

30.5.2019

PRESS STATEMENT BY

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CEO, PBA HOLDINGS BHD AND PBAPP

PBAPP ACHIEVES HIGH BENCHMARKS IN PENANG WATER SUPPLY ENGINEERING

- **100% urban and 99.8% rural supply coverage in 2018.**
- **Continuous water supply services, 24/7, with no water rationing.**
- **Potable water quality that exceeds the safety parameters of the QAP set by the Ministry of Health.**
- **PBA Holdings Bhd reported profit of RM36.14 million before tax.**

PENANG, Thursday, 30.5.2019: In 2018, Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) achieved high benchmarks in water supply services for Penang although water consumption and the number of water consumers had increased.

In terms of billed water consumption, PBAPP recorded an average increase of 1.64%, from 826.3 million litres per day (MLD) in 2017 to 840 MLD in 2018.

A 1.64% increase in consumption may not sound like much, but in real world terms the difference is 13.7 MLD. Based on Penang's average per capita domestic consumption of 278 litres/capita/day (l/c/d) in 2018, 13.7 MLD is sufficient to meet the domestic water demand of 49,280 people.

Meanwhile, the number of registered water consumers in Penang increased by 1.91%, 604,547 consumers in 2017 to 616,082 consumers in 2018. In other words, we served an additional 11,535 consumers in 2018.

Please note that increases in water consumption and number of water consumers are reflective of continuing socioeconomic progress for Penang. In general, the two main factors for such increases are population growth and increasing socioeconomic activities.

To ensure good water quality, the Health Department and PBAPP took 3,182 samples of treated water in Penang for physical and microbiological analysis in 2018. Test results showed that Penang's treated water samples exceeded the Quality Assurance Programme (QAP) parameters set by the Ministry of Health.

PBAPP's performance as the licensed water operator that serves Penang and its people is summarised in the following table:

Performance Parameter		PBAPP 2018	National Average 2017
1	Population Served <ul style="list-style-type: none"> • Urban • Rural 	100.0% 99.8%	97.2% 93.9%
2	Domestic Population Served per Kilometer of Pipeline	384*	212
3	Treated Water Reserve Margin	32.9%	14.3%
4	Non-Revenue Water (NRW)	21.7%	35.3%
5	Average Domestic Tariff for the first 35,000 litres per month	RM0.32 per 1,000 litres	RM0.69 per 1,000 litres
6	Average Industry Tariff for the first 500,000 litres per month	RM1.36 per 1,000 litres	RM1.74 per 1,000 litres

* 2017 statistic

In terms of cost-efficiency, PBA Holdings Bhd (PBAHB) reported a profit before tax of RM36.14 million for 2018.

PBAHB's profits are primarily derived from the sales of water in Penang by PBAPP.

It should be noted that Penang's average domestic water tariff for the first 35,000 litres per month is RM0.32 per 1,000 litres as compared to the national average of RM0.69 per 1,000 litres.

2 KEY NATIONAL WATER SUPPLY AWARDS IN 2018

Due to its good performance, PBAPP has received two national awards from the Malaysian Water Association (MWA) in 2018. On 7.9.2018, we received the following two awards from YB Dr. Xavier Jayakumar, the Minister of Water, Land and Natural Resources:

- MWA Water Industry Achievement Award 2018: “Best Water Treatment Plant” for the Sungai Dua Water Treatment Plant; and
- Malaysia Water Award for Management 2018.

Other awards that PBAPP received in 2018 include:

<i>Date</i>	<i>Award</i>	<i>Issued by</i>
9.8.2018	MSOSH Gold Award (Class 1): • Batu Ferringhi Water Treatment Plant • Bukit Toh Allang Water Treatment Plant	Malaysian Society for Occupational Health and Safety (MSOSH)
26.9.2018	Excellence Award 2018: Enterprise Risk Management, Business Continuity Management	Tricor Roots Consulting
7.12.2018	2018 IKM Laboratory Excellence Award: PBAPP Central Laboratory, Sungai Dua Water Treatment Plant	Institut Kimia Malaysia (IKM)

On 7.1.2019, YAB Tuan Chow Kon Yeow, the Chief Minister of Penang, also presented PBAPP with the “Excellent Performance Award 2018” from the Penang State Government.

Thank You.

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