

ANNUAL REPORT 2024

Empowering a
Sustainable Future

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WHAT'S INSIDE

RATIONALE

The PAAB Annual Report 2024 cover, featuring clear, rippling water, symbolises our commitment to transparency, adaptability, and sustainable impact. The image reflects clarity in governance, fluidity in navigating change, and the vital role we play in supporting environmental. Like water, PAAB strives to be a unifying and life-sustaining force, flowing with purpose and creating meaningful, and lasting value.

A modern typographic style conveys PAAB's progressive outlook, while the strategic use of blue and green hues signifies trust, stability, growth, and a strong commitment to environmental responsibility. The prominently displayed PAAB logo serves to reinforce the Company's corporate identity and its leading position within the water management sector.

Overall, the report's design encapsulates the organisation's overarching vision: to drive innovative solutions that ensure a sustainable and secure future for Malaysia's essential water systems.



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About Us

Formed in 2006 under the Water Services Industry Act 2006, Pengurusan Aset Air Berhad (PAAB) is a government-owned company driving change in Malaysia's water sector. A wholly owned subsidiary of the Minister of Finance (Incorporated), PAAB spearheads the restructuring of the industry.

This restructuring aims to achieve a dual purpose: enhancing the efficiency and quality of water services for Malaysians, while ensuring the industry's long-term sustainability. PAAB acts as the main national water assets custodian company, enabling centralised management and strategic development of these vital resources.

PAAB's core function lies in developing new water infrastructure projects across Peninsular Malaysia and Labuan. We achieve this by utilising innovative financing solutions, tapping into competitive sources within the debt capital market. This approach allows for efficient project funding.

Our expanding online presence serves as a dynamic platform to showcase initiatives, celebrate success stories, and address critical issues in water conservation and sustainability. Looking ahead, PAAB aims to leverage this momentum on LinkedIn to drive further engagement and impact, extending our reach and amplifying our message for sustainable water services industry.

As we move forward, PAAB remains dedicated to ensuring sustainable access to clean water for future generations. Join us on LinkedIn as we embark on this exciting digital journey together!



LinkedIn



VISION

Sustainable Water Services Industry



MISSION

To settle State Government's Federal Loan water debts through acquisition of their water assets of equivalent value

- Immediate relief for State Governments from the burden of federal water supply loans.
- Ensures settlement of federal water supply loan directly to the Minister of Finance (Incorporated), fostering financial clarity and efficiency.

To build, upgrade and rehabilitate the water supply assets through competitive financing

- By obtaining competitive financing, PAAB can undertake large-scale projects without placing a heavy financial burden to the Water Operators.
- Long-term financing ensures that water infrastructure projects are sustainable and can be maintained effectively over time.
- Upgraded and rehabilitated infrastructure leads to more reliable and higher-quality water supply for consumers.

ISO 9001:2015 & ABMS

At PAAB, we are committed to excellence. We understand that meeting customer needs requires constant refinement of our business processes. This dedication was rewarded on 17th July 2020, even amidst the global pandemic, when BSI Malaysia awarded PAAB with ISO 9001:2015 certification. As for ISO 37001: 2016 certification for its Anti-Bribery Management System (ABMS), it is currently applied to its procurement processes. This international standard verifies that PAAB's anti-bribery practices meet the highest ethical standards. These internationally recognised standards assure our stakeholders that our products and services consistently meet their needs.

PAAB Responsibilities and Offerings:

Sustain Treated Water Reserve Margins

- By building and upgrading water treatment plants, healthy reserve margins will be maintained to ensure that water supply remain consistent and reliable.
- Adequate reserve margins allow water operators to manage and plan maintenance activities without affecting the water supply.

Reduce Non-Revenue Water Losses

- PAAB focuses on reducing non-revenue water through investment in pipeline replacement and rehabilitation from the asbestos cement (AC) pipe to more reliable and resilient options such as Polyvinyl Chloride (PVC) pipes or High-Density Polyethylene (HDPE) Pipes.

Water Treatment Residue Management

- Use of advanced dewatering techniques to reduce the volume of sludge, making it easier to transport and dispose of in a landfill. Alternative method of transporting sludge to landfill such as the usage of conveyer belt is used.

Recycling Industrial Water

- Recycling industrial water helps conserve freshwater resources by reusing treated wastewater in various industrial processes. It will reduce the volume of pollutants released into the environment, protecting ecosystems and biodiversity.
- Recycling wastewater reduces dependency on freshwater sources, leading to cost savings on procurement of treated water.

**Exceeding Expectations
is a Promise**

HEADQUARTERS

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Chairman's Statement

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KEY
MESSAGE

**DATO' SERI Ir.
JASENI MAIDINSA**

CHAIRMAN

30 MAY 2025



2024 marked another successful year for PAAB, demonstrating our continued efforts to address systemic challenges and promote sustainability within Malaysia's water services industry. We have maintained our focus on driving positive change and delivering impactful results, solidifying our commitment to the nation's water industry.

Reflecting on the progress made in 2024, we acknowledge the growing urgency to safeguard Malaysia's water resources, address climate-related challenges, and expand equitable access to clean water. These imperatives underscore our responsibility to lead the transformation of Malaysia's water services industry towards greater sustainability.

