

## **PBA HOLDINGS BHD.**

Registration No. 200001012513 (515119-U)  
(Incorporated in Malaysia)

Minutes of the Twenty-Fourth Annual General Meeting ("24<sup>th</sup> AGM" or "Meeting") of PBA Holding Bhd. ("PBAHB" or the "Company") held at Hotel Jen, Magazine Road, 10300 George Town, Penang on Thursday, 27 June 2024 at 10:00 a.m.

---

- DIRECTORS:**
- YAB Tuan Chow Kon Yeow, Non-Independent and Non-Executive Chairman – Chairman of the Meeting ("YAB Chairman")
  - YB Dato' Dr. Mohamad Bin Abdul Hamid, Non-Independent and Non-Executive – Deputy Chairman and the Chairman of Nomination and Remuneration Committee
  - YB Tuan Jagdeep Singh Deo a/l Karpal Singh, Non-Independent and Non-Executive Director
  - YB Dato' Haji Rosli Bin Isa, Non-Independent and Non-Executive Director
  - YB Dato' Zabidah binti Safar, Non-Independent and Non-Executive Director
  - YB Tuan Zairil Khir Johari, Non-Independent and Non-Executive Director
  - Dato' Dr. Roslan Bin Ahmad, Non-Independent and Non-Executive Director
  - YBhg. Dato' Agatha Foo Tet Sin, Non-Independent and Non-Executive Director
  - Puan Mary Geraldine Phipps, Senior Independent Non-Executive Director and the Chairperson of the Audit and Risk Management Committee
  - Encik Ha Charm Mun, Independent and Non-Executive Director
  - Cik Lim Kim Suan, Independent and Non-Executive Director
- ABSENT WITH APOLOGIES:** YBhg. Dato' Brian Tan Guan Hooi, Independent and Non-Executive Director
- BY INVITATION:**
- Ir. Pathmanathan a/l Krishnan Kutty Raman Nair, Group Chief Executive Officer of PBA Group of Companies ("Group CEO")
  - Dr. Mary Ann Harris, Group Chief Financial Officer of PBA Group of Companies ("Group CFO")
  - Ms. Lee Phaik Im, representative from Messrs. KPMG PLT
- IN ATTENDANCE:**
- Ms. Chua Siew Chuan (Company Secretary)
  - Ms. Chin Lee Phing (Company Secretary)
  - Ms. Chew Peck Kheng (Company Secretary)
- SHAREHOLDERS, CORPORATE REPRESENTATIVES AND PROXIES:** As per Attendance List

## **PBA HOLDINGS BHD.**

Company Registration No. 200001012513 (515119-U)  
(Incorporated in Malaysia)

*Minutes of 24<sup>th</sup> AGM held on 27 June 2024*

### **CHAIRMAN'S ADDRESS**

YAB Tuan Chow Kon Yeow ("YAB Chairman") called the Meeting to order at 10.05 a.m. He welcomed all members present at the Meeting and thanked them for their attendance.

YAB Chairman introduced the Board of Directors, the Group Chief Executive Officer, Dato' Ir. Pathmanathan a/l Krishnan Kutty Raman Nair and the Company Secretary to the shareholders. He further informed that the Non-Executive Director, YBhg. Dato' Brian Tan Guan Hooi was unable to attend the Meeting as abroad for a meeting and conveyed his apologies to the shareholders.

### **QUORUM**

With the requisite quorum for the Meeting being present in accordance with Regulation 74 of the Company's Constitution, YAB Chairman declared the Meeting duly convened.

The Company Secretary informed the Meeting that the Company was using the Record of Depositors as of 14 June 2024 for the Meeting.

### **NOTICE**

The Notice convening the Meeting having been circulated within the prescribed period was taken as read.

### **CHAIRMAN'S NOTE ON THE COMPANY'S PERFORMANCE IN THE YEAR 2022**

YAB Chairman presented an executive summary of the performance of PBA Group to ease the shareholders' understanding of the overall performance of PBA Group. YAB Chairman highlight that that Penang's water consumption has increased by 37 million litres per day ("MLD") from 840 MLD in 2018 to 877 MLD in 2023. The consumption reached a historical high of 927 MLD in February 2024.

Perbadanan Bekalan Air Pulau Pinang Sdn. Bhd. ("PBAPP") strived to supply water on a 24/7 basis to 689,786 water consumers in 2023. PBAPP's KPIs were above the national average. However, there were also exceptional circumstances arising from mishaps beyond PBAPP's control.

YAB Chairman informed that there were six (6) major water supply mishaps in 2023 and the first quarter of 2024. The first two (2) mishaps occurred in Kedah but involved Sungai Muda, Penang's primary raw water resource. These 2 mishaps affected water supply for about 465,000 water consumers in Penang in May and September 2023.

The remaining four (4) mishaps are related to a 1.35m underwater pipeline section that burst about 3.5m below the surface of Sungai Perai in Seberang Perai. The initial pipe burst occurred on 18 December 2023. PBAPP commissioned emergency underwater repairs. The same pipeline section burst 3 more times in December 2023 and January 2024.

