

27.6.2024

Media Release 2: PBA Holdings Bhd (PBAHB) 24<sup>th</sup> Annual General Meeting

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 CEO, PBAHB and PBAPP.

**PBAPP WILL FOCUS ON PROJECTS TO ADDRESS PENANG’S GROWING WATER DEMAND IN 2024**

- **Package 12A, Sungai Dua Water Treatment Plant**
- **2 new 1.80m treated water pipelines in Seberang Perai and on Penang Island**
- **1.35m Sungai Perai River-Crossing Pipeline**

PENANG, Thursday, 27.6.2024: With the 2024 Penang water rates, PBAPP will focus primarily on implementing major water supply engineering projects in 2024 to meet Penang’s increasing water demand.

The 4 priority projects on PBAPP’s list of water works this year are:

Project	Key benefit	Projected cost (RM million)	Status
1. Package 12A, Sungai Dua Water Treatment Plant (WTP)	Increase maximum water treatment capacity by 114 million litres per day (MLD)	31.0	Expected to fully completed by September 2024
2. 13.0km x 1.80m pipeline in Seberang Perai: Sungai Dua WTP to Butterworth in Seberang Perai	Boost treated water pumping capacity from the Sungai Dua WTP to Daerah Barat Daya (DBD) on the island and Seberang Perai Selatan (SPS).	128.0	Work commencement by end-2024
3. 3.9km x 1.80m pipeline on Penang Island: Macallum Area to PBAPP Bukit Dumbar Complex		44.0	
4. 1.35m Sungai Perai River-Crossing Pipeline	Upgrade treated water pumping capacity from the Sungai Dua WTP to Penang Island.	18.0	Work commencement by September 2024
<b>Total</b>		<b>221.0</b>	

Package 12A and the 1.8m pipeline laying projects are PBAPP's Water Contingency Plan 2030 (WCP 2030) projects.

The Sungai Perai River-Crossing Pipeline project is the long-term solution to replace the burst 1.35m underwater pipeline. It will serve as an important component of PBAPP's pipeline network to pump more treated water from Sungai Dua to DBD on Penang Island, SPT and SPS areas.

The total projected cost of these 4 projects is RM221 million. PBAPP's commitment to complete these projects in 2024 shows that we are responding to Penang's growing water demand.

#### Projects already completed in 2023 and Q1 2024

In 2023 and the first quarter of 2024, PBAPP completed the following strategic water works projects in Penang:

- New DAF water treatment module at the Bukit Panchor WTP to increase water supply by 10 MLD in SPS in 2024. This DAF module is the first component of the WCP 2030;
- 2 x 0.25 MLD "Portable WTPs" at Taman Sungai Duri Indah to alleviate intermittent water issues in this SPS neighbourhood;
- Installation of suction tanks at the Taman Widuri and Taman Wellesley pumping stations to alleviate intermittent water issues in these SPS neighbourhoods;
- Replacement of 2 units of major 1.2m control valves in the Sungai Dua WTP and various ancillary water works projects at 22 other locations throughout the State of Penang to avoid major unscheduled water supply interruptions for 590,000 consumers on Penang island and in Seberang Perai; and
- Pipeline diversion works to connect of 2 lengths of 600mm pipelines at Sungai Perai (as a mid-term solution) in response to the burst 1.35m underwater pipeline mishap that affected 120,000 consumers on Penang Island.

The total expenditure to implement these projects that were completed in 2023 and the first quarter of 2024 amounted to RM33.72 million.

#### PBAPP 2023 KPIs

Water supply services (including water rates) in Penang are regulated by the Federal Government. As a state water supply operator licensed by the National Water Services Commission (SPAN), PBAPP is required to comply with KPIs set by SPAN.

The following table summarises PBAPP's performance in the period from 1.1.2023 to 31.12.2023, comparison to national benchmarks:

Water Supply KPIs		PBAPP 2023	National Average 2022*
1.	Population Served <ul style="list-style-type: none"> <li>• Urban</li> <li>• Rural</li> </ul>	100.0% 99.8%	97.1% 97.0%
2.	Treated Water Production	1,198 MLD	1,295 MLD
3.	Billed Water Consumption	877 MLD	855 MLD
4.	Non-Revenue Water (NRW)	26.8%**	34.4%
5.	Treated Water Reserve Margin	26.4%	15.7%
6.	Treated Water Quality	Compliance with Quality Assurance Policy (QAP) parameters set by the Ministry of Health, Malaysia.	N.A.
7.	Scheduled Water Supply Interruptions (SWSIs)	29	161
8.	Unscheduled Water Supply Interruptions (Mishaps)	6,330	3,663
9.	No. of Complaints: Burst pipes, breakages and leaks	39,052	43,797
* Source: "SPAN Water and Sewerage Fact Book 2022" ** 26.3% in 2022. There was a 0.5% increase year-on-year, primarily due to heavy water losses incurred during the 2023 mishaps, vis-à-vis Sungai Muda and Sungai Perai.			

### Penang water challenges and risks

Penang is a water-stressed state with a land area of 1,049 km<sup>2</sup>, and therefore, limited water supply resources. In bouncing back quickly from the after-effects of the Covid-19 pandemic, Penang has proven again that it has good resiliency and unlimited socioeconomic potential.

Nevertheless, Penang faces the following key water challenges and risks:

- Projected future water demand of 1,532 MLD by 2030, 1,844 MLD by 2040 and 2,178 MLD by 2050;
- Unpredictable rainfall in the water catchment areas of the Air Itam Dam and Teluk Bahang Dam due to climate change;
- Over-dependency on only one major raw water resource, Sungai Muda, since 1973;
- More than 1,000km of “outdated” asbestos-cement (AC) underground water pipelines that are due for replacement at an average cost of RM1.49 million per km, and
- Major unscheduled water supply interruptions arising from Sungai Muda mishaps originating upstream in Kedah.

PBAPP and PBAHB will continue to work hand-in-hand with the State Government to alleviate and mitigate Penang’s water challenges and risks ...until the implementation of the Perak-Penang Water Project by Year 2030.

Thank You.

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