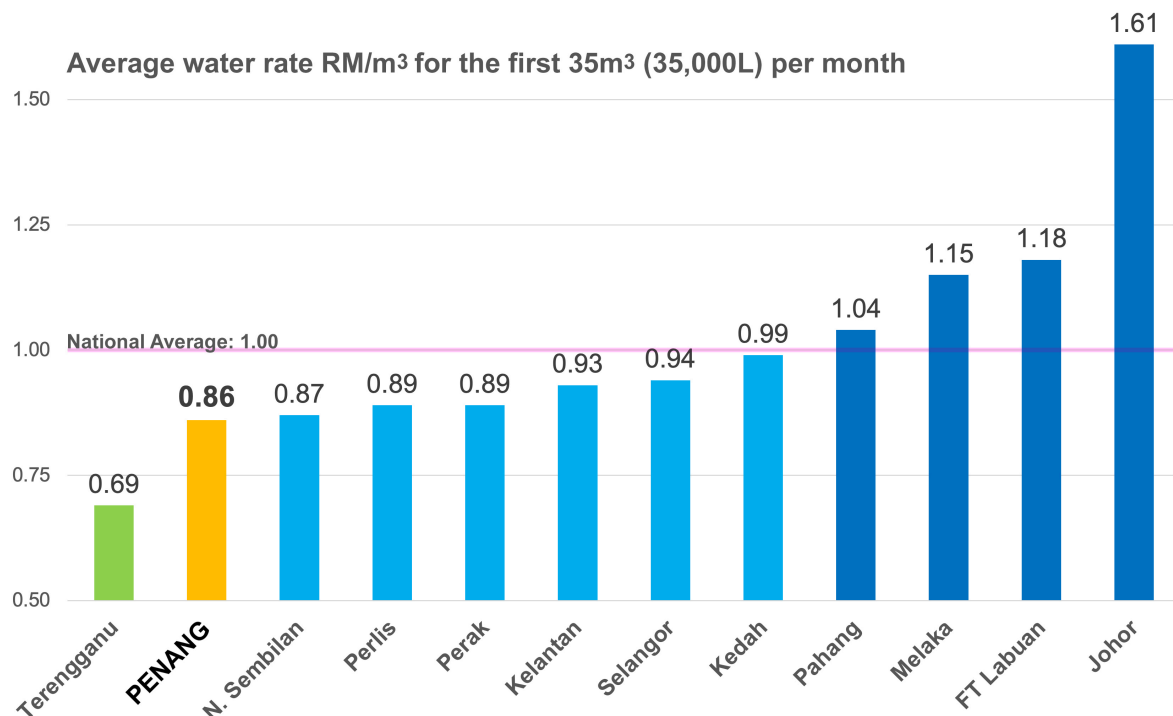


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Media Release

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PENANG DOMESTIC WATER RATES ARE RATIONAL AND REASONABLE



- **Second lowest domestic rate in Malaysia for the first 35m³ per month (77.3% of Penang domestic consumers use up 35m³ or less per month).**
- **Last domestic water rate review was in 2015. Costs of producing water has increased by 30%.**

PENANG, Thursday, 23.5.2024: Penang's average domestic water rate is the second lowest for domestic water consumption up to 35m³ (35,000L) per month. The majority (77.3%) of Penang domestic consumers consume 35m³ or less per month.

Since 30.1.2024, new water rates have been regulated by the Federal Government for 11 states in Peninsular Malaysia and the 3 Federal Territories of Kuala Lumpur, Labuan and Putrajaya. Water rates are higher throughout Malaysia, and not only in Penang.

The following are the key rationales for Penang's 2024 water rates:

1. Penang's domestic water rates were last reviewed in 2015. In the period from 2015 to 2023, the costs of producing and supplying treated water to consumers in Penang has increased by 30%.
2. PBAPP's electricity costs to pump water throughout the state have gone up significantly. Since the implementation of TNB's Imbalance Cost Past-Through (ICPT) in 2023, PBAPP's electricity bill has increased by 22.3%.
3. In the 9-year period from 2015 to 2023, PBAPP's total water subsidy for domestic water consumption in Penang amounted to RM834.74 million. This level of subsidy is no longer sustainable.
4. There are 593,255 domestic consumers in Penang, of whom 77.3% use 35 m³ or less per month. The costs to produce and supply 1m³ of treated water is higher than the RM0.86 per m³ average domestic rate for consumption of up to 35 m³ per month.

So, in 2024, PBAPP still subsidises domestic water consumption for the benefit of the majority of Penangites, albeit at a lower and acceptable level.

5. Penang's per capita domestic consumption was 284 litres/capita/day (LCD) in 2023, as compared to national average of 237 LCD in 2022. Singapore's per capita domestic consumption statistic for 2023 is 141 LCD.

The data shows that an average Penang domestic consumer uses more water at home than an average Malaysian consumer; and significantly more water than an average Singaporean consumer. As such, those who wish to pay less for their Penang household water bill have the option to use less water.

6. Singapore is acknowledged to be one of the top Asian countries in the field of sustainable water supply management.

Singapore's domestic water rates have also increased recently.

Since 1.4.2024, the Public Utilities Board (PUB) has been charging SGD2.94 per m³ (RM11.29 per m³) for the first 40m³ per month. Next year, from 1.4.2025, this rate will go up further to SGD3.24 per m³ (RM13.73 per m³).

One of the reasons for the revision of water rates in Peninsular Malaysia is that public water supply operators (like PBAPP in Penang) are incurring higher costs for supplying water 24/7.

Nevertheless, the average household domestic water bill in Penang is still relatively lower than the bills for electricity, fuel, Internet connection and mobile phone services.

PBAPP is the principal subsidiary of PBA Holdings Bhd (PBAHB) which is listed on Bursa Malaysia. We are also a Penang State Government-linked company (State GLC) that supports the achievement of the “Penang2030” vision.

PBAPP is serving Penang as a financially viable corporation that is not 100% profit-driven.

This is one of the reasons why Penang’s average water rate the first 35m³ of domestic water consumption per month is the second lowest in Malaysia in 2024.

For more domestic water saving tips, please visit www.pba.com.my.

Thank You.

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