At PAAB, our role extends beyond the development and financing of critical infrastructure. We are committed to ensuring that every initiative is grounded in principles of environmental stewardship, social inclusion, and financial sustainability. In the face of mounting climate pressures and evolving national needs, we continue to drive forward sustainable practices, build strategic partnerships, and reinforce robust governance. These efforts are key to shaping a resilient, future-ready water sector that delivers long-term value to the *rakyat* and contributes meaningfully to Malaysia's sustainable development goals.

In 2024, PAAB recorded total revenue of RM1,219.6 million, up from RM1,099.0 million in 2023, mainly increased from various completion of work packages for Langat 2 Phase 1 (L2P1) Water Treatment Plant (WTP). This also contributed to an increase in Profit Before Tax (PBT), which rose by RM27 million to RM457.1 million, compared to RM430.1 million in the previous year.

As at December 2024, the total PAAB State Capital Expenditures (CAPEX) funding is at RM22.5 billion as per table below:

PAAB STATE CAPEX FUNDING UNTIL DECEMBER 2024 (RM MILLIONS)

State	Completed	Other Development Cost	Construction	Planning	Total
 Melaka	612.30	57.18	53.56	493.79	1,216.83
 Negeri Sembilan	554.94	65.75	395.06	1,194.40	2,210.15
 Johor	1,767.52	222.35	754.81	3,198.99	5,943.67
 Pulau Pinang	-	-	-	1,024.40	1,024.40
 Perak	137.12	7.78	-	-	144.90
 Selangor	2,614.04	1,334.72	328.70	4,617.21	8,894.67
 Kelantan	76.74	14.87	275.15	796.84	1,163.60
 Pahang	4.06	-	40.64	677.37	722.07
 Kedah	-	-	-	1,143.34	1,143.34
Total	5,766.72	1,702.65	1,847.92	13,146.34	22,463.63

Securing Sustainable Financing for Water Supply Infrastructure

A key pillar of PAAB's contribution to national development lies in our strategic approach to financing water supply infrastructure. Through our long-term leasing model, we develop and own essential water assets—ranging from treatment plants to pipelines—which are then leased to water operators under agreements that typically span a non-cancellation period of 45 years. This framework ensures financial stability for operators while enabling the long-term planning and continuity required for the delivery of reliable and safe water services to the *rakyat*.

This model not only relieves water operators from the burden of upfront capital investments but also fosters efficient, centralised funding and governance across the sector. By aligning our infrastructure financing with sustainable repayment mechanisms, PAAB can accelerate the development of high-impact projects while ensuring prudent financial stewardship. As we move forward, our commitment remains clear—to uphold the resilience of Malaysia's water infrastructure while supporting the country's long-term sustainability agenda.

Ensuring the Sustainability of Treated Water Reserve Margins

PAAB owns and manages 142 WTP across Peninsular Malaysia as of 2024. As of December 2024, PAAB has successfully completed water infrastructure projects valued at RM7.5 billion. In 2024 alone, three (3) major WTP projects were completed — Layang 2 in Johor, Langat 2 Phase 1 in Selangor, and Merlimau in Melaka — strengthening the national treated water supply network and benefiting millions of users across the country.

In addition to the existing facilities, PAAB is actively expanding its water treatment infrastructure. Notably, the Company planning RM1.143 billion to construct two (2) new WTPs in southern Kedah:

- Sg. Karangan Phase 1, Kulim with capacity of 150 million litre per day (MLD)
- Sidam Kiri Phase 1, Kuala Muda with a capacity of 200 MLD

These projects aim to enhance the treated water reserve supply margin in Kedah, ensuring the region can meet future consumer demand and support ongoing development:

- Expanding Capacity to Meet Future Demand
 - This ensures Kedah can maintain reserve margins of at least 15%, even with rapid urban development and rising population.
- Upgrading Aging Infrastructure
 - Refurbishment of older plants helps restore full capacity and reduce production losses.
 - Improved efficiency - more water treated with the same or less energy and cost.
- Redundancy for Emergencies
 - More WTPs across various regions means supply can be rerouted or redistributed in case of plant failures or climate-related disruptions.
 - This contributes to national water resilience.
- Enabling Balanced Distribution
 - Strategic location of WTPs allows for regional water balancing, meaning high-demand areas can receive support from plants in lower-demand zones.

PAAB's Initiatives to Reduce NRW in 2024

PAAB has identified Perlis, Kedah, Kelantan, and Pahang as regions facing high Non-Revenue Water (NRW) levels and declining treated water reserve margins. In response, PAAB is focusing its 2024 efforts on providing targeted support to these states, aiming to reduce NRW and improve overall water supply efficiency.

In Kelantan, the NRW rate stood at 54.5% in 2023, meaning more than half of the treated water went unaccounted for due to losses or unbilled consumption.

Key measures being implemented include:

- Replacing aging asbestos cement (AC) pipes, which are highly susceptible to leaks and major contributors to water losses.
- Upgrading water treatment plants to boost efficiency and minimise waste.
- Enhancing water metering systems to ensure accurate measurement and billing.

Through these strategic new development and infrastructure upgrades, PAAB is making significant strides in reducing NRW and ensuring a more sustainable and efficient water supply system across Malaysia.

