



General Announcement

Form Version 8 (Enhanced)

Ownership transfer to CS_SECURITIES SERVICES HOLDINGS PENANG/EDMS/KLSE on 22/04/2011 05:35:05 PM

Submitted by CS_SECURITIES SERVICES HOLDINGS PENANG on 22/04/2011 05:32:22 PM

Reference No CS-110422-4A543

Submitting Investment

Bank/Advisor
(if applicable)

Submitting Secretarial Firm (if applicable) SECURITIES SERVICES (HOLDINGS) SDN BHD

Company name * PBA HOLDINGS BHD

Stock name * PBA

Stock code * 5041

Contact person * THUM SOOK FUN

Designation * COMPANY SECRETARY

Type *

Announcement Reply to query

Subject *

OTHERS

(Note : INFORMATION ENTERED IN THE DESCRIPTION FIELD WILL BE DISPLAYED AS THE TITLE OF THE ANNOUNCEMENT IN BURSA MALAYSIA'S WEBSITE)

Description :-*

(Note : Please enter the announcement description in this field and the announcement details in the Announcement Details/Table Section or attach the full announcement details as an attachment)

MEMORANDUM OF AGREEMENT BETWEEN PBA HOLDINGS BHD, PERUSAHAAN DAERAH AIR MINUM TIRTA DHARMA KOTA PEKALONGAN AND ASIAN DEVELOPMENT BANK

Announcement Details/Table Section :-

(This field is for the details of the announcement, if applicable)

PBA Holdings Bhd ("PBAHB or Company") wishes to announce that the Company has on 22 April 2011 entered into a Memorandum of Agreement ("MOA") with Perusahaan Daerah Air Minum Tirta Dharma Kota Pekalongan ("PDAM Tirta Dharma") and Asian Development Bank ("ADB") to establish cooperation between the Parties to enhance water supply services in Kota Pekalongan, Central Java, Indonesia ("Cooperation").

The full content of the announcement is as per attachment.

This announcement is dated 22 April 2011.

Attachment(s):- (please attach the attachments here)



PBAHB_Memorandum of Agreement.pdf

**PBA HOLDINGS BHD
MEMORANDUM OF AGREEMENT BETWEEN PBA HOLDINGS BHD, PERUSAHAAN
DAERAH AIR MINUM TIRTA DHARMA KOTA PEKALONGAN AND ASIAN
DEVELOPMENT BANK**

Announcement Details:

1.0 Introduction

PBA Holdings Bhd ("PBAHB or Company") wishes to announce that the Company has on 22 April 2011 entered into a Memorandum of Agreement ("MOA") with Perusahaan Daerah Air Minum Tirta Dharma Kota Pekalongan ("PDAM Tirta Dharma") and Asian Development Bank ("ADB") to establish cooperation between the Parties to enhance water supply services in Kota Pekalongan, Central Java, Indonesia ("Cooperation").

2.0 Background Information of the Parties

2.1 Information on PBAHB

PBAHB was incorporated in Malaysia under the Companies Act, 1965 on May 25, 2000 as a public limited company. PBAHB is principally an investment holding company with one of its subsidiaries, Perbadanan Bekalan Air Pulau Pinang Sdn Bhd ("PBAPP"), an entity licensed by the State Government of Pulau Pinang to undertake the business activities of a water supplier involved in the abstraction of raw water, treatment of water, supply and sale of treated water to consumer.

2.2 Information on PDAM Tirta Dharma

PDAM Tirta Dharma is a company created under the laws of the Government of Indonesia, wholly owned by the Government of Kota Pekalongan and is mandated to provide water supply services to Kota Pekalongan, Central Java, Indonesia.

2.3 Information on ADB

ADB is the coordinating agency to facilitate twinning partnerships, develop regional capacity building and a part of regional WaterLink network that supports Water Operators Partnerships in Asia to promote improved access to safe water and basic sanitation. ADB is also responsible for providing finance for out of pocket costs and approving the budget for such costs.

3.0 Key salient points of the MOA

3.1 The objective of MOA is to establish cooperation between PDAM Tirta Dharma and PBAHB to achieve the following outcomes:

- identify priority areas for improvement of PDAM Tirta Dharma operational aspects, especially on Non Revenue Water (NRW);
- train PDAM Tirta Dharma personnel in NRW areas of water supply operations;
- institutionalize system of process benchmarking and monitoring; and
- achieve measurable improvement in two or more areas of operations at the end of the twinning period.

3.2 The twinning arrangement will be implemented under the Water Operators' Partnership (WOPs) Programme in Indonesia implemented by ADB. The twinning arrangement is a joint commitment between the two parties, water utilities, working together in a voluntary partnership. Each party commits to contribute the resources set out in this document and in the work plan of the twinning arrangement to ensure its success.

3.3 ADB will provide financial and technical support through a partnership grant up to USD50,000 (or equivalent to RM150,000) to fund the activities to be undertaken by PBAHB, among others:

- Support the PDAM Tirta Dharma to enable continuous water supply;
- Facilitate enhancement on operational efficiencies, customer service and capacity building development;
- Help build the competency of the PDAM Tirta Dharma's staff to manage water losses and ensure continuous supply in a pilot area through on-the-job/classroom training, knowledge sharing and remote consultations on:
 - Hydraulic modeling
 - District metering area design and implementation
 - Leakage detection and reduction
 - Pressure/flow control
 - Asset management
- Participate in regional events to share best practices/train other water supply service providers in improving operational efficiencies and in promoting WOPs.

4.0 Financial Effects of the MOA

The entry into the MOA will not have any immediate financial effects on PBAHB Group for the current financial year ending 31 December 2011.

5.0 Interest of the Directors, substantial shareholders and persons connected to them

None of the Directors, substantial shareholders of PBAHB nor persons connected with them have any interests, direct or indirect, in the MOA.

6.0 Approval required

The MOA is not subject to the approval of the shareholders of PBAHB or any other relevant authorities.

7.0 Validity of the MOA

The Cooperation shall commence on the 22 April 2011 and shall continue for a period of eighteen months subject to the rights of the parties herein to extend the said period on terms to be mutually agreed by the Parties in writing.

Either party may terminate this MOA by giving one month prior written notice to other party to the effect.

This announcement is dated 22 April 2011.