## **PBA HOLDINGS BHD.**

Company Registration No. 200001012513 (515119-U)  
(Incorporated in Malaysia)

### Minutes of 24<sup>th</sup> AGM held on 27 June 2024

The underwater pipeline section was laid in 1996. PBAPP was corporatised in 1999. It channels water from the Sungai Dua Water Treatment Plant in Seberang Perai to Daerah Barat Daya ("DBD") on Penang Island. When it first burst, water supply for about 200,000 water consumers was affected. Subsequently, PBAPP reduced the scope of the negative impact to 120,000 consumers with some valve adjustment works.

From the time of the first pipe burst, PBAPP's emergency response team identified "pipeline diversion works" as the most rational way to rectify the issue. The problem was that the burst pipeline section is "under water." It would take about three (3) weeks to divert the pipeline "above water" and across a nearby bridge. PBAPP could not leave 120,000 Penang consumers, including factories and hotels, "high and dry" for 3 weeks.

PBAPP had opt for temporary pipeline welding and clamping works that could be completed in 3 or 4 days. These temporary solutions helped to buy time for the completion of pre-diversion works at the Sungai Perai site. In summary, the Sungai Perai issue could only be properly resolved on the 1 February 2024.

YAB Chairman highlighted another issue with regards to Seberang Perai Selatan ("SPS"). He said the allegations that the Penang State Government and PBAPP are ignoring intermittent water supply issues in SPS are false and untrue.

In December 2023, PBAPP commissioned a new 10 MLD dissolved air flotation ("DAF") module at the Bukit Panchor Water Treatment Plant and installed 2 "portable water treatment plants" at Taman Sungai Duri Indah. Suction tanks have been installed in the Taman Widuri and Taman Wellesley Pumping Stations. The total cost of PBAPP's water works to improve water supply in SPS in 2023 amounted to RM20.5 million. PBAPP was supplying additional 10.5 MLD water in SPS in 2024 than in 2023.

In September 2024, PBAPP will commission Package 12A of the Sungai Dua Water Treatment Plant to increase the maximum water treatment capacity by another 114 MLD. By December 2024, PBAPP will commission a RM4 million "compact water treatment plant" at Sungai Kerian.

The 2024 SPS projects will further alleviate the water issues in SPS. YAB Chairman pointed out that the intermittent water issues in some neighbourhoods are not caused by PBAPP. PBAPP has supplied 195.3 MLD of treated water in SPS in 2024, the highest treated water supply in history of SPS.

Water demand is growing in SPS as a result of socioeconomic development in SPS for the benefit of the SPS community. PBAPP will continue to strive to address SPS water issues in 2024 and the years to come, until the implementation of the "Perak-Penang Water Project."

PBAHB continued to report a net profit for the 2023 financial year. The Company proposed a final single tier dividend of 1.75 sen for shareholders' approval in the AGM. 2024 marks the Twenty-Third ("23<sup>rd</sup>") consecutive year in which the PBAHB will reward its shareholders with dividend payments.

YAB Chairman clarified the following points regarding the 2024 Penang domestic water rates came into effect on the 1 of February 2024: -

## **PBA HOLDINGS BHD.**

Company Registration No. 200001012513 (515119-U)  
(Incorporated in Malaysia)

### Minutes of 24<sup>th</sup> AGM held on 27 June 2024

1. Penang water rates are regulated by the Federal Government. The Federal Government increased water rates for 11 peninsular states and 3 federal territories concurrently, with effect from the 1 of February 2024, for domestic consumers.
2. The 2024 Penang domestic water rates are based primarily on the Operating Expenses ("OPEX") and Capital Expenses ("CAPEX") provided by PBAPP in business plans submitted to Suruhanjaya Perkhidmatan Air Negara ("SPAN").
3. PBAPP's OPEX has increased by about 30% since the last tariff review in Penang in 2015. Moreover, PBAPP has to invest RM1.184 billion for its Water Contingency Plan ("WCP") 2030 projects to ensure water supply sufficiency in Penang until 2030.
4. It was projected that the 2024 domestic water rates for Penang will increase PBAPP's revenue by RM86 million in 2024. However, on 5 June 2024, the Penang State Executive Council directed PBAPP not to bill Penang domestic consumers for the first 10 cubic metres of consumption in 3 bi-monthly billing cycles, in the period from 1 July 2024 to 31 December 2024. The 6-month domestic water rebate will reduce PBAPP's revenue projections of RM86 million in 2024 by RM11 million. Hence, the projected additional revenue from the 2024 domestic water rates for Penang has been re-adjusted to RM75 million.
5. The 6-month domestic water rebate provides a "soft landing" in relation to the 2024 domestic water rates. It is a "goodwill gesture" for the benefit of about 596,000 domestic consumers who form the majority of PBAPP's customer base.
6. The rebate will expire on the 1 January 2025. The Company unable to disregard Federal Government regulations. The Company should not "handicap" PBAPP's plans to implement important projects to meet Penang's growing water demand.

The Board of Directors of PBAHB has directed the PBAPP to "move forward and not slide backwards" in order to further increase water supply in Penang.

