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Media Release

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PBAPP LAUNCHES RM5.0 BILLION SUKUK PROGRAMME AND SUSTAINABLE FINANCE FRAMEWORK

Backed by AAA/Stable Credit Rating and Gold Sustainable Finance Rating

PENANG, 8 July 2025 - Perbadanan Bekalan Air Pulau Pinang Sdn. Bhd. (PBAPP) today marked a historic milestone with the official launch of its inaugural RM5.0 billion Islamic Medium Term Notes (IMTN) Programme and its Sustainable Finance Framework – making it the first Penang state Government-Linked Company to establish both the Sukuk Programme and the Sustainable Finance Framework.

The IMTN Programme is based on the Shariah-compliant Sukuk Wakalah structure, and positions PBAPP to raise medium to long-term financing through the Malaysian capital markets in a sustainable and scalable manner.

During the signing ceremony, PBAPP marked its collaboration with Maybank Investment Bank Berhad and United Overseas Bank (Malaysia), who have been appointed as the Joint Principal Advisers, Joint Lead Arrangers and Joint Lead Managers for the Sukuk Programme. The occasion was witnessed by Penang Chief Minister, YAB Tuan Chow Kon Yeow, together with Group CEO Global Banking Maybank, Dato' John Chong and UOB Malaysia CEO Ng Wei Wei.

The Sukuk Programme has been accorded a AAA/Stable credit rating by RAM Rating Services Berhad (RAM), the most superior credit rating domestically, reflecting PBAPP's strong credit fundamentals. Concurrently, PBAPP's newly launched Sustainable Finance Framework received a Gold Sustainable Finance Rating by RAM Sustainability Sdn. Bhd., acknowledging the company's strong governance, transparency and alignment with international best practices in sustainable finance. Maybank Investment Bank acted as the sole Sustainable Structuring Adviser for the establishment of PBAPP's Sustainable Finance Framework.

The proceeds of the Sukuk Wakalah will be used to support:

1. PBAPP's Water Contingency Plan 2030 (WCP 2030), with a projected investment value of RM2.099 billion;
2. Broader capital expenditure (CAPEX) and operating expenditure (OPEX), and refinancing needs;

3. Other eligible green and social initiatives under the Sustainable Finance Framework.

This dual launch marks a transformative step in how we finance our water infrastructure. By tapping into the capital markets through a sustainable platform, we are diversifying our funding base, reducing reliance on government loans and grants, and reinforcing our long-term commitment to environmental and financial resilience. It also opens a new avenue for investors seeking stable returns with positive environmental and social impact.

While the Sukuk Programme size is capped at RM5.0 billion, PBAPP intends to issue Sukuk progressively, aligned with actual project requirements. The Sukuk Programme serves as a strategic war chest for PBAPP, offering a flexible and scalable funding platform to support long-term infrastructure plans. The initial issuance in 2025 will be significantly below the programme limit, tailored to near-term investment needs.

PBAPP is thankful to Maybank and UOB who have partnered with us in this journey, and to RAM for assigning us the highest credit rating and gold sustainable finance rating. We value the strong working relationship with our advisers, who have been instrumental in advising and structuring our Sukuk Programme and Sustainable Finance Framework.

We will also continue to work hand-in-hand with the Penang State Government to ensure the effective utilisation of this Sukuk facility. This collaboration will allow us to accelerate water infrastructure development and strengthen water supply services in support of the “Penang2030” vision.

Thank You.

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