Advancing Sustainable Practices in Water Treatment Residue Management

As part of PAAB's unwavering commitment to comprehensive ESG (Environmental, Social and Governance) principles, the L2P1 WTP incorporates innovative residue management strategies. One of the key features is the implementation of the Tubular Pipe Conveyor System, designed to efficiently transport treatment residue to a newly designated landfill area near the Bukit Enggang Balancing Reservoir in Bandar Mahkota Cheras, Selangor. This system not only streamlines residue handling but also enhances environmental safety by reducing spillage and improving operational hygiene.

The Tubular Pipe Conveyor System exemplifies green engineering by significantly reducing carbon emissions associated with traditional residue transport methods. In line with sustainable design, the facility also integrates central rainwater harvesting systems and water conservation fixtures to minimise water usage. These initiatives reflect PAAB's proactive approach to resource efficiency, waste minimisation, and sustainable infrastructure—ensuring that water asset development remains aligned with Malaysia's broader sustainability goals.

Championing Industrial Water Recycling

In our steadfast commitment to national sustainability objectives, PAAB has taken decisive steps to advance industrial water recycling initiatives across Malaysia. As the nation's trusted custodian of water assets, we continue to explore and implement innovative solutions to strengthen water resource management—particularly in the critical area of industrial wastewater recycling.

We continue to advance sustainable water and waste treatment through the application of proven global expertise in Zero Liquid Discharge (ZLD) systems and advanced waste management technologies. A notable example of this is the successful application of ZLD in the Langat 2 Phase 1 project by PAAB.

Our efforts are setting new industry benchmarks in industrial water recycling, as we deliver customised solutions that not only meet operational demands but also reflect our deep commitment to environmental responsibility.

These forward-looking initiatives reflect PAAB's ongoing dedication to sustainable water management. By promoting the recycling of industrial water, we are actively contributing to the reduction of freshwater consumption and the minimisation of environmental impact. As we look ahead, we remain resolute in our mission to safeguard the nation's water resources while supporting Malaysia's transition to a greener and more resilient future.

Looking Ahead: Sustainable Water Security for Malaysia

As we move into 2025 our priority is to further integrate ESG principles into every aspect of our operations. We will continue to invest in green technologies, strengthen climate adaptation measures, and expand water conservation programs to support Malaysia's long-term water security goals.

Fostering a team dedicated to driving sustainable development is the catalyst to our success. I extend my heartfelt gratitude to our board members for their oversight and forethought in advocating for transformative actions and commitments to sustainable practices.

Our key stakeholders, including the Ministry of Finance (MoF), Ministry of Energy Transition and Water Transformation (PETRA), government agencies, National Water Service Commission (SPAN), our partners, and our dedicated employees, have all played crucial roles in helping us achieve these significant milestones. Together, we are committed to shaping a sustainable, resilient, and water-secure Malaysia for future generations.



Thank you for your trust in PAAB. We look forward to another year of progress and innovation.



CEO's Strategic Review

Ir. ZULKIFLEE OMAR

CHIEF EXECUTIVE OFFICER

30 MAY 2025



Dear Stakeholders,

I am delighted to present PAAB's Annual Report for 2024, reflecting yet another year of robust financial performance, operational resilience, and a strengthened commitment to sustainability. As we navigate an evolving industry landscape, our focus remains on delivering safe, reliable, and affordable water services while ensuring long-term environmental and financial sustainability.

Financial Performance: Strengthening Our Foundations

Despite global economic uncertainties and operational challenges, PAAB has maintained robust financial health. In 2024, we achieved 11% revenue growth, driven by operational efficiencies, strategic financial management, and prudent cost management. Our profit before tax (PBT) increased by 6.3% reflecting disciplined financial stewardship and our ability to adapt to changing market conditions.

Key financial highlights

01

Revenue growth of 11%, reaching 1,219.6 million

02

Profit Before Tax (PBT) rose by 6.3%, reaching RM457.1 million

03

PAAB's total assets grew by RM6 billion since 2020 to 2024

04

The FY2023 upward trend continued into FY2024, achieving a Return on Assets (ROA) of 1.29%.

These results position us well for sustained growth while allowing us to further develop in critical infrastructure and sustainability initiatives which are key for Malaysia's water security.

PAAB's Commitment to a Sustainable Future

PAAB plays a vital role in driving sustainability in Malaysia's water industry through infrastructure modernisation, NRW reduction, climate resilience, and financial sustainability.

From inception up to December 2024, PAAB has completed water infrastructure projects valued at RM7.5 billion. These developments include a cumulative addition of 2,081 million litres per day (MLD) in treated water supply capacity — equivalent to 11% of the nation's overall water supply capacity. This significant contribution plays a vital role in supporting the sustainability of the national water supply, particularly in meeting future demand and maintaining the water reserve margin, which had reached 15.3% as of 2023, slightly above the national baseline of 15%.

In parallel, PAAB has also completed a total of 2,808 km in pipe connection and replacement works up to December 2024. These efforts have directly contributed to reducing NRW levels in several states, supporting improved water distribution efficiency and resilience across the country.