In the face of growing water demand, the development and deployment of additional water supply infrastructure must not be held back or delayed. If PBAPP does not move forward, the people and businesses in Penang will suffer the consequences of a water shortage.

It is important to note that in February 2024, Penang's water consumption reached a high of 927 MLD. By 2030, Penang's water demand is projected to be 1,532 MLD. It is not possible to turn back the clock to 2007 when consumption was only 719 MLD or 2017 when consumption was 826 MLD.

PBAPP must respond to Penang's growing water demand. Moreover, water rates have been revised in 2024 to fund PBAPP's plans to supply more water and address Penang's water risks. As such, PBAPP must now focus primarily on completing its WCP 2030 projects and other strategic projects on time.

## **PBA HOLDINGS BHD.**

Company Registration No. 200001012513 (515119-U)  
(Incorporated in Malaysia)

### Minutes of 24<sup>th</sup> AGM held on 27 June 2024

YAB Chairman updated the progress of works to the shareholders with regards to the eight (8) WCP 2030 projects as follows: -

- In December 2023, PBAPP commissioned the 10 MLD Bukit Panchor DAF water treatment module. The first WCP 2030 project.
- In September 2024, PBAPP will commission the second WCP 2030 projects with the 114 MLD Package 12A at the Sungai Dua Water Treatment Plant.
- Before the end of 2024, PBAPP will start works to lay 2 major pipelines to deliver more water from the Sungai Dua Water Treatment Plant to Penang Island. These major pipeline laying works will be the third and fourth WCP 2023 projects.
- The remaining 4 projects to build 4 new water treatment plants in Seberang Perai are scheduled for completion in the period from 2025 to 2028.

The WCP 2030 is primarily aimed at:

- Tapping 3 additional raw water resources in Seberang Perai, namely the Expanded Mengkuang Dam, Sungai Kerian and Sungai Perai;
- Increasing water treatment capacity in Penang by another 602 MLD; and
- Boosting treated water pumping capacity to Penang Island.

## **PROCEEDINGS AND VOTING PROCEDURE**

The Meeting continued with the briefing on the proceedings and voting procedure.

YAB Chairman informed the Meeting that pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), all resolutions which were put forth for voting at the Meeting would be voted by poll. He then exercised his rights as the Chairman of the Meeting to demand a poll in accordance with Section 330 of the Companies Act 2016 ("Act") in respect of all resolutions that would be put forth for voting at the Meeting to demonstrate shareholder democracy of one-share one-vote.

The Company had appointed its Share Registrar, Messrs. Securities Services (Holdings) Sdn. Bhd. to act as the Polling Administrator while Messrs. Commercial Quest Sdn. Bhd. had been appointed as the Independent Scrutineers to verify the results of the poll voting for the Meeting. YAB Chairman then invited the Poll Administrator to brief the Meeting on the poll voting process before proceeding with the agenda of the Meeting.

After the briefing on the Electronic Voting Poll Process, YAB Chairman proceed to the first agenda of the Meeting.

*Minutes of 24<sup>th</sup> AGM held on 27 June 2024*

**AGENDA 1: AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 TOGETHER WITH THE REPORTS OF THE DIRECTORS' AND AUDITORS' THEREON**

---

YAB Chairman informed that the first item on the Agenda was to receive the Audited Financial Statements for the financial year ended 31 December 2023 ("AFS 2023") together with the Reports of Directors and Auditors thereon. The Annual Report 2023 including the said AFS 2023 had been forwarded to all the shareholders on 30 April 2024.

YAB Chairman further informed the Meeting that the Company had received some questions from the Minority Shareholders Watch Group ("MSWG") via their letter dated 24 June 2023 and the Company's reply to the questions raised by MSWG were indicated in Appendix "A" as attached.

Apart from the questions raised by MSWG, the following questions were raised during the Meeting:

1. Water Disruption

Mr. Foo Kean Foong, a shareholder expressed his concern on the consistent and enormous of water disruption due to pipeline bursts. He highlighted five (5) unscheduled water disruptions in the past 6 months.

YAB Chairman replied that it is crucial for PBAPP to build new water treatment plant ("WTP") and to increase new water supply to address the issue. Penang State has been supported by the Federal Government to obtain additional raw water for Penang via "Perak-Penang Water Project". PBAPP recognised the issue and responded accordingly. 2 out of 8 projects to address the water disruption have been carried out and the rest are in the midst of process. He assured that WCP 2030 projects and additional projects to be completed in upcoming years will definitely improve the current situation and address the major concern of Penang citizens.

2. Pipeline Burst and Water Reservoir Improvement

Mr. Goh Thean Seng, a shareholder indicated his disappointment with the burst of the underwater 1,350 mm pipeline at Sungai Perai. He highlighted his concern of the water supply in SPS as the Sungai Jawi Water Reservoir Tank's inline pumping was not performing to fill up the water tank.

Group CEO replied that the age of pipeline has exceeded 20 years. The limitation of old pipeline's water velocity is only 2 litres per second and unable to handle the increasing water pressure which is more than its capacity. The Company noted the issue of SPS Sungai Jawi Water Reservoir Tank, hence the implementation of WCP 2023 is imperative to address the issue.

