

2.4.2026
Media Release

DATO' IR. PATHMANATHAN K.
CEO, PBAHB and PBAPP.

PBAPP BUDGETS RM631 MILLION FOR PENANG WATER PROJECTS IN 2026

- **Highest in history capital expenditure (CAPEX) budget: RM631 million for 2026 as compared to RM363 million in 2025.**
- **Key projects: New 114 MLD Mengkuang Park Water Treatment Plant (WTP), land acquisition for the new 136 MLD Sungai Perai WTP and further expansion of the 1,342 MLD Sungai Dua WTP.**
- **Funding: 2025 profit and RM5 billion sukuk programme.**

PENANG, Thursday, 2.4.2026: PBAPP plans to invest RM631 million in capital expenditure (CAPEX) for water supply projects in 2026. This annual CAPEX budget is the largest, to date, in the history of water supply in Penang.

The top 5 items carrying the highest CAPEX allocations in 2026 are:

1. **Construction of the 114 million litres per day (MLD) Mengkuang Park Water Treatment Plant (WTP) and ancillary pipeline works:** This WTP in Seberang Perai Tengah (SPT) is the 3rd component of the Water Contingency Plan 2030 (WCP 2030). It is scheduled for completion by the end of 2026.

When operational, it will convert the status of the 86,400 million litre (ML) Expanded Mengkuang Dam (EMD) from a “strategic drought reserve dam” to a “dual-purpose dam”.

The Mengkuang Park WTP will draw down water from the dam on a daily basis to produce more treated water in SPT for supply in SPT. However, PBAPP will manage the EMD reserves carefully to ensure that there is always sufficient water for emergency use at the Sungai Dua WTP, as related to potential Sungai Muda issues.

2. **Land acquisition for the 136 MLD Sungai Perai WTP:** This WTP is part of the Sungai Perai Water Supply Scheme, another component of WCP 2030. It is scheduled for completion in 2031.

3. **Land acquisition for expansion projects in the 1,342 MLD Sungai Dua WTP in Seberang Perai Utara (SPU):** 2nd balancing pond at the end of the Sungai Dua Canal, upgrades to the water treatment plant (WTR) residue recycling module, an additional clear water tank and an elevated water tower to store more treated water.
4. **Land acquisition and pipe works for the 1,800mm Macallum to Bukit Dumbar dedicated treated water pipeline:** This additional 3.2 km pipeline will channel more treated water from the 3rd Penang Twin Submarine Pipelines (3rd PTSP) landing site to the Bukit Dumbar Reservoir and Pumping Station Complex on Penang Island. This is another WCP 2030 project, aimed at pumping more water from the mainland to the island.
5. **Land acquisition for the 114 MLD Sungai Muda WTP in SPU:** The Sungai Muda WTP is a WCP 2030 project. Its objective is to treat more water in SPU for distribution in SPU. The Sungai Muda WTP is scheduled for completion in 2031.

The total CAPEX allocation for these 5 critical water supply infrastructure projects is about RM387 million, or 61.3% of PBAPP's total CAPEX budget for 2026.

The remaining 39% of the CAPEX budget will cover various pipe laying or replacement projects, meter replacement projects (to support improved non-revenue water or NRW management), WTP upgrading projects and the construction of new reservoirs at Bukit Penara and Bukit Dumbar.

CAPEX 2026 Funding

In its 31.12.2025 interim financial report, PBA Holdings Bhd (PBAHB), the public listed holdings company for PBAPP, posted an unaudited profit after tax (PAT) of about RM115 million for the 2025 financial year.

Following dividend payments to PBAHB shareholders, about RM100 million of the PAT for 2025 will directly be ploughed back as PBAPP's CAPEX investments for 2026.

PBAPP plans to fund the remaining RM531 million of the CAPEX budget for 2026 from the issuance of Islamic Medium Term Notes (IMTN) under PBAPP's RM5 billion sukuk programme.

PBAPP's 2026 CAPEX provision and funding structure reflect the following facts:

- Penang must not run out of water. As Penang’s water supply operator, PBAPP is firmly committed to implement key water supply projects, especially the WCP 2030 projects, to ensure water supply sufficiency until Year 2030 for the benefit of Penang and its people.
- PBAPP will continuously upgrade water supply services in Penang, in line with PBAPP’s ISO 9001:2015 commitment towards continuous improvement.
- The profits generated by PBAPP annually from the sale of water and water supply services in Penang is largely reinvested as CAPEX for upgrading water supply infrastructure in Penang for the benefit of the people and businesses operating in Penang.
- PBAPP’s RM5 billion sukuk programme will be put to good use to raise funds for critical, time-sensitive and sustainable water supply projects in Penang.
- PBAPP is working in support of the State Government’s “Penang2030” vision of making Penang “a family-focused, green and smart state that inspires the nation.”

Thank You.

Issued by : Syarifah Nasywa bt Syed Feisal Barakbah
Corporate Communications Section
Email : syarifah@pba.com.my



114 juta liter sehari LRA Taman Mengkuang dijadualkan siap menjelang akhir tahun 2026.
The 114 million litres per day Mengkuang Park WTP is scheduled for completion by the end of 2026.



1,342 juta liter sehari Loji Rawatan Air Sungai Dua | 1,342 million liters per day Sungai Dua Water Treatment Plant.

© PBAPP 2026