Key Sustainability Highlights



Economic Advancement



Environmental Responsibility



Social Well Being



Ethical Governance

Awards & Achievements

In 2024, PAAB achieved significant milestones in Malaysia's water industry:

Institution of Engineers Malaysia (IEM) Award:

PAAB received the "IEM Award for Contribution to the Engineering Industry in Malaysia 2024" from the IEM Council. This award recognised PAAB's pivotal role in the sustainable water services industry, highlighting its efforts in constructing, refurbishing, and improving water infrastructure across the country.

The BrandLaureate Award - Nation's Pride for Water Infrastructure Development:

PAAB marks a significant milestone in its journey as a trusted custodian of Malaysia's water assets. This prestigious recognition underscores PAAB's consistent success in delivering large-scale, high-impact water infrastructure projects that not only meet current demand but also future-proof the nation's water supply system.

It reflects the organisation's unwavering commitment to operational excellence, sustainability, and innovation in supporting Malaysia's long-term socio-economic growth through reliable water infrastructure.

PAAB's Digitalisation Initiatives Recognised at the Malaysia Digital Transformation Awards 2024:

We are extremely pleased that PAAB's efforts in developing its own in-house asset management system. The Information of Water Asset (i-WA), has received the Special Mention - Inter-Agency Award from Malaysia Digital Transformation (MDT). The award was presented by GovInsider, an international platform dedicated to promoting public sector innovation and facilitating knowledge sharing among officials in the Asia-Pacific region.

This system tracks and manages over 2,200 water assets and more than 35,000 km of pipelines nationwide and has been expanded to several water operators in Malaysia.

Digital Transformation Excellence Expanding i-WA to SAINS

For the first time, i-WA has been implemented at Syarikat Air Johor Sdn Bhd (SAJSB) and Syarikat Air Negeri Sembilan (SAINS) to streamline the management and monitoring of water assets across the entire State of Johor and Negeri Sembilan.

The use of i-WA has managed to accelerate innovative digital transformation for the future of Malaysia's water industry. To this end, we are committed to driving the industry forward, supporting the government's Water Sector Transformation 2040 (AIR2040) initiative.

Integrating GIS into i-WA: A Smart Solution for Visualising the Spatial Information of Water Assets

At PAAB, we always aim to improve how we manage our water assets to ensure better services and sustainability. One of our key achievements this year is the integration of Geographical Information System (GIS) into our i-WA platform.

This integration has transformed the way we view and manage water assets like pipelines, reservoirs, pump houses and water treatment plants. By combining detailed maps with important asset data, GIS helps us visualise and understand our assets better, making it easier to plan, monitor, and solve problems efficiently.

Building Information Modeling – Elevating Project Delivery and Infrastructure Planning

In 2024, PAAB advanced its digital transformation efforts by adopting Building Information Modeling (BIM) as part of its strategy to optimise project design and delivery. The new Batu Pahat Water Treatment Plant marks PAAB's first water infrastructure project to fully implement BIM, with the preliminary design currently being developed using LOD 200 standards. This milestone follows the successful hosting of PAAB's first BIM Event Day for Water Industry Stakeholders on 26th September 2024, which gathered over 100 participants including PETRA, SPAN, water operators, consultants, and industry professionals. The event highlighted key areas such as lifecycle application of BIM, cost and time efficiency, sustainable water infrastructure, and BIM-GIS integration.

BIM delivers clear benefits in terms of time, cost, and quality by enabling early design coordination, accurate budgeting, and enhanced construction quality through 3D modeling and simulation. These improvements support better decision-

Technical highlights

01

53 packages in design stage valued at RM9,541.62 million

02

25 packages awarded valued at RM313.6 million

03

16 packages have been tendered valued at RM748.90 million

04

56 packages under construction valued at RM1,746.99 million

05

29 packages completed valued at RM388.50 million

making and reduce risks across the project lifecycle. More broadly, BIM adoption reflects PAAB's commitment to digitalisation and sustainable infrastructure development, positioning the organisation as a leader in modernising Malaysia's water industry. Through continuous training, collaborative engagement, and innovative tools, PAAB is laying the foundation for smarter, future-ready water infrastructure solutions.

Looking Ahead: A Future of Innovation and Growth

As we move forward, we remain committed to balancing financial stability with sustainable growth. In 2025, we will continue investing in smart water management technologies, expand our green energy initiatives, and enhance customer engagement through digital transformation.

Our success is a collective effort, and I extend my deepest appreciation to the Chairman and Board of Directors, MoF, PETRA, SPAN partners, and stakeholders for their dedication and trust.

Special mention must be made to the staff of PAAB who are masters in their respective fields. Their initiatives and unrelenting pursuit of excellence are the backbone of PAAB's success.

On this note, I would like to take this opportunity to welcome our new Chief Operating Officer, Ir. Abdul Samad Sulaiman. He will be able to lead our technical team to provide better engineering solutions and efficient project delivery system.

We look forward to
another year of
innovation, resilience,
and impact.