## **PBA HOLDINGS BHD.**

Company Registration No. 200001012513 (515119-U)  
(Incorporated in Malaysia)

*Minutes of 24<sup>th</sup> AGM held on 27 June 2024*

### 3. Household Water Storage, Usage of Treated Water and Improvement of Meter Reader

Mr. Hooi Kean Seong, a shareholder suggested to build additional water reservoir and review the existing law requirements to increase the size of water tank to reduce the impact towards water interruption. He also suggested City Council to use non treated water for watering of the plant and PBAPP to install digital meter reader.

YAB Chairman informed that water storage for households is beyond PBA's responsibility. Households should have proper maintenance of their water storage. PBA has allocated RM2 million of funds being part of its Corporate Social Responsibility for low cost apartment's management committee to apply for improving their water storage facility. City Council will take note of his suggestion to use treated water for watering the plants. PBAPP has started implementing 2,000 units of Smart Meter Reader in Balik Pulau area, which is currently in a testing phase.

### 4. Investor Relation, Raw Water Charges & Other Receivables

Mr. Neoh Jia Man, a shareholder suggested PBA to carry out more investor relation activities. He also enquired whether Penang State Government considering waiving or providing discounted raw water charges to PBAPP and the details of the disclosed RM88 million of other receivables from Penang State Government.

YAB Chairman replied that the activities with regard to PBAPP are generally accessible through media and Company's website. He further replied that the raw water charges of 3 sen are at the nominal value to PBAPP and the details of RM88 million of the other receivables from Penang State Government are still under consideration.

### 5. Treatment Plant, Replacement of Pipeline, Monitor of Pipeline, Water Supply at Butterworth and Silicon Island

Mr. Yeoh Poh Chye, a shareholder suggested to diversify the water supply from WTP at different location. He also highlighted his concern on the issue of replacement of pipeline, monitoring of submarine pipeline, water supply at Butterworth area and new supply of water at Silicon Island.

Group CEO explained that the cost of producing water at Sungai Dua WTP is the lowest compare with other smaller plants in Penang. A bigger plant is always cost-effective. In May 2023, the Board had approved RM151 million for 76 pipe replacement projects. While the operation of submarine pipeline is within the control and under the expert monitoring team of PBAPP. WCP 2030 will focus on new WTP located at various location. Based on WCP 2030, a dedicated pipeline project from Sungai Dua to Butterworth and Macallum to Bukit Dumbar will focus delivery more treated water to Penang Island. The water supply demand for Silicon Island has been taken into consideration in the WCP 2030.

**PBA HOLDINGS BHD.**  
Company Registration No. 200001012513 (515119-U)  
(Incorporated in Malaysia)

*Minutes of 24<sup>th</sup> AGM held on 27 June 2024*

6. CAPEX, Subsidies from Government and Dividend Outlook

Mr. Ang Zhi Xuan, a shareholder enquired the estimated CAPEX for the year 2025, the amount of the subsidy received by PBAPP and dividend outlook.

Group CFO replied that the major CAPEX for the year 2025 are focusing on Mengkuang WTP, Sungai Muda WTP and Sungai Perai WTP. Group CFO clarified that there were no subsidies from Penang State Government nor the Federal Government. The dividend payout of the Company was determined based on the profitability of the Company, share price and fixed deposit rate of the market to determine the dividend yield.

The Meeting noted that formal approval from shareholders was not required for this Agenda pursuant to Section 340(1)(a) of the Act and hence, the AFS 2023 was not put forward for voting. YAB Chairman declared the AFS 2023 be received and then proceed to the next Agenda of the Meeting.

**AGENDA 2: ORDINARY RESOLUTION 1:  
PAYMENT OF A SINGLE TIER FINAL DIVIDEND OF 1.75 SEN  
PER SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED  
31 DECEMBER 2023**

---

YAB Chairman informed that the second item on the Agenda was to approve the payment of a single tier final dividend of 1.75 sen per share for the financial year ended 31 December 2023. The Company had paid a single tier first interim dividend of 1.50 sen per share to its shareholders on 5 January 2024. If the proposed final dividend is approved by the shareholders, it will be paid to all shareholders on 26 July 2024 based on the dividend entitlement date on 15 July 2024.

As the requisite of majority votes have been obtained for Ordinary Resolution 1, YAB Chairman declared that the declaration of a final single tier dividend of 1.75 sen per share for the financial year ended 31 December 2023 be hereby approved.

**AGENDA 3: ORDINARY RESOLUTION 2 TO 3:  
RE-ELECTION OF RETIRING DIRECTORS IN ACCORDANCE WITH  
REGULATION 121 OF THE CONSTITUTION OF THE COMPANY**

---

The Meeting noted that in accordance with Regulation 121 of the Constitution of the Company, the following Directors were due for retirement at the Meeting:

- i) YAB Tuan Chow Kon Yeow;
- ii) YB Tuan Zairil Khir Johari; and
- iii) Cik Lim Kim Suan.

