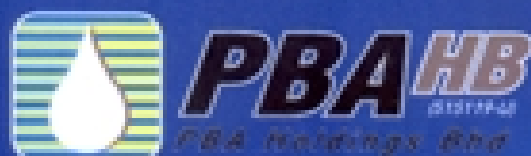


# P R O S P E C T U S



*Incorporated in Malaysia under the Companies Act, 1965*

## **PUBLIC ISSUE**

OF 51,000,000 NEW ORDINARY SHARES OF RM0.50 EACH  
AT AN ISSUE PRICE OF RM1.30 PER ORDINARY SHARE  
PAYABLE IN FULL ON APPLICATION

AND

## **OFFER FOR SALE**

OF 97,950,000 ORDINARY SHARES OF RM0.50 EACH  
AT AN OFFER PRICE OF RM1.30 PER ORDINARY SHARE  
PAYABLE IN FULL ON APPLICATION

PURSUANT TO THE LISTING OF PBA HOLDINGS BHD  
ON THE MAIN BOARD OF THE KUALA LUMPUR STOCK EXCHANGE

*Adviser, Managing Underwriter and Placement Agent*

**MALAYSIAN INTERNATIONAL MERCHANT BANKERS BERHAD** (1022914)

*A member of FOM Bank Group*

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE  
CONSIDERED BY PROSPECTIVE INVESTORS, SEE RISK FACTORS COMMENCING ON PAGE 31 HEREOF

This Prospectus is dated 22 February 2002

### **RESPONSIBILITY STATEMENTS**

This Prospectus has been seen and approved by the Directors of PBA Holdings Bhd (“PBAHB”) and the Offeror, State Secretary, Penang and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statement or other facts the omission of which would make any statement herein false or misleading.

The Adviser, Managing Underwriter and Placement Agent, Malaysian International Merchant Bankers Berhad acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the public offering and is satisfied that any profit estimate and forecast (for which the Directors of PBAHB are fully responsible) prepared for the inclusion in this Prospectus have been stated by the Directors after due and careful enquiry and have been duly reviewed by the Reporting Accountants.

### **STATEMENTS OF DISCLAIMER**

The Securities Commission (“SC”) has approved the issue, offer or invitation in respect of the public offering and the approval shall not be taken to indicate that the SC recommends the public offering.

The SC shall not be liable for any non-disclosure on the part of PBAHB and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. **INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENTS.**

The Kuala Lumpur Stock Exchange (“KLSE”) assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Admission to the Official List of the Main Board of the KLSE is not to be taken as an indication of the merits of PBAHB or of its ordinary shares.

A copy of this Prospectus has been registered by the SC and lodged with the Registrar of Companies, Malaysia (“ROC”), and neither the SC nor the ROC takes responsibility for its contents.

## INDICATIVE TIMETABLE

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The indicative date of events leading up to the listing of and quotation for the entire enlarged issued and paid-up ordinary share capital of PBAHB on the Main Board of the KLSE are as follows:-

<b>Indicative Date</b>	<b>Event</b>
22 February 2002	Issue of Prospectus/Opening date of the IPO
11 March 2002	Closing date of the IPO
19 March 2002	Tentative date for balloting of Applications
12 April 2002	Tentative date for allotment of the IPO Shares to successful applicants
18 April 2002	Tentative date for listing

**THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION FOR THE IPO WILL CLOSE AT 8:00 P.M. ON 11 MARCH 2002 OR SUCH FURTHER PERIOD AS THE DIRECTORS OF PBAHB MAY DECIDE.**

## DEFINITIONS

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In this Prospectus, unless otherwise indicated, the following words and abbreviations shall have the following meanings:-

“ADA”	:	Authorised Depository Agent
“ADA Code”	:	ADA (Broker) Code
“ASEAN”	:	The Association of South East Asian Nations
“ATM”	:	Automated Teller Machine
“CDS”	:	Central Depository System
“CEO”	:	Chief Executive Officer
“cu.m.”	:	Cubic Metre or Metre <sup>3</sup>
“DWS”	:	Director of Water Supply, the regulator of the water industry in the state of Penang appointed under the Water Supply Enactment 1998
“EPU”	:	Economic Planning Unit, Prime Minister’s Department
“EPS”	:	Earnings Per Share
“EXCO”	:	Executive Council
“FIC”	:	Foreign Investment Committee, Prime Minister’s Department
“GDP”	:	Gross Domestic Product
“GIS”	:	Geographical Information System
“IPO”	:	OFS and Public Issue collectively
“IPO Shares”	:	OFS Shares and Public Issue Shares collectively