Board of Directors

3

OUR
LEADERSHIP



Dato' Seri Ir. Jaseni Maidinsa
Chairman



Dato' Haji Mad Zaidi Mohd Karli
Non-Independent and Non-Executive Director



Dato' Ir. Jauhari Hamidi
*Independent and
Non-Executive Director*



**Dato' Ir. Nor Hisham
Mohd Ghazali**
*Independent and
Non-Executive Director*



Datuk Nor Yati Ahmad
*Non-Independent and
Non-Executive Director*



Dato' Ir. Dr. Mohd Asbi Othman
*Independent and
Non-Executive Director*



**Datuk Rawisandran
A/L Narayanan**
*Independent and
Non-Executive Director*



Dato' Zuraidah Atan
*Independent and
Non-Executive Director*



Dato' Suzana Atan
*Non-Independent and
Non-Executive Director*



Nasharudin Abu Bakar
*Non-Independent and
Non-Executive Director*

Directors Profile

Dato' Seri Ir. Jaseni Maidinsa
Chairman



Dato' Seri Ir. Jaseni Maidinsa was appointed as Chairman of Pengurusan Aset Air Berhad on 4th April 2023. With an illustrious 37-years career in water supply engineering and management, he brings a wealth of experience in the corporate world and the water industry, having held leadership positions as Group Chief Executive Officer of Perbadanan Bekalan Air Holdings Berhad (PBAHP) and Chief Executive Officer of Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) from 2007–2022.

His educational journey includes a Diploma in Civil Engineering from Universiti Teknologi Malaysia (1979), a BSc (Hons) in Civil Engineering from the University of Glasgow (1984), a Diploma in Management from the Malaysian Institute of Management (1991), and a Master's degree in Business Administration from Universiti Sains Malaysia (2001). Additionally, he is a Registered Professional Engineer with the Board of Engineers Malaysia (BEM) and holds membership with the Malaysia Water Association (MWA) and Honorary fellow with the Institution of Engineers, Malaysia (IEM).

Dato' Seri Ir. Jaseni's remarkable contributions to the Malaysian water industry have been recognised through prestigious awards such as the *Anugerah Perdana Menteri Tokoh Mahir 2019* from the Ministry of Human Resources, the Malaysian Water Industry Achievement Award 2018 (Management) and the Distinguish Engineer Award 2018 from the Institute of Engineers, Malaysia. These accolades highlight his dedication and expertise in advancing the nation's water management and infrastructure.

Dato' Haji Mad Zaidi Mohd Karli
Non-Independent and
Non-Executive Director
Chairman of Sustainability
Committee



Dato' Haji Mad Zaidi Mohd Karli was appointed as a member of the Board of Directors on 15th April 2024. He currently serves as the Secretary-General of the Ministry of Energy Transition and Water Transformation (PETRA), bringing with him a distinguished career of nearly three (3) decades in the Malaysian Civil Service.

He began his service in 1995 as an Administrative and Diplomatic Officer and has since held key positions, including Deputy Division Secretary and Section Chief across various ministries. He holds advanced degrees in environmental management and technology from Imperial College London and the University of London.

Dato' Haji Mad Zaidi also brings experience from the banking sector, which adds to the breadth of his leadership capabilities. As Secretary-General of PETRA, he plays a vital role in steering national efforts in energy and water transformation. On the international front, he chairs several committees related to forestry, palm oil, rubber, and timber trade—demonstrating his strong diplomatic and strategic acumen.

Dato' Suzana Atan

Non-Independent and
Non-Executive Director
Chairperson of Integrity &
Compliance Committee



Dato' Suzana Atan joined the Board as a member on 12th October 2020. She brings significant expertise in civil law, specialising in areas such as administrative law, constitutional and land issues, electoral law, medical negligence, statutory breaches, and disciplinary matters. Throughout her distinguished career, she has handled complex civil and public interest cases in the Federal Court, Court of Appeal, and High Court, with some even being reported in the Current Law Journal and the Malayan Law Journal. She made notable outreach contributions by serving as a member of the High-Level Technical Team to Beijing for MH370 Search and Rescue Mission.

She holds an LLB (Hons) from Universiti Kebangsaan Malaysia, obtained in 1992. She began her career as a Federal Counsel in the Attorney General's Chambers, where she has risen through the ranks. After serving for several years as Senior Federal Counsel and later as Head of the Civil Division from July 2020 to September 2023, she was appointed as Solicitor General II effective 2 October 2023. She currently holds the position of Solicitor General, effective 1 August 2024.

Datuk Nor Yati Ahmad

Non-Independent and
Non-Executive Director



Datuk Nor Yati Ahmad joined the Board as a member on 31st May 2022. A highly accomplished accountant, she currently serves as the Accountant General (AG) of Malaysia since 18th September 2023. She holds a Bachelor of Accounting from Universiti Putra Malaysia and a Master of Accountancy and Finance from the University of Adelaide, Australia.

Since 2018, she has led AG's Accrual Accounting Implementation Team as a Director and was appointed as Deputy Accountant General of Malaysia (Corporate) in 2023. Prior to her current roles, she has gained 30 years of experience as an accountant at both federal and state levels.

She also holds memberships in professional bodies i.e., Malaysia Institute of Accountants (MIA) and CPA Australia. Her expertise is further leveraged through her involvement in the AGD's Government agencies such as Government Accounting Standards Advisory Committee and the Public Sector Accounting Committee of MIA. Additionally, she contributes her knowledge to the Islamic Accounting Standard Research and Drafting Committee for Waqaf, Zakat and Baitulmal.

