PBA HB
PBA Holdings Bhd
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Memenuhi segala keperluan bekalan air anda
Meeting all your water supply needs

12.11.2026

YAB TUAN CHOW KON YEOW
Chief Minister of Penang and Chairman of PBAHB and PBAPP.

SHAREHOLDERS' APPROVAL OF PROPOSED PURCHASE OF TREATED WATER FROM PERAK

- **PBA Holdings Bhd's (PBAHB) EGM approved PBAPP's proposed bulk purchase of treated water from Prasarana Air dan Irigasi Perak Sdn Bhd from Year 2032.**

PENANG, Thursday, 12.11.2026: The majority shareholders of PBA Holdings Bhd (PBAHB) have voted to approve PBAPP's proposal to purchase a minimum of 300 million litres per day (MLD) of treated water from Perak, from Year 2032.

A total of 161 shareholders, including "State Secretary Penang" which holds 55% shareholdings and a golden share, attended an extraordinary general meeting (EGM) at the St Giles Wembley Hotel in Penang this afternoon to pass an ordinary resolution in relation to this topic.

97.9% of the shareholders voted in favour of the following:

- Approval for PBAPP (the principal subsidiary of PBAHB and the licensed water operator that serves the State of Penang) to purchase treated water from Prasarana Air dan Irigasi Perak Sdn Bhd, a wholly-owned subsidiary of Khazanah Air Perak Sdn Bhd (KAP), a company incorporated by Perbadanan Kemajuan Negeri Perak (PKNPk) and Gamuda Berhad, subject to official approvals by relevant authorities and parties (where required);

- Empowerment of the PBAHB Board of Directors to act on behalf of the company to execute, sign and deliver all documents and agreements to complete the proposed bulk water purchase; and

- Authorisation for the Board to agree, accept and make any conditions or amendments to any documents and agreements at its discretion to finalise the proposed bulk water purchase.

In short, PBAHB's majority shareholders have given the "go ahead" for the inter-state Penang-Perak Water Project (P-PWP) and entrusted the PBAHB Board with the responsibility to act on behalf of the company in realising the project as scheduled.

Key Rationales

The key rationales for PBAPP's purchase of a minimum of 300 MLD of treated water from Perak is as follows:

1. Penang's water consumption was 865 MLD in 2025. It is projected to exceed 1,100 MLD by 2032, largely due to population growth, rapid urbanisation and expanding industrial activities. By 2030, PBAPP would have tapped all viable raw water resources in the State of Penang. Even with all raw water resources fully tapped, PBAPP projects that there would still be a shortfall of treated water if socioeconomic growth continues to advance at the current rapid pace. The PPWP will complement and strengthen PBAPP's ongoing implementation of the Water Contingency Plan 2030 (WCP 2030), forming part of a comprehensive, long-term strategy to enhance Penang's water supply capacity, improve supply resilience and ensure sufficient treated water to meet the State's growing domestic, commercial and industrial demand.

2. Over the past decade, climate change has also affected the stability of water supply services in Penang. Rainfall in the water catchment areas of the Air Itam Dam and Teluk Bahang Dam on Penang Island has become unpredictable. At the same time, rainfall in the water catchment area of Sungai Muda (currently Penang's one and only primary raw water resource) has also been affected by climate change. The implementation of the PPWP will strengthen Penang's long-term water security by providing an additional treated water supply source and diversifying the State's water supply sources. This will reduce reliance on Sungai Muda, enhance supply resilience and ensure a more sustainable and reliable water supply amid the impacts of climate change.

3. Bulk purchase of treated water from Perak is the most economical water supply solution for Penang. As things stand today, conventional treatment of freshwater to produce treated water costs significantly less than desalinating seawater. To date, no Malaysian state water operator has commissioned a large-scale desalination project due to projected high costs.

4. While pursuing the P-PWP, PBAPP may also explore the viability of initiating strategic desalination projects in Penang in the future. Although desalination may involve higher production costs, it could serve as a supplementary source of water supply and a strategic back-up option. It may mitigate the risks of a water shortage during prolonged dry seasons and any delay in the realisation of the P-PWP. Desalination may also ensure a healthy balance of water supply sufficiency in all 5 districts in the State of Penang.

5. At the bottom-line, Penang cannot afford to run out of water. The primary objective is to ensure water supply sufficiency in Penang in the 2030s, so as to

avoid a foreseeable water shortage or crisis that will affect people's lives and cripple the state economy.

Summary of Details: Proposed Bulk Water Purchase Agreement

1.	Duration	40 years (2032 – 2072)
2.	Targeted Commencement	31st March 2032
3.	Quantity	300 – 500 MLD (million litres per day)
4.	Estimated overall bulk water supply charges payable by PBAPP over 40 years	RM24.6 billion (average of RM615 million per year)
5.	Estimated cost of bulk treated water (for 300 MLD)	RM3.62 per 1,000 litres (RM0.00362 per litre)
6.	Perak's commitments	• Sourcing raw water from Sungai Perak in Perak to facilitate P-PWP. • All capital expenditure (CAPEX) for infrastructure and equipment to source, pump, treat and deliver treated water to Penang. • Construction of a new and dedicated 500 MLD P-PWP water treatment plant (WTP) in Perak. • All operational expenditure (OPEX) to source raw water from Sungai Perak, pump the raw water to the WTP, treated the water at the WTP and pump the treated water to Penang for 40 years. • Supply of treated water in accordance to the requirements of PBAPP.

Thank You.

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