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PBAHB posts record RM144m profit, seeks over RM1b for water infrastructure, says Chow Kon Yeow



GEORGE TOWN, June 26 — Penang Water Supply Corporation's (PBAPP) holding company PBA Holdings Bhd (PBAHB) recorded the highest net profit of RM144.167 million in its 26-year history.

This is a 319.7 per cent increase in net profit compared to a net profit of RM34.348 million in 2023.

PBAHB and PBAPP chairman Chow Kon Yeow attributed the record net profit to the Penang water rate review that was implemented from February 1 last year.

"This is an outstanding achievement but it does not serve to fill PBAHB's coffers or to enrich the company," he said in a press conference after PBAHB's 25th annual general meeting.

He said the 2024 water rates were still insufficient to fund all projects under the Water Contingency Plan 2030 (WCP 2030).

Chow, who is Penang chief minister, said PBAPP will still need to invest about RM2.099 billion to complete six new water supply infrastructure projects under the WCP 2030.

"PBAPP's projected capital expenditure (capex) for upgrading existing infrastructure is RM86.8 million in 2025," he said.

He said PBAHB and PBAPP will still need to raise more than RM1 billion in the next few years even though Pengurusan Aset Air Berhad will be providing long-term leasing arrangements for two WCP 2030 projects.

"We will announce when we obtain the funding for WCP 2030 projects," he said.

When asked how the funds will be raised, Chow said there will be a possible issuance of sukuk which will be announced shortly.

When asked about a possible water tariff review to raise the RM1 billion, Chow said it is under the jurisdiction of National Water Services Commission (SPAN).

“SPAN has presented a proposed water tariff review and is now awaiting Cabinet approval before it is gazetted for several states to implement the review,” he said.

He said there will be a tariff review every three years and it will be subjected to Cabinet approval before implementation of the final tariff review.

During the AGM earlier today, shareholders approved a final dividend of 2.25 sen per share.

The projected total payout to 7,157 shareholders will be RM7.5 million on August 1.

This is the 24th consecutive year that PBAHB will pay dividends to its shareholders.

Chow also said PBAPP produced the largest volume of treated water last year at 1,208 million litres per day (MLD).

“With a non-revenue water (NRW) percentage of 28 per cent in 2024, total water consumption in Penang was recorded as 870 MLD,” he said.

He said the national average NRW in 2023 was 34.6 per cent.

“However, we will not be complacent, PBAPP has been directed to implement plans to lower the NRW in Penang,” he said.

He said PBAPP now has a 1,726 MLD maximum design capacity for treated water production with the opening of Package 12A of the Sungai Dua Water Treatment Plant (WTP) in September last year.

“This leaves us with a 30 per cent reserve margin as compared to national average of 15.3 per cent in 2023,” he said.

Chow said the water demand in Penang may reach 1,532 MLD by 2030.

However, he said Penang faced several challenges in meeting water demand as it is a small state with limited land bank for PBAPP to build more dams.

“We do not have much forest land left in Penang to serve as water catchments,” he said.

He said climate change has affected rainfall in Penang’s water catchment areas.

“Since 2021, the Air Itam Dam and Teluk Bahang Dam have not been refilled to 100 per cent,” he said.

He said Sungai Muda is Penang’s one and only major raw water resource but currently the Perak-Penang Water Project is underway.

“We are still awaiting the first meeting to be held between Perak and Penang on this project,” he said.

He said technical aspects of the project are underway in Perak and Penang is close to beginning negotiations on commercial terms of the project.

He said Penang is also looking at other alternative water resources such as Sungai Prai and Sungai Kerian.

“We are building a new treatment plant just beside Sungai Muda and there are plans to build onsite retention ponds,” he said.

He said there was a drop in per capita domestic consumption last year from 284 litres per capita per day (LCD) in 2023 to 261 LCD in 2024.

“However, 261 LCD is still higher than the national average of 228 LCD in 2023,” he said.

He said PBAPP is hoping to reach a water consumption target of 250 LCD this year.