Datuk Nor Yati has actively contributed to the discourse on public sector accounting and financial management through various speaking engagements at national and international platforms. Her recent roles as presenter and panel speaker include:

- 2023 IPSASB Strategy Roundtable and Regional Public Sector Accounting Forum
- Webinar: Navigating Public Financial Management for a Sustainable Future
- International Waqf Conference 2024
- Malaysian Institute of Accountants (MIA) Conference 2024

Her involvement reflects a strong commitment to advancing best practices in accounting, particularly within the public sector.

Nasharudin Abu Bakar

Non-Independent and
Non-Executive Director
Chairman of
Procurement Board
A Committee



Nasharudin Abu Bakar joined the Board as a member on 15th March 2023.

A seasoned public servant with over 26 years of experience, he began his career in 1996 with the Public Service Department. He has since held positions in various ministries, including Transport, Health, Rural and Regional Development, and Finance. His distinguished career saw him progress through the ranks, culminating in the role of Deputy Secretary for the Statutory Body Strategic Management Division of the Ministry of Finance. In recognition of his exemplary service, he received an Excellent Service Award (APC) in 2008 & 2015.

Nasharudin holds a Diploma in Public Administration from INTAN and a Bachelor of Laws from Universiti Islam Antarabangsa, Malaysia.

Dato' Ir. Jauhari Hamidi

Independent and
Non-Executive Director
Chairman of Project
Delivery Committee



Dato' Ir. Jauhari Hamidi joined the Board as a member on 23rd October 2019. He brings extensive experience in the property development sector, having previously served as the Managing Director of Sime Darby Property Berhad from January 2016 to September 2017. This capped a distinguished career spanning over 30 years with the Sime Darby Group.

Prior to his leadership role at Sime Darby Property Berhad, he held various positions within the Group. These included Executive Vice President of the Energy & Utilities Division (Non- China), Director of the Special Projects portfolio, Executive Vice President for the Utilities Division, Managing Director of Sime UEP Properties Berhad, and Director of Eastern & Oriental Berhad.

Dato' Ir. Jauhari holds a Bachelor of Science (Hons) degree in Civil and Structural Engineering from University College Cardiff, Wales, UK, and has further bolstered his expertise by completing the Harvard Business School's Senior Management Development Programme.

Dato' Ir. Dr. Mohd Asbi Othman

Independent and
Non-Executive Director



Dato' Ir. Dr. Mohd Asbi Othman joined the Board as a member on 19th October 2022. His distinguished career spans both the public and private sectors. Following his graduation with a Civil Engineering degree from the University of Southampton in 1983, he began his career as a Geotechnical Engineer (Design and Research Branch) at Institut Kerjaraya Malaysia (IKRAM). In 1989, he further holds a PhD in Civil Engineering from the University of Bristol, England. He subsequently transitioned to the private sector in 1994, becoming a partner in the engineering consultancy firm, Perunding ZNA.

In 2002, he established Mohd Asbi Associates Sdn Bhd, where he currently applies his extensive expertise as Managing Director. Throughout his career, he has been appointed investigator for high-profile engineering failures, including the Highland Towers Condominium collapse and the Bukit Antarabangsa landslide. Dato' Ir. Dr. Mohd Asbi's commitment to knowledge extends beyond practice. He has authored over 40 papers published in journals and proceedings for local and international conferences.

Dato' Ir. Dr. Mohd Asbi is a registered Professional Engineer (P.Eng.) and Accredited Checker with the Board of Engineers Malaysia and was awarded a Fellowship from the Institution of Engineers Malaysia in 2013.

Dato' Ir. Nor Hisham Mohd Ghazali

Independent and
Non-Executive Director
Chairman of Nomination
& Remuneration
Committee



Dato' Ir. Nor Hisham Mohd Ghazali joined the Board as a member on 31st October 2022. A distinguished water resources expert, he previously served as Director-General of both the National Institute of Water Research Malaysia (NAHRIM) and the Department of Irrigation & Drainage Malaysia (DID). His leadership extends beyond Malaysia, as he was elected Vice-President of the International Commission on Irrigation and Drainage (ICID) in from 2020 to 2023.

He boasts a remarkable 35-year career in government service, with extensive experiences. His roles have encompassed diverse areas, from Director of Operations for the KL SMART Tunnel to Senior Director (Management) and Director for Water Resources and Hydrology, DID. Initially recognised for his expertise in coastal engineering and shoreline management, his focus has shifted in recent years to integrated water resources management, disaster risk reduction, and national progress towards Sustainable Development Goal 6 (water and sanitation).

Dato' Ir. Nor Hisham holds a B.Sc. in Civil Engineering from California State University and a Master's degree in Coastal and Maritime Engineering from Universiti Teknologi Malaysia. He currently chairs the Malaysian Water Partnership (MyWP) and holds positions as a Member of the Board of Engineers Malaysia and the Member of the Council of the Institution of Engineers Malaysia.

Datuk Rawisandran A/L Narayanan

Independent and
Non-Executive Director



Datuk Rawisandran Narayanan joined the Board as a member on 1st August 2023. He brings a wealth of experience in the business development field. Prior to this appointment, he served on the Board of Tenaga Nasional Berhad from October 2020 to May 2023.