YAB Chairman informed that Cik Lim Kim Suan, who retires by rotation in accordance with Regulation 121 of the Company's Constitution, has notified the Board that she did not wish to seek for re-election as a Director of the Company. Hence, she will retire as a Director at the conclusion of the AGM. On behalf of the Board, YAB Chairman expressed its sincere gratitude for the dedication and services rendered by Cik Lim Kim Suan to the Board and the Company.



*Minutes of 24<sup>th</sup> AGM held on 27 June 2024*

**AGENDA 3: ORDINARY RESOLUTION 4 TO 7:**

**RE-ELECTION OF RETIRING DIRECTORS IN ACCORDANCE WITH  
REGULATION 119 OF THE CONSTITUTION OF THE COMPANY**

---

The Meeting also noted that in accordance with Regulation 119 of the Constitution of the Company, the following Directors were due for retirement at the Meeting:

- i) YB Dato' Dr. Mohamad bin Abdul Hamid; and
- ii) YB Tuan Jagdeep Singh Deo a/l Karpal Singh;
- iii) YB Dato' Haji Rosli bin Isa; and
- iv) YBhg. Dato' Dr. Roslan bin Ahmad.

Pursuant to the Regulation 122(2) of the Company's Constitution, the re-election of each retiring director shall be voted individually. Thus, the motion for the re-election of each retiring Director was tabled to the Meeting for voting individually.

*At this conjunction, YAB Chairman pass the chair to the Deputy Chairman, YB Dato' Dr. Mohamad bin Abdul Hamid ("Deputy Chairman") to conduct the next motion.*

**(i) Ordinary Resolution 2 - Re-election of YAB Tuan Chow Kon Yeow as Director**

Deputy Chairman tabled Resolution 2 on the re-election of YAB Tuan Chow Kon Yeow as Director of the Company to the Meeting for shareholders' consideration.

The requisite of majority votes have been obtained for Resolution 2, Deputy Chairman declared that YAB Tuan Chow Kon Yeow be hereby re-elected as Director of the Company.

*Deputy Chairman passed the chair back to YAB Chairman to continue to conduct the next motion of the Meeting.*

**(ii) Ordinary Resolution 3 - Re-election of YB Tuan Zairil Khir Johari as Director**

YAB Chairman tabled Resolution 3 on the re-election of YB Tuan Zairil Khir Johari as Director of the Company to the Meeting for shareholders' consideration.

The requisite of majority votes have been obtained for Resolution 3, YAB Chairman declared that YB Tuan Zairil Khir Johari be hereby re-elected as Director of the Company.

**(iii) Ordinary Resolution 4 - Re-election of YB Dato' Dr. Mohamad bin Abdul Hamid as Director**

YAB Chairman tabled Resolution 4 on the re-election of YB Dato' Dr. Mohamad bin Abdul Hamid as Director of the Company to the Meeting for shareholders' consideration.

**PBA HOLDINGS BHD.**  
Company Registration No. 200001012513 (515119-U)  
(Incorporated in Malaysia)

*Minutes of 24<sup>th</sup> AGM held on 27 June 2024*

The requisite of majority votes have been obtained for Resolution 4, YAB Chairman declared that YB Dato' Dr. Mohamad bin Abdul Hamid be hereby re-elected as Director of the Company.

**(iv) Ordinary Resolution 5 - Re-election of YB Tuan Jagdeep Singh Deo a/l Karpal Singh as Director**

YAB Chairman tabled Resolution 5 on the re-election of YB Tuan Jagdeep Singh Deo a/l Karpal Singh as Director of the Company to the Meeting for shareholders' consideration.

The requisite of majority votes have been obtained for Resolution 5, YAB Chairman declared that YB Tuan Jagdeep Singh Deo a/l Karpal Singh be hereby re-elected as Director of the Company.

**(v) Ordinary Resolution 6 - Re-election of YB Dato' Haji Rosli bin Isa as Director**

YAB Chairman tabled Resolution 6 on the re-election of YB Dato' Haji Rosli bin Isa as Director of the Company to the Meeting for shareholders' consideration.

The requisite of majority votes have been obtained for Resolution 6, YAB Chairman declared that YB Dato' Haji Rosli bin Isa be hereby re-elected as Director of the Company.

**(vi) Ordinary Resolution 7 - Re-election of YBhg. Dato' Dr. Roslan Bin Ahmad as Director**

YAB Chairman tabled Resolution 7 on the re-election of YBhg. Dato' Dr. Roslan Bin Ahmad as Director of the Company to the Meeting for shareholders' consideration.

The requisite of majority votes have been obtained for Resolution 7, YAB Chairman declared that YBhg. Dato' Dr. Roslan Bin Ahmad be hereby re-elected as Director of the Company.

**AGENDA 4: ORDINARY RESOLUTION 8:  
PAYMENT OF BENEFITS PAYABLE TO DIRECTORS UNDER SECTION  
230(1)(b) OF THE ACT**

---

YAB Chairman informed that item 4 of the Agenda was to consider and if thought fit, to approve the payment of the benefits payable to the Directors up to an amount of RM900,000.00 for the period from the conclusion of the 24<sup>th</sup> AGM until the next AGM of the Company pursuant to Section 230(1)(b) of the Act. The details of the benefits payable were disclosed in explanatory note 5 of the Notice of 24<sup>th</sup> AGM.

