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PRESS STATEMENT

*by Dato' Ir. Jaseni Maidinsa,
Chief Executive Officer,
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Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP)*

PBAPP WILL CONTINUE TO REINVEST IN PENANG

- **After dividends are paid, PBA Holdings Bhd's 2016 profits will be reinvested, via PBAPP, in water supply projects to uphold Penang's 'no rationing' policy.**
- **In 2016, major water supply projects valued at RM89.5 million were launched and commissioned in Penang.**

PENANG, Tuesday, 21/3/2017: Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) will continue to reinvest in Penang by using its operational profits to fund water supply projects for the state.

In 2016, PBA Holdings Bhd, the holdings company for PBAPP, reported a profit after tax (PAT) of RM61.9 million.

After dividends are paid to PBAHB shareholders, the 2016 PAT will be reinvested in projects to uphold Penang's 'no rationing' policy.

We constantly reinvest in Penang to stay ahead of water demand.

On 17/3/2017, NST published a news story (online and in print), quoting the BN Communications Team as suggesting that PBAHB was making "super profits and taking advantage of the *rakyat*".

RM89.5 MILLION IN INVESTMENTS LAUNCHED IN 2016

In 2016, the records show that Chief Minister YAB Tuan Lim Guan Eng and Deputy Chief Minister II YB Prof. Dr. P. Ramasamy launched the following water supply projects in Penang:

- The RM16.7 million R2 and R3 Reservoirs in Jawi to meet the treated needs of 189,000 people in Seberang Prai Selatan;

- The RM54.9 million Package 12 of the Sungai Dua Water Treatment Plant, in Seberang Prai Utara, to boost Penang's water treatment reserve to 36.3%.
- The RM11.9 million BD2 Pumping Station at Bukit Dumbar to ensure continuous good water supply to the Bayan Lepas Free Trade Zone, the Penang International Airport and 315,000 people in the southern areas of Penang Island.

PBAPP also commissioned a new 900mm pipeline, from Sungai Keluang along Tun Dr. Awang to the Penang International Airport roundabout, at a cost of about RM6.0 million.

The total value of all these 2016 projects was about RM89.5 million.

In Penang, water demand increases annually. PBAPP's customer base grows with each passing year. Moreover, PBAPP also needs to address the challenges of climate change that may cause another Super El Niño in the future.

PROFITS TO THE ADVANTAGE OF THE PEOPLE

Unlike most privately owned companies, PBAHB and PBAPP are Penang government linked companies (GLCs).

PBAHB is a public listed company but its principal and majority shareholder is State Secretary, Penang, a state body. PBAPP is a wholly owned subsidiary of PBAHB.

It should be noted that almost all the Directors in the PBAHB and PBAPP Boards, including YAB Tuan Lim Guan Eng and all the other elected representatives, do not hold any shares. The only exception is State Secretary Dato' Seri Farizan bin Darus, who is deemed to be a substantial shareholder for PBAHB by virtue of his position in public administration.

This arrangement virtually guarantees that PBAPP's operational profits and/or PBAHB's PAT are safeguarded by the Penang State Government.

In this context, the Boards direct the mobilisation of funds in accordance to the best interests of the people. The prime directive is to avoid water rationing in Penang.

Hence, it is not possible for PBAHB and PBAPP to make “super profits” and take advantage of the people.

PBAHB and PBAPP may only make profits to the advantage of the people. After all, whatever we ‘earn’, no matter how little or much, inevitably ‘comes back’ to Penang in the forms of projects and programmes to sustain continuous good water supply.

Thank You.

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