He currently leverages his expertise in two (2) Business Development Director roles: at CSEM Sri Meru Sdn. Bhd. since 2013 and at National Land Finance Co-Operative Society Limited since 2021.

He holds a professional diploma in Business Management from the Asian Management Development Academy PLT, Malaysia (affiliated with Oxford Business College, United Kingdom).

Dato' Zuraidah Atan

Independent and
Non-Executive Director
Chairperson of Audit &
Risk Committee



Dato' Zuraidah Atan joined the Board as a member on 11th May 2023. She brings over 30 years of experience in the banking and financial industry, encompassing Corporate Banking & Finance, Capital Markets and Corporate Debt Restructuring.

Her career began at Perwira Habib Bank in 1984. She subsequently held position as the Vice President senior positions at OCBC Bank for 10 years., She later served as the President & CEO at Affin Merchant Bank (now Investment Bank) becoming the first female Bumiputera to lead a bank in Malaysia from 1999 until 2003. Dato' Zuraidah has dedicated herself to public service where she served as a Public Interest Director at Bursa Malaysia and its subsidiaries., She has also served for two(2) terms as an Independent Member on the Consultation & Corruption Prevention Panel of the Malaysian Anti-Corruption Commission (MACC).

A qualified lawyer, Dato' Zuraidah holds an LLB (Hons) degree from The University of Buckingham, England, and obtained the Malaysian Qualifying Board Certificate in Legal Practice (Hons) in 1992. She established Chambers of Zuraidah Atan and has enhanced her leadership skills through the Harvard Business School Executive Education Programme in 2013.

In recognition of her multifaceted career and contributions to her volunteer work in capacity building of youth nation building. Dato' Zuraidah has received the "Anugerah Tokoh Pembina Yayasan Sukarelawan Siswa" award and the BrandLaureate Business Entrepreneur: Brand ICON Leadership Award 2018.

Leadership Team



Top Management



Zaleha Abdul Hamid
Chief Financial Officer



Ir. Zulkiflee Omar
Chief Executive Officer



Ir. Abdul Samad Sulaiman
Chief Operating Officer

Senior Management



Mohamad Mohamad Nor
*Head of Asset & Land
Management Division*



Rozaiffee Abu Zaharim
*Head of Corporate Services
Division*



Ir. Zainal Nagin
Head of Commercial Division



Mohd Shahrizan Mohd Nasir
*Financial Controller /
Head of Finance Division*



Zulhayati Yahya
*Head of Human Resources
and Administration Division*



Mohd Fauzi Omar
*Head of Technical &
Engineering Division*



Ir. Shamsunazaruddin Shah Mohd Salleh
Head of Project Delivery Division



Ir. Johari Sinal @ Zainal
Head of Special Projects Division

Leadership Team Profile



Ir. Zulkiflee Omar
Chief Executive Officer

Ir. Zulkiflee Omar was appointed as Chief Executive Officer (CEO) of PAAB on 1st December 2023. He joined PAAB in July 2021 as Chief Operating Officer (COO) and advanced to Acting CEO from March 2023 to November 2023. He brings a wealth of experience in project management, having built a distinguished career spanning over 34 years.

A graduate of the University of North Carolina, USA, with a Bachelor of Science in Civil Engineering, Ir. Zulkiflee honed his expertise at OPUS International (M) Sdn. Bhd., a project management consultancy under the UEM Group. During his 24-year tenure there, he rose through the ranks from Senior Planning Engineer (1995) to Head of Project Delivery (January 2020). Throughout his time at OPUS, he gained extensive experience across various engineering disciplines, overseeing both local and international engineering consultants and contractors.

Prior to joining PAAB, Ir. Zulkiflee further bolstered his experience with 10 years in prominent organisations like MRT Corporation and Petronas Gas Berhad.



Zaleha Abdul Hamid
Chief Financial Officer

Zaleha Abdul Hamid assumed the position of Chief Financial Officer (CFO) at PAAB on 24th October 2023. With over 25 years of experience, including 15 years in senior management roles. She brings a wealth of expertise and strategic mindset to the role.

Her industry experience spans across insurance, takaful, private equity, and oil & gas sectors. She has also managed subsidiaries in ASEAN countries such as Thailand, Indonesia and Brunei. She started her career in audit at PricewaterhouseCoopers.

Throughout her career, she has developed expertise in finance, investment evaluation, mergers and acquisitions, transformation, and change management, as demonstrated in her various roles at Ekuiti Nasional Berhad, Icon Offshore Bhd, and Uzma Bhd. Zaleha's experience also includes managing equity and debt capital market funding, cash flow management, portfolio rationalisation, corporate restructuring, organisational restructuring, internal control optimisation, talent management and implementation of modernisation ERP systems.

She is a Chartered Accountant of MIA and a Fellow member of the Association of Chartered Certified Accountants (ACCA) and also a member of Capital Market Advisory Committee of MIA. As a leader, Zaleha is passionate about driving operational and financial excellence through transformation and advocates for a financially driven approach.

She is currently leading the Finance Division, Risk & Sustainability Management, focusing on financial strategy, corporate risk management and EESG.

