

June 27, 2023

PBAHB continues to garner profit despite hiccups, says CM Chow



FOR the financial year of 2022, PBA Holdings Bhd (PBAHB) reported a profit after tax of RM77.12 million, Chief Minister Chow Kon Yeow said.

This was announced by Chow after saying that despite shouldering challenges in the past, the Penang Water Supply Corporation (PBAPP), PBAHB's principal subsidiary, has done a commendable job in 2022.

"It is noteworthy that PBAPP charged the lowest domestic tariffs in Malaysia in 2022 for the first 35,000 litres of water per month.

"PBAPP's average domestic tariff for the first 35,000 litres per month is only 32 cents per 1,000 litres, which is 141 per cent cheaper than the national average of 77 cents per 1,000 litres in 2020.

"In order to sustain the 32 cents per 1,000 litres domestic tariff, PBAPP had to absorb domestic water subsidies amounting to RM103.71 million in 2022.

"As such, I believe it would be fair to say that PBAPP has proved itself to be one of the most efficient water supply operators in Malaysia in 2022.

"Besides operating profitably, it also fulfilled a significant corporate social responsibility (CSR) commitment to Penang by providing domestic water subsidies for the benefit of 585,740 domestic water consumers," Chow told a media conference after attending PBAPP's annual general meeting (AGM) at Amari SPICE Penang in Bayan Lepas today.

In a related development, Chow also announced that PBAHB's dividend payout for 2022 would amount to 3.0 cents per share after the AGM today approved an additional single-tier final dividend of 1.5 cents per share for the year-end of 2022 (Dec 31).

"The total payout for this single final tier dividend will amount to RM4.96 million and it will be paid out to all the shareholders on July 28 this year," he added.

Chow, who is also the PBAPP chairman, said that 2023 marks the 22nd consecutive year in which PBAHB is rewarding its shareholders with dividends.

"We have not missed a single dividend payment since 2001," he said.

Relatively, considering major water supply projects that the PBAPP has vowed to undertake in the state, which is expected to cost RM1.185 billion over the next five years or so, Chow described it as one of the challenges to fund the capital expenditures (CAPEX) to carry out these projects.

“If the company doesn’t earn enough to finance its CAPEX, then less money can be utilised for CAPEX purposes, including pipe replacements in the state.

“If CAPEX has insufficient funds to launch key projects, then we have no choice but to resort to external funding, such as applying for loans from commercial banks,” Chow said.

The projects include the five original key components and three new components of PBAPP’s Water Contingency Plan 2030 (WCP 2030).

The five original vital components are the new Bukit Panchor dissolved air flotation (DAF) water treatment plant (WTP), Package 12A, Sungai Dua WTP: an Additional New Water Treatment Module, new Mengkuang Dam WTP, the new Sungai Kerian WTP (Phase 1), and the Sungai Perai Water Supply Scheme (including pre-treatment of raw water).

As for the three additional new components of the WCP 2030, the first two are the laying of 13km of 1,800mm water distribution pipelines from the Sungai Dua WTP to Butterworth in Seberang Perai and the laying of 3.9km of 1,800mm water distribution pipelines from the Macallum area to the PBAPP Bukit Dumbar Reservoir and Pumping Station Complex on the island.

The third new component is building an additional WTP at Sungai Muda to increase water treatment output by 114 million litres per day (MLD).

Also, present during the press conference earlier were State Secretary Datuk Mohd Sayuthi Bakar, Deputy Chief Minister I Datuk Ahmad Zakiyuddin Abdul Rahman, Deputy Chief Minister II Prof Dr P. Ramasamy and PBAPP chief executive officer K. Pathmanathan.