



28/6/2018
MEDIA RELEASE 1
PBA HOLDINGS BHD AGM 2018

PBAHB REWARDS SHAREHOLDERS FOR THE 16th CONSECUTIVE YEAR

- **The 18th AGM of PBA Holdings Bhd approved a final single tier dividend of 2.25 sen per share on 28/6/2018.**
- **Total dividend for 2017 is approximately 4.00 sen per share.**

PENANG, Thursday, 28/6/2018: PBA HOLDINGS BHD (Stock reference: PBA – 5041) will pay out a final single tier dividend of 2.25 sen per share for its 2017 financial year.

This total amount due to 8,502 shareholders for this final dividend payout is about RM13.2 million. The final dividend payout was approved by PBAHB shareholders in the company's Annual General Meeting (AGM) here today.

Earlier, in January 2018, PBAHB had paid out a first interim single tier dividend of 1.75 sen per share to all shareholders.

As such, the total dividend declared by PBAHB for the financial year ending 31/12/2017 amounts to approximately 4.00 sen per share.

2017 marked the 16th consecutive year in which PBAHB has consistently paid dividends to its shareholders. This company was public listed on 18/4/2002.

FINANCIAL PERFORMANCE 2017

In 2017, the PBAHB Group's core business was water supply in the State of Penang. PBAHB's 100% owned subsidiary, Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) served as the licensed water supply operator in Penang.

PBAHB recorded a profit after tax (PAT) of RM37.3 million in 2017 as compared to RM61.8 million in 2016, primarily from the sales of water in Penang.

The 2 main reasons for the lower PAT figure in 2017 were:

- PBAPP discounted water bills for all 604,547 water consumers in Penang for one water supply billing cycle, in support of the “Pulau Pinang Bangkit” flood relief efforts in November 2017. This corporate social responsibility (CSR) gesture cost PBAPP about RM16.6 million in revenue; and
- PBAHB incurred an income tax expense of RM3.7 million in 2017, as compared to RM7.1 million in income tax refunds in 2016 (due an extension in reinvestment allowances).

These two factors reduced PBAHB’s PAT by a total of RM27.4 million year-on-year.

However, PBAHB managed to reduce its cost of sales and administrative costs by about RM1.9 million in 2017, to record the PAT of RM37.3 million.

APPOINTMENT OF NEW CHAIRMAN

Following the results of the historic 14th Malaysian General Elections on 9/5/2018, PBAHB and PBAPP’s previous Chairman, YB Tuan Lim Guan Eng, has been appointed as the Minister of Finance, Malaysia.

YAB Tuan Chow Kon Yeow has been appointed as the new Chief Minister of Penang. By virtue of his position as Chief Minister, YAB Tuan Chow is now serving as the Non-Independent and Non-Executive Chairman of PBAHB and PBAPP, in accordance to the PBAHB Company Constitution.

PBAHB and PBAPP would like to thank YB Tuan Lim and all our other ex-Directors, for their kind contributions and guidance during their tenures.

We wish them all the best in their future endeavours.

INITIATIVES TO ENSURE SUSTAINABLE WATER SUPPLY

As at June 2018, the following is a summary of 3 key PBAPP water supply initiatives to ensure sustainable water supply management in Penang:

- Penang's 3rd Twin Submarine Pipeline Project

This RM125.0 million Butterworth-to-Penang Twin Submarine Pipeline Project which will facilitate more efficient pumping of more treated water from Sungai Dua to this location in the future. Penang's third submarine project is scheduled for completion in December 2020

- Taking Back the Expanded Mengkuang Dam

Penang is waiting for the Ministry of Energy, Green Technology and Water (KeTTHA) to hand over the expanded 73.5 billion litre Mengkuang Dam in good working order. The key conditions for the hand over include:

1. KeTTHA's allocation of RM100 million for a new barrage across Sungai Muda at Rantau Panjang;
2. KeTTHA's commitment to construct the originally specified RM80 million Lahar Yooi Pumping Station under its "Rolling Plan 4"; and
3. KeTTHA's commitment to complete of the originally specified RM100 million raw water pipeline project from the Mal Sulong Pump House in Seberang Prai Tengah to the Sungai Dua Canal by March 2020.

- Securing Approval for Penang's WCS Review

PBAPP will seek approval from the National Water Services Commission (SPAN) for its proposed review of Penang's water conservation surcharge (WCS).

On 28/4/2017, PBAPP applied to SPAN to review the WCS from RM0.48 per 1,000 litres to RM1.00 per 1,000 litres, only for domestic consumption above 35,000 litres per month.

The WCS did not affect 77% of Penang's 518,001 domestic consumers who used less than 35,000 litres of water per month in 2017.

The objective of the WCS review is to convince the remaining 23% of Penang domestic consumers to use water wisely at home.



PBAPP's target is to reduce Penang's per capita domestic consumption from 276 litres/capita/day (l/c/d) to 257 l/c/d as soon as possible. The national average in 2017 was 209 l/c/d.

This domestic water demand management initiative will help PBAPP to ensure that there is sufficient water for all the people and businesses in Penang, even during prolonged dry seasons.

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