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Penang water company profit doubles to RM68.4m in 2023



GEORGE TOWN, June 27 — Penang Water Supply Corporation's (PBAPP) holding company, PBA Holdings Bhd (PBAHB), recorded a profit before tax of RM68.4 million in 2023.

PBAHB and PBAPP chairman Chow Kon Yeow said this is a 107.3 per cent increase in profit before tax compared to RM32.998 million in 2022.

However, the water supply company's net profit for 2023 is RM34.348 million which is lower than the RM77.116 million net profit reported for 2022.

The higher net profit in 2022 was due to a tax allowance while there was no such tax allowance in 2023.

With the increase in water tariff rates this year, Chow said PBAPP projected a revenue increase by RM75 million for 2024 after taking into account the RM11 million domestic water rebate.

"The additional RM75 million will be primarily allocated for Water Contingency Plan 2030 projects to increase water supply in Penang," he said today after the PBAHB's 24th annual general meeting at Jen Hotel here,

The RM11 million domestic water rebate is due to the state exco's decision early this month not to bill domestic consumers for the first 10,000 litres of consumption in three bi-monthly water bills between July and December this year.

Chow said the shareholders understood the reasons for the rebate and did not object to the rebate.

Without the rebate, PBAPP's projected revenue increase would be RM86 million for 2024.

"The RM11 million domestic water rebate is a one-off goodwill measure that will benefit the majority of PBAPP's customers," he said.

Chow said PBAPP's domestic water subsidy amounted to RM116 million in 2023 and it is unsustainable.

PBAPP supplied an average of 877 million litres per day (MLD) of treated water in 2023 which is the highest annual average volume in the history of Penang, he added.

"With the 2024 domestic water rates, PBAPP is still subsidising domestic water consumption at a more acceptable level," he said.

He hoped that the new water rates will encourage and convince Penang domestic consumers to use less water at home.

He said PBAPP's costs of supplying water in Penang has increased by 30 per cent since the last tariff review in 2015.

Earlier today, at the AGM, shareholders approved a single tier final dividend of 1.75 sen per share and the projected total payout to 7,507 shareholders will be RM5.792 million.

With the payment of this final dividend, PBAHB shareholders will receive a net single tier dividend of 3.5 sen per share for 2023.