**PBA HOLDINGS BHD.**  
Company Registration No. 200001012513 (515119-U)  
(Incorporated in Malaysia)

*Minutes of 24<sup>th</sup> AGM held on 27 June 2024*

YAB Chairman highlighted that although mandate was sought from shareholders, the Board had decided not to utilise the mandate to be given and the monthly fixed allowance shall remain unchanged.

The requisite of majority votes have been obtained for Resolution 8, YAB Chairman declared that the payment of benefits payable to the Directors up to an amount of RM900,000.00 for the period from the conclusion of the 24<sup>th</sup> AGM until the next AGM be hereby approved.

**AGENDA 5: ORDINARY RESOLUTION 9:  
RE-APPOINTMENT OF MESSRS. KPMG PLT AS AUDITORS OF THE  
COMPANY UNTIL THE CONCLUSION OF THE NEXT AGM AND TO  
AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

---

YAB Chairman informed that item 5 on the Agenda was to re-appoint Messrs. KPMG PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.

The Meeting was informed that Messrs. KPMG PLT had indicated their willingness to continue in office as Auditors of the Company.

The requisite of majority votes have been obtained for Resolution 9, YAB Chairman declared that the re-appointment of Messrs, KPMG PLT as Auditors of the Company be hereby approved.

**AGENDA 6 AS SPECIAL BUSINESS: -**

**AGENDA 6.1 ORDINARY RESOLUTION 10:  
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO  
PURCHASE ITS OWN SHARES OF UP TO 10% OF ITS ISSUED  
SHARE CAPITAL ("PROPOSED RENEWAL OF SHARE BUY-BACK  
AUTHORITY")**

---

YAB Chairman informed that the next item on the Agenda was to consider and thought fit, to approve the Proposed Renewal of Share Buy-Back Authority to facilitate the Company to purchase its own ordinary shares of up to 10% of the issued share capital of the Company at the prevailing terms as imposed by the relevant authorities.

The details of the said proposal were disclosed in the Share Buy-Back Statement dated 30 April 2024, which had been despatched to all the shareholders together with the Company's Notice of 24<sup>th</sup> AGM.

The requisite of majority votes have been obtained for Resolution 10, YAB Chairman declared that the Proposed Renewal of Share Buy-Back Authority be hereby approved.

## **PBA HOLDINGS BHD.**

Company Registration No. 200001012513 (515119-U)  
(Incorporated in Malaysia)

*Minutes of 24<sup>th</sup> AGM held on 27 June 2024*

**AGENDA 6.2 ORDINARY RESOLUTION 11:  
MANDATE FOR PUAN MARY GERALDINE PHIPPS WHO HAS  
SERVED AS INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE  
COMPANY FOR A CUMULATIVE TERM OF MORE THAN NINE  
(9) YEARS TO CONTINUE TO ACT AS INDEPENDENT NON-  
EXECUTIVE DIRECTOR OF THE COMPANY**

---

The Meeting noted that Puan Mary Geraldine Phipps has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and the motion to retain her as Independent Director in compliance with the Malaysian Code on Corporate Governance was presented to the shareholders for consideration.

It was also noted that both the Nomination and Remuneration Committee together with the Board had assessed the independence of Puan Mary Geraldine Phipps and recommended her to continue to serve as an Independent Non-Executive Director of the Company based on justifications as set out in the explanatory notes 8 of Special Business in the Notice of 24<sup>th</sup> AGM.

The requisite majority votes have been obtained for Resolution 11, YAB Chairman declared that the mandate to retain Puan Mary Geraldine Phipps as Independent Non-Executive Director of the Company be hereby approved.

**AGENDA 7: ANY OTHER ORDINARY BUSINESS APPROPRIATE TO AN ANNUAL  
GENERAL MEETING**

---

It was noted that the Company did not receive any notice of other business that to be transacted at the Meeting.

**TERMINATION**

YAB Chairman thanked the shareholders and proxies for their participation and support and concluded the Meeting at 12:00 noon.

**PBA HOLDINGS BHD.**  
Company Registration No. 200001012513 (515119-U)  
(Incorporated in Malaysia)

*Minutes of 24<sup>th</sup> AGM held on 27 June 2024*

**Appendix "A"**

**ANSWERS TO QUESTIONS POSTED BY THE MINORITY SHAREHOLDERS WATCH GROUP ("MSWG") AT THE 24<sup>TH</sup> AGM OF PBA HOLDINGS BHD.**

**Operational & Financial Matters**

**Question 1:**

With the new water rates, PBAPP has the means to generate additional revenue to directly fund some of the important multi-million ringgit water supply projects that Penang needs. The Bukit Panchor WTP has already been upgraded with a new RM19 million DAF module. It is the first project on a list of 8 projects listed on PBAPP's WCP 2030 to ensure water supply sufficiency until 2030.

