayuti Zainudin

GEORGE TOWN, June 22 — PBA Holdings Bhd (PBAHB) declared a single-tier final dividend of 1 sen per share for the financial year 2020 after recording a profit after tax of RM24.76 million.

PBAHB chairman Chow Kon Yeow announced this after PBAHB conducted its 21st Annual General Meeting virtually where shareholders approved the dividend to be paid no later than three months from the date of approval.

Despite the Covid-19 pandemic and movement control order (MCO), PBAHB recorded a total revenue of RM336.3 million in 2020, only a 1.1 per cent decrease from RM340.2 million in 2019.

PBAHB recorded a profit after tax of RM25.15 million in 2019.

Chow, in a statement, said the decrease in total revenue reflected a sideways shift in water consumption due to the increasing number of consumers in Penang who work from home in 2020.

“Total water consumption in Penang was recorded at 309,224,456 cubic metres in 2020. This volume of consumption is 0.55 per cent higher than 307,532,394 cubic metres in 2019,” he said.

While domestic water consumption increased by 6.77 per cent, trade consumption decreased by 8.51 per cent.

He said Penang's domestic water tariffs are significantly lower than trade tariffs where domestic consumers pay an average of RM0.32 per 1,000 litres for the first 35,000 litres per month while trade consumers pay an average of RM1.36 per 1,000 litres for the first 500,000 litres per month.

He said Penang Water Supply Corporation's (PBAPP) 2019 application for tariff review is still pending approval by the federal government.

“The primary objective for PBAPP's tariff review application is to raise sufficient funds for its proposed water supply projects to mitigate Penang's raw water risks and address its future water demand,” he said.

He said PBAPP's proposed key water supply projects, for the period 2021 to 2024, include Phase One of the Sungai Kerian Water Treatment Plant to treat raw water from the Sungai Perak Raw Water Transfer Scheme (SPRWTS), Package 12A of the Sungai Dua Water Treatment Plant, the Sungai Perai Water Supply Scheme and Phase One of the Penang Desalination Water Supply Scheme.

"Without a tariff review, PBAPP will not be able to raise sufficient funds to undertake these projects," Chow said, adding that these projects will cost hundreds of millions of ringgit.

He pointed out that over the past two decades, Penang's population grew by 44.3 per cent, from 1.23 million people in 2001 to 1.776 million people in 2020.

"Total water consumption increased by 43.5 per cent, from 589 million litres per day (MLD) in 2001 to 845 MLD in 2020," he said.

Domestic consumption accounted for 62.9 per cent of total water consumption in Penang in 2020.

"In 2020, Penang's per capita domestic consumption was 299 litres/capita/day (LCD), as compared to the national average of 240 LCD," he said.

He said PBAPP's domestic water subsidy to sustain low domestic water tariffs amounted to RM95.35 million in 2020 when it only recorded a profit after tax of RM24.76 million in 2020.

He said PBAPP is seeking water tariff review to promote water saving and to reduce its domestic water subsidy.