

MEDIA RELEASE

PKNPk-GAMUDA JV AND PBAPP AGREE ON KEY TERMS OF BULK TREATED WATER SUPPLY TERMS TO PENANG

IPOH, 6 NOVEMBER 2025 – Perbadanan Kemajuan Negeri Perak and Gamuda Berhad JV (PKNPk-Gamuda JV) together with Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) have signed a landmark Memorandum of Understanding (MoU) for the sale of excess treated water from the Northern Perak Water Supply Scheme (NPWSS) to Penang.

The broader NPWSS is a strategic project to transfer 1,500 MLD of raw water from Sungai Perak to the Bukit Merah Dam, addressing demands for irrigation, domestic and industrial use, including the upcoming Kerian Integrated Green Industrial Park (KIGIP).

The MoU formalises the collaboration between the supplier, being a company to be incorporated by the PKNPk-Gamuda JV (Perak's state-approved operator) and the buyer, PBAPP (Penang's water operator). The signing ceremony, held in Casuarina@Meru Hotel, Perak, was attended by YAB Dato' Seri Saarani Mohamad, Menteri Besar of Perak and YAB Tuan Chow Kon Yeow, Chief Minister of Penang, alongside key officials from both State governments.

This pivotal agreement is the culmination of many months of intensive negotiations, which establishes terms for the sale of water to Penang – specifically the price, quantity and supply tenure – which will be the basis of the definitive Bulk Water Supply Agreement (BWSA) to be entered into between the supplier and PBAPP. The parties intend to execute the BWSA within six months, subject to the relevant authority's approvals.

YAB Dato' Seri Saarani Mohamad, Perak Menteri Besar, stated:

Alhamdulillah, this is a historic day for Perak and Penang, where we have successfully broken through a decade-long interstate water supply impasse. It is only in the last three years that discussions have gained momentum and alignment, which brings mutual benefits to both states. Today, we witness the successful resolution of this journey via the signing of this MOU.

Construction completion is 2030, which is important to address Penang's projected deficit, as per the report published by Kementerian Alam Sekitar dan Air (KASA) in 2022. For Perak, this critically secures long-term water for the irrigation needs of Northern Perak; and supply for the upcoming KIGIP. This agreement meets the water needs of both States and aligns with our Perak Sejahtera 2030 core principle: managing water, our most valuable 'Khazanah', for the economic benefit of Perak by creating a new, long-term revenue stream for the next 40 years.

This project is also perfectly aligned with the new public investment strategy outlined in Malaysia's Budget 2026. Through this alignment on the key commercial terms, we have a commercially viable project that can be flexibly funded via Federal financing or a Public Private Partnership (PPP) arrangement.

The State Government places its full confidence in the PKNPk-Gamuda JV. Their proven track record in both operating water treatment plants and delivering complex infrastructure on time and on budget provides the necessary assurance that this critical scheme will meet its 2030 completion target for the benefit of both Perak and Penang."

YAB Tuan Chow Kon Yeow, Penang Chief Minister, commented:

Penang is committed to solving the State's long-term water supply issues and we are pleased to reach this landmark understanding with Perak, which is a vital breakthrough for Penang's water security. This agreement essentially secures a reliable source for long-term treated water at an affordable rate. Penang now has increased diversification of our water supply sources and a reduced reliance on Sungai Muda.

Penang has the **Water Contingency Plan 2030**, but NPWSS now provides the State with enhanced surety of the much-needed critical water supply coming online by 2031. We hope the project will be delivered on time and are confident it is in the capable hands of the experienced PKNPk-Gamuda JV, given the criticality of this timeline.

This is crucial for Penang's ability to continue to attract high-value investments, which will support our local economy and industrial growth for decades to come.

Read Gamuda Berhad's Bursa Malaysia announcement:

https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3606019

Read PBAPP's Bursa Malaysia announcement:

https://www.bursamalaysia.com/market_information/announcements/company_announcement/announcement_details?ann_id=3606024

Proposed image:



Caption: Bulk Water Supply MoU signing ceremony [standing, left to right]: Faris Mohd Yusof (Gamuda Engineering Executive Director); YB Dato' Azmir Shah bin Zainal Abidin (Perak State Legal Advisor); YBhg Dato' Haji Azmi bin Mat Nor (Gamuda Berhad Executive Director); YAB Dato' Seri Saarani Mohamad (Perak Menteri Besar); Datuk Redza Rafiq Abdul Razak (PKNPk Chief Executive); YAB Tuan Chow Kon Yeow (Penang Chief Minister); Dato' Ir. Pathmanathan K. (PBAPP Chief Executive Officer); YB Puan Fadhlina binti Sidek (Malaysia Education Minister); YB Tuan Zairil Khir Johari (Penang State Executive Councillor for Infrastructure, Transport and Digital); YB Dato' Seri Haji Zulkifli bin Long (Penang State Secretary) and Justin Chin Jing Ho (Gamuda Engineering Managing Director).

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About PKNPk

Perbadanan Kemajuan Negeri Perak (PKNPk) is the key state agency entrusted to spearhead economic development and socio-economic growth in the State of Perak. PKNPk's primary goal is to spur continued growth in the state, transform the economic landscape, and elevate the people's living standards. PKNPk's approach to achieving its primary goal involves recognising and cultivating the need to strengthen its people by attaining high-performance cultures. Combining high-performance cultures and capitalising on the state's natural resources will accelerate Perak to a new economic and socio-economic ideal height. PKNPk fulfils its role as a state agency by focusing on revolutionising the living standards, economic opportunities, and overall growth of the people of Perak. Guided by the State Agenda, National Agenda, and National Transformation Programme, PKNPk also prioritises sustainable growth for the state, taking cues from broader frameworks such as the Sustainable Development Goals (SDGs). Its efforts position Perak as a model for other states to achieve the vision of Sustainable Malaysia 2030.

About Gamuda Berhad

Founded in 1976, Gamuda Berhad has grown into a regional engineering, property, and infrastructure leader. We're known for our innovative solutions and commitment to excellence, with a presence across Malaysia, Taiwan, Singapore, Australia, the United Kingdom, India, Vietnam, Bahrain, and Qatar. Our digital transformation journey began five decades ago, exemplified by our early adoption during the Stormwater Management and Road Tunnel (SMART) project. Renowned for pioneering iconic solutions like the Autonomous Tunnel Boring Machine (A-TBM), we continue to shape the infrastructure landscape with our vision: "Leading the region in breakthrough solutions." Learn more at [gamuda.com](https://www.gamuda.com)



About PBAPP

PBAPP is the licensed water supply operator that serves the State of Penang. It is ranked as one of the top water supply operators in Malaysia, on the basis of key performance indicators (KPIs) including water supply coverage, treated water quality, water treatment reserve margin and NRW percentage. Corporatised in 1999, PBAPP has served Penang loyally, by supplying enough water to support its socioeconomic growth. Today, PBAPP is gearing up to supply more treated water in Penang than ever before towards the achievement of the State Government's "Penang2030" vision. PBAPP is managed professionally with focus on operational efficiency, cost-efficiency, transparency, stakeholder accountability, international benchmarking, innovation and forward-planning. It has won numerous industry awards and most recently received the "Malaysia Water Award for Management 2025" from the Malaysia Water Association, which recognises "exceptional leadership in water supply management". Learn more at pba.com.my

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