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## DEFINITIONS (*Cont'd*)

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“km”	:	Kilometre
“KLSE”	:	Kuala Lumpur Stock Exchange ( <i>30632-P</i> )
“Listing”	:	The admission to the Official List and the listing of and quotation for 331,000,001 ordinary shares of RM0.50 each representing the entire enlarged issued and paid-up share capital of PBAHB on the Main Board of the KLSE
“MCD”	:	Malaysian Central Depository Sdn Bhd ( <i>165570-W</i> )
“MIDFCCS”	:	MIDF Consultancy and Corporate Services Sendirian Berhad ( <i>11324-H</i> )
“MIMB”	:	Malaysian International Merchant Bankers Berhad ( <i>10209-W</i> )
“MOF”	:	Ministry of Finance
“MOH”	:	Ministry of Health
“NBV”	:	Net Book Value
“NRW”	:	Non Revenue Water is unaccounted water loss which does not generate any revenue due to leakages, pipe bursts, water under-registration, routine maintenance and pilferage from the distribution systems. NRW is expressed in percentage (%) and is computed as follows:- $\frac{(\text{Total Production} - \text{Total Consumption}) \times 100}{\text{Total Production}}$
“NTA”	:	Net Tangible Asset
“Offeror”	:	SSI, the substantial shareholder of PBAHB

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## DEFINITIONS *(Cont'd)*

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“OFS”	:	The offer for sale of 97,950,000 PBAHB Shares by the Offeror, of which:- (i) 81,647,000 PBAHB Shares have been reserved for Malaysian institutional investors; and (ii) 16,303,000 PBAHB Shares have been reserved for eligible employees and retirees of the PBAHB Group at an offer price of RM1.30 per Share
“OFS Shares”	:	The offer for sale of 97,950,000 PBAHB Shares to be offered by the Offeror pursuant to the OFS
“PAT”	:	Profit After Tax
“PBA”	:	Pihak Berkuasa Air Pulau Pinang
“PBAHB” or “Company”	:	PBA Holdings Bhd (515119-U)
“PBAHB Group” or “Group”	:	PBAHB and its subsidiary, PBAPP
“PBAHB Shares” or “Shares”	:	Ordinary shares at par value of RM0.50 each in PBAHB
“PBAPP”	:	Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (475961-X)
“PBT”	:	Profit Before Tax
“PDC”	:	Penang Development Corporation
“PE Multiple”	:	Price-Earnings Multiple
“Prescribed Security”	:	Ordinary shares of a company prescribed by the KLSE to be deposited into the CDS
“Public Issue”	:	The public issue of 51,000,000 new PBAHB Shares at an issue price of RM1.30 per Share to the registered domestic water consumers of Penang, the Malaysian investing public and Malaysian institutional investors

## DEFINITIONS (*Cont'd*)

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“Public Issue Shares”	:	The 51,000,000 new PBAHB Shares to be issued pursuant to the Public Issue
“PWSD”	:	Penang Water Supply Department, the water industry regulatory body of the Penang State Government
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“ROC”	:	Registrar of Companies, Malaysia
“SC”	:	Securities Commission
“SC Guidelines”	:	Policies and Guidelines on Issue/Offer of Securities issued by the SC
“SERI”	:	Socio-Economic & Environmental Research Institute
“SPA”	:	Sale and Purchase Agreement
“Special Share”	:	Special Rights Redeemable Preference Share of RM0.50 each in PBAHB and RM1.00 each in PBAPP issued to the SSI
“SSI”	:	State Secretary, Penang, a body corporate incorporated under the State Secretary Penang (Incorporation) Enactment 1988
“State”	:	State of Penang
“State Authority”	:	The Governor - in Council of the State of Penang
“State Government”	:	The State Government of Penang
“Successor Company”	:	A company named by the State Authority in the order made under subsection 3(1) of the Penang Water Authority (Successor Company) Enactment 1998
“US”	:	United States of America
“USD”	:	US Dollars

**DEFINITIONS (*Cont'd*)**

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“Water Supplier”	:	An entity licensed under the Water Supply Enactment 1998, to undertake business activities of a water supplier involved in the abstraction of raw water, treatment of water, supply and sale of treated water to consumers
“WHO”	:	World Health Organisation
“YBPP”	:	Yayasan Bumiputera Pulau Pinang Bhd (59968-M)

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