- a) Though new rates would generate more revenue, would there be a shortfall to fund the eight projects? If so, what would be the estimated amount of the shortfall?
- b) How soon is PBAHB expected to raise funds? What are the likely sources of fundraising, borrowings, rights issues, or private placements?

**PBAHB's answer:**

PBAPP has announced that the projected investment for the 8 WCP 2030 projects is RM1.184 billion. The Company have not stated that PBAPP will directly fund all the WCP 2030 projects.

The first 2 projects under the WCP 2030 were implemented under direct funding. The DAF module at the Bukit Panchor WTP has been commissioned. Package 12A of the Sungai Dua Water Treatment Plant is due for commissioning in September 2024.

There are 6 other WCP 2030 projects that are scheduled for completion in the timeframe from 2025 to 2028.

Some of these projects will be undertaken under direct funding by PBAPP. PBAPP have the options of applying for bank loans or leasing agreements with Pengurusan Aset Air Berhad ("PAAB") for the other projects.

The shortfall in the Company's cash flow will be funded via internally generated funds or external funding and has not been finalised yet. The Company will make the relevant public and Bursa Malaysia announcements if so required in due course.

**PBA HOLDINGS BHD.**  
Company Registration No. 200001012513 (515119-U)  
(Incorporated in Malaysia)

*Minutes of 24<sup>th</sup> AGM held on 27 June 2024*

**Question 2:**

In the 15 years from 2009 to 2023, PBAHB's average net profit was about RM29.6 million. To a large extent, its net profit was dictated by high domestic water subsidies at an average of RM78.4 million per year. The 2024 water rates will reduce PBAPP's domestic water subsidy. This will free up funds for PBAPP to undertake urgent water supply projects for Penang.

The new rates will reduce PBAPP's domestic water subsidy. On a net basis, what will then be the estimated percentage increase in PBAHB's average net profit?

- a) While it is the jurisdiction of the Federal Government to review and revise the water tariff, has the Group taken any initiatives to urge the Federal Government to rationalise the domestic water tariff?
- b) What were some of the key initiatives and awareness campaigns undertaken by the Group to promote water savings and educate the domestic users about the importance of water conservation?

**PBAHB's answer:**

It is not the Company's policy to publicise projected net profits as the net profit is subject to many variables and it is impossible to predict accurately. However, the domestic subsidy is expected to be reduced by approximately RM54 million.

**Question 3:**

As of March 2024, the first of the eight PBAPP WCP 2030 projects, the Bukit Panchor DAF module, has been commissioned. The second project, Package 12A of the Sungai Dua Water Treatment Plant, is scheduled for commissioning in May 2024. The total maximum designed capacity of these two projects is 124 MLD. As such, PBAPP's maximum water treatment capacity will increase by 0.8%, from 1,599 MLD to 1,612 MLD in 2024.

- a) When will the second project be expected to be completed?
- b) Will it be able to meet the water demands in 2024 or 2025 after the completion of these two projects?

**PBAHB's answer:**

The package 12A of the Sungai Dua Water Treatment Plant is expected to be completed by September 2024 instead of July 2024 as scheduled. The slight delay was due to the shortage of construction materials and manpower. With the completion of the said project, it will definitely have a positive impact on water supply services in Penang.

The projected water demand for years 2024 and 2025 is 1,402 MLD and the total water treatment capacity after the completion of the Bukit Panchor DAF module (10 MLD) in 2023 and package 12A, Sungai Dua WTP (114 MLD) will be 1,726 MLD.

## **PBA HOLDINGS BHD.**

Company Registration No. 200001012513 (515119-U)  
(Incorporated in Malaysia)

*Minutes of 24<sup>th</sup> AGM held on 27 June 2024*

As such, to realise the full benefits of Package 12A, PBAPP is also expediting the laying of new pipelines to channel more water from Sungai Dua to SPS and DBD.

The major pipeline projects scheduled for implementation in 2024 include:

- 1) 13km of a 1.8m pipeline from Sungai Dua to Butterworth in Seberang Perai;
- 2) 3.9km of a 1.8m pipeline from the Macallum Area to Bukit Dumbar on Penang Island; and
- 3) the 1.35m River-Crossing Pipeline at Sungai Perai.

### **Question 4:**

We understand that Non-Revenue Water ("NRW") is calculated based on revenue loss due to leakages compared to revenue generated. Some states may generate lower revenue, possibly due to lower tariffs and lower water demand.

Some bigger states with bigger land areas will tend to have more kilometres of pipes, and the probability of experiencing leakages or burst pipes will likely be higher. Would it then be more appropriate to calculate NRW based on the per-kilometer of pipe in the state?

Is there any data showing NRW per kilometre of pipe, and if so, how does PBAHB's performance compare to other states or the national average?

Moving forward, with pipe-replacement programmes and several other projects, will the NRW likely improve further?

### **PBAHB's answer:**

The NRW percentage formula is:

"System input minus billed consumption, divided by system input, and multiplied by 100".

This formula does not take into account revenue, land area or pipeline length. It simply shows the percentage of water loss.

Penang's NRW percentage for 2023 is calculated as: "1198 MLD minus 877 MLD, divided by 1198 MLD, times 100, the NRW of PBAPP is 26.8%.

