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PRESS STATEMENT BY
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PBA HOLDINGS BHD AGM APPROVES FINAL DIVIDEND OF 1.75 SEN PER SHARE FOR FINANCIAL YEAR 2019

- **19th consecutive year of paying dividends to shareholders.**
- **Total revenue and other operating income of RM363.14 million for 2019.**
- **PAT of RM25.15 million for 2019.**

PENANG, Tuesday, 8.9.2020: The 20th annual general meeting (AGM) of PBA HOLDINGS BHD (PBAHB) has approved a single tier final dividend of 1.75 sen per share today, for the financial year ending 31.12.2019.

With approval of this final dividend, PBAHB (Stock reference: PBA – 5041) is rewarding its shareholders with a net single tier dividend proposed and declared of 3.50 sen for the financial year 2019.

Earlier this year, on 10.1.2020, the company had paid a first interim single tier dividend of 1.75 sen per share, in respect of the financial year 2019, to shareholders,

For the record, 2020 marks the 19th year in which PBAHB is paying dividends to its shareholders.

During the year in review, PBAHB recorded total revenue and other operating income amounting to RM363.14 million. Our profit after tax (PAT) was recorded as RM25.15 million for 2019.

Kindly note that PBAHB's PAT was achieved without a water tariff review in Penang in 2019.

The domestic water tariff for consumption of the first 35,000 litres of water per month in Penang is still the lowest in Malaysia, at only RM0.32 per 1,000 litres. In comparison, the national average for this category of domestic consumption was 122% higher, at RM0.71 per 1,000 litres in 2018.

Key Performance Indicators (KPIs) in Water Supply Engineering

In 2019, PBAHB's principal subsidiary, Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP), continued to supply water effectively and efficiently in the State of Penang, to a population of 1.77 million people.

PBAPP's key performance indicators (KPIs) for 2019 include:

- 100% water supply coverage in urban areas and 99.8% supply coverage in rural areas. The national average was 99.8% urban supply coverage and 96.6% rural supply coverage in 2018.
- Supply of water on a 24/7 basis, with no incidence of water rationing.
- Treated water quality rated to be one of the best in Malaysia, based on the test results for 3,150 treated water samples taken in 2019.
- A treated water reserve margin of 31.6%, the highest in Malaysia, as compared to the national average of 12.7% in 2018.
- Non-revenue water percentage of 22.9%, as compared to the national average of 38.0% in 2018.
- The lowest average domestic water tariff in Malaysia for the first 35,000 litres of domestic consumption per month, at only RM0.32 per 1,000 litres. The national average was RM0.71 per 1,000 litres in 2018.
- A competitive average trade tariff of RM1.36 for the first 500,000 litres of trade consumption per month. The national average was RM1.87 per 1,000 litres in 2018.

In general, it may be said the PBAPP continued to lead the way in water supply management in Malaysia in 2019.

12 Key Awards

In line with the good performance, PBAPP and PBAHB also received 12 key awards in 2019. The most prominent of these are the:

- “Anugerah Perdana Menteri Tokoh Mahir 2019”, for championing the cause of water supply industry competency training in Malaysia;
- “MSOSH OSH Gold Merit Award” for occupational safety and health achievements at the Batu Ferringhi Treatment Plant;
- “Penang Top Achievers Award 2019”, for industry excellence in public service;
- “Employer Excellence Gold Award 2019”, from the Malaysian Employers Federation; and
- “The Edge Malaysia Centurion Club & Corporate Award 2019” for providing the highest returns to shareholders over three years in the telecommunications, media and utilities sector.

Prospects for 2020 and Beyond

Since March 2020, the effects of the global Covid-19 pandemic has transformed the socioeconomic landscape in Malaysia and Penang.

In the period 18.3.2020 – 31.8.2020, our country and state underwent the consecutive implementations of the Movement Control Order (MCO), Conditional Movement Control Order (CMCO) and Recovery Movement Control Order (RMCO).

During the MCO periods, PBAPP continued to faithfully supply water to all registered water consumers in Penang, even though climate change had reduced rainfall since 2019 and depleted the raw water reserves of the Air Itam Dam and Teluk Bahang Dam on Penang Island.

We made sure that there was sufficient supply to all households as the people limited their movements and stayed at home to stay safe from the coronavirus.

However, it should be noted that due to MCOs, “trade category” water consumption decreased by 5.538 billion litres, or 8.59%, in the period 1.1.2020 – 30.6.2020, when compared to the corresponding period in 2019. Trade category consumption represents consumption by all businesses, big and small, ranging from a neighbourhood “kopitiam” to the largest multinational corporations in the Bayan Lepas Free Trade Zone.

Since trade consumption is the primary source of income for PBAPP, we expect 2020 to be a challenging year for PBAHB to generate good profits. Clearly, this year will go down in history as an extraordinary year, not only for us, but for most companies in Malaysia and throughout the world.

Nevertheless, the Board of Directors and management of PBAHB will continue to strive towards excellence in our core business of supplying water in Penang and generating revenue from our services.

In short, we will continue to focus on meeting all of Penang’s needs in water supply in these trying times.

At the same time, we must also lay the groundwork to ensure good water supply in the future, when Penang and world starts rebounding from the impact of Covid-19.

This approach reflects our viewpoint on water supply as “an industry for the future”, as well as our on-going commitment to serve the people of Penang as best as we can.

Please bear in mind that water supply services are essential services that are provided to all households and businesses on a daily basis, and PBAPP is the licensed water supply operator that serves Penang.

Thank You.

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