

PBA Holdings expects better performance going forward



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GEORGE TOWN (June 27): PBA Holdings Bhd (KL:PBA) said the rise in water tariff rates will put it in a better position to finance urgently needed water projects to meet Penang's increasing water demand.

Its group chief executive officer (CEO) K Pathmanathan said the new rate of 0.86 sen per cubic metre (m³) for up to 35 m³ of monthly usage is positive for the company's revenue, and will help raise funding to implement major water supply engineering projects.

"It will put us in a better position," he told a press conference after PBA Holdings' annual general meeting (AGM) here on Thursday.

In a separate statement, PBA Holdings directed its principal subsidiary Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) to "move forward and not slide backwards" to meet Penang's water demand. Pathmanathan is also PBAPP's CEO.

"In the face of growing water demand, the development of additional water supply infrastructure in Penang must not be delayed," the statement said.

"If PBAPP does not move forward, the people and businesses in Penang will suffer the consequences of yet another water shortage," it said.

The statement said Penang's water consumption reached a record high of 927 million litres per day (MLD) in February 2024, and is projected to reach 1,532 MLD by 2030.

Hence, PBAPP must focus on completing its Water Contingency Plan 2030 projects, and other strategic projects on time.

The statement said that PBAPP "must now deliver the required results" between 2024 and 2028, to avoid another water shortage.

Meanwhile, group chief financial officer Dr Mary Ann Harris said while its business prospects are intact post new rates, revenue will likely moderate due to non-billing for the first 10,000 litres for domestic consumers.

A single-tier final dividend of 1.75 sen per share was declared. The entitlement date is July 15, with a projected total payout of RM5.79 million by July 26, 2024.