NRW percentage is an international benchmark for efficiency in water supply engineering. In Malaysia, SPAN, the national regulator, requires all state water supply operators to report NRW percentages annually, as per this benchmark.

PBAPP's pipeline replacement projects are primarily preventive maintenance projects. The objectives are to replace leaking pipelines and minimise the risks of outdated pipelines bursting.

Accordingly, pipeline replacement projects will reduce NRW percentage. Yes, the Company are working to improve Penang's NRW percentage.

**PBA HOLDINGS BHD.**  
Company Registration No. 200001012513 (515119-U)  
(Incorporated in Malaysia)

*Minutes of 24<sup>th</sup> AGM held on 27 June 2024*

**Question 5:**

The Penang Water Services Academy (PWSA) was established in 2007. To date, it has provided training for 5,219 Malaysian and overseas trainees. PWSA has conducted training courses for personnel from almost all the water supply operators in Malaysia. On the international front, the academy has also undertaken training for water operators from Indonesia, Maldives, Myanmar and Nepal.

Since PWSA has also conducted training for water operators overseas, are there plans to market its expertise more aggressively to make PWSA another significant source of income stream?

**PBAHB's answer:**

The Company are pleased with the achievements of the PWSA. PBAHB will continue to promote the level of competency and recognition in the Malaysian water supply industry.

However, please note that training is not the core business of PBAHB. The core business is water supply in Penang.

As mentioned earlier, the PBAHB Board has directed PBAPP to stride forward decisively in striving to meet water demand until Year 2030. To reiterate, PBAPP will focus its time and resources on efforts to complete the WCP 2030 projects and other strategic water supply projects on time.

If PBAPP does not move forward, the people and businesses in Penang will suffer the consequences of a water shortage before 2030.

**Corporate Governance Matters**

**Question 6:**

We note that under Ordinary Resolution 8, there is a proposal to approve the benefits payable to the Directors up to RM900,000.00 from the conclusion of this AGM until the next AGM of the Company.

The proposed amount represents a significant 63.6% increase over the RM550,000 approved at the previous year's AGM.

What is the rationale for such a sharp increase?

**PBAHB's answer:**

The key rationale for the increase is to ensure compensation practices are competitive and aligned with industry standards. The enhanced compensation is also part of recognition for the risks and the accountability that Directors bear. Although mandate is sought from shareholders, the Board has decided not to utilise the mandate to be given and the monthly fixed allowance shall remain unchanged.



*Minutes of 24<sup>th</sup> AGM held on 27 June 2024*

**Question 7:**

**Practice 4.4** of the Malaysian Code on Corporate Governance states that performance evaluations of the board and senior management include a review of their performance in addressing the company's material sustainability risks and opportunities.

**PBAHB's response:** Applied. The Committee discusses sustainability matters, stakeholders' expectations and the prioritisation of sustainability matters. In 2023, Sustainability Key Performance Indicators (KPIs) have been established. The KPIs are established to monitor and measure the achievement of the targets set. (page 19 of CGR 2023)

**MSWG comment:** What are the sustainability KPIs and targets used for the performance evaluations? What is the weightage of these KPIs versus the financial KPIs?

**PBAHB's answer:**

Sustainability and financial KPIs are evaluated differently. Please refer the details of the sustainability KPIs on page 108 and 109 of the Annual Report.

The weightage of the Sustainability KPIs versus the Financial KPIs varies depending on how relevant they are to the respective roles of senior management.

**Question 8:**

**Practice 5.9** - The board comprises at least 30% women directors.

**PBAHB's response:** Applied. The Company has four (4) women Directors, representing 33% of the Board. (page 29 of CGR 2023)

**MSWG comment:** What benefits has the Board experienced from gender diversity among its members? How has the Board's performance been impacted in relation to these benefits?

**PBAHB's answer:**

Gender diversity among board members is a critical part of helping to balance decision-making and leadership styles within PBAHB. However, no formal study has been carried out for PBAHB, the Company are unable to conclude how diversity has impacted Board performance at this juncture.

*Minutes of 24<sup>th</sup> AGM held on 27 June 2024*

## **Sustainability Matters**

### **Question 9:**

One of the sustainability goals is to ensure quality products and services.

One of the KPIs is to reduce non-revenue water to 23%. (page 108 of AR 2023) The table shows that the FY 2023 results are in progress.

- a) What is the timeline to achieve the 23% target?
- b) How often is the non-revenue water monitored? What is the latest status?

### **PBAHB's answer:**

23% NRW is the target set under the business plan for 2023-2026, which was submitted to SPAN earlier. However, due to the high water demand in Penang State in recent years, PBAPP had to pump treated water at high pressure to meet the demand. This caused a higher NRW than expected, therefore PBAPP had to review and revise the NRW target for this year to 28.6% and submit it to SPAN for approval. PBAPP is still proactively looking into NRW management and to maintain its status as one of the lowest NRW water operators in Malaysia.

NRW monitoring is done on a monthly basis and the actual computation of NRW percentage is done yearly. The average NRW as of April 2024 was 28.4%.