Ir. Abdul Samad Sulaiman
Chief Operating Officer



Ir. Abdul Samad Sulaiman was appointed as the Chief Operating Officer (COO) of PAAB on 9th August 2024. He brings over 24 years of experience in the water industry and holds a Bachelor of Engineering in Electrical from Universiti Teknologi Malaysia. He is a registered Professional Engineer with the Board of Engineers Malaysia (BEM) and has been recognised as an Associate ASEAN Engineer by the ASEAN Federation of Engineering Organisations (AFEO) governing board.

Throughout his career, Ir. Samad has held key leadership roles in water treatment plants, wastewater infrastructure projects, and regional operations. From 2009 to 2016, he served as Head of Region, overseeing the Northern WTPs in Selangor to ensure regulatory compliance and operational efficiency.

Prior to joining PAAB, he was the COO of Konsortium KAJV Sdn Bhd, where he successfully managed a RM1.0 billion Sukuk Wakalah Programme for a water infrastructure project in Terengganu.

Mohamad Mohamad Nor
Head of Asset & Land Management Division



Mohamad Mohamad Nor is an accomplished senior leader with over 20 years of diverse experience in tendering, contract management, and procurement. With a strong track record in managing complex projects and optimising business operations, Mohamad now leads the Asset & Land Management Division. His leadership focuses on overseeing the Company's asset portfolio, land management strategies, and driving long-term value through strategic land acquisitions and asset optimisation.

His career began in project engineering roles, first at Petra Resources San Bhd (1993) and then at Transwater Engineering Sdn Bhd (1995- 1998). In 1998, Mohamad joined Indah Water Konsortium, where he honed his skills across various departments, including Project Management and Contract Administration, until 2007. He then transitioned to PAAB under the Tender and Contract Department, eventually rising to lead the Commercial Division in January 2013.

He holds a BSc (Hons) in Chemical Engineering from University of Technology Malaysia, Johor Bahru. A seasoned professional, he has spearheaded projects focused on performance improvement, project management, and implementation across diverse sectors, including government, utilities, and oil & gas.



Rozaiffee Abu Zaharim
Head of Corporate
Services Division

Rozaiffee Abu Zaharim is responsible for overseeing a range of critical functions within the organisation under Corporate Services Division, including Corporate Communications, Information Technology, Legal, Quality Assurance, and Document Management.

Previously, he led PAAB's Finance and Treasury Division, overseeing Accounting, Treasury, and Revenue Management functions since joining the Company in April 2017. He was also the Head of Corporate Division from May 2018 to November 2019, before joining the Division again from 2024.

A chartered accountant with over 20 years of experience, he brings a wealth of expertise across finance and treasury domains. His career within the UEM Group is distinguished by diverse roles in Highway Concessionaire, Construction, and Assets & Facilities Management. He further broadened his experience through an overseas assignment as Head of Finance for a UEM subsidiary in India.

Rozaiffee is a Chartered Accountant and a member of the Malaysian Institute of Accountants. He is also an Associate member of the Chartered Institute of Management Accountants (CIMA) and a member of the Chartered Global Management Accountant (CGMA).



Ir. Zainal Nagin
Head of Commercial
Division

Ir. Zainal Nagin now leads PAAB's Commercial Division, overseeing the strategic development and management of the Company's commercial initiatives. With 29 years of experience in the water industry, he is known for his exceptional leadership and expertise in project management. Having previously spearheaded the Asset and Land Management Division, Ir. Zainal has a deep understanding of optimising asset performance and land use, bringing valuable insight to drive the division's commercial objectives. His career is marked by a commitment to innovation and excellence in every project he leads.

His journey with PAAB started in February 2010, progressing through roles such as Head of Department (Southern Region) in 2012, Head of Project Management Division in 2015, and Acting Chief Operating Officer from September 2019 to June 2021.

Before PAAB, Ir. Zainal gained extensive water sector expertise at a construction firm specialising in power plants and water, as well as a water consultancy. His experience spans project stages like design, tendering, and implementation of water treatment plants and distribution systems nationwide. Notably, he played a pivotal role in the Kepong II Water Treatment Plant project in Kuala Terengganu, covering a 150 MLD treatment plant, intake infrastructure, and distribution networks.

Graduated with a Bachelor of Engineering (Mechanical) degree from University of Canterbury, Christchurch, New Zealand, Ir. Zainal holds professional engineer registrations with both the Board of Engineers, Malaysia (BEM), and the Institution of Engineers, Malaysia (IEM).

**Mohd Shahrizan
Mohd Nasir**

Financial Controller /
Head of Finance
Division



Mohd Shahrizan Mohd Nasir is the Financial Controller/Head of Finance Division of Pengurusan Aset Air Berhad (PAAB), bringing over 18 years of experience in financial management, strategic planning, and regulatory compliance across public infrastructure and financial services sectors.

He leads PAAB's Finance Division, oversees the full spectrum of financial functions, including financial reporting, treasury and cash flow management, budgeting, taxation, audit, and compliance. He leads key initiatives in financial transformation, automation, ERP system upgrades, and capital market financing, including sukuk issuance and fund management. His leadership ensures strong governance, operational efficiency, and financial integrity in supporting PAAB's mandate in the national water infrastructure sector.

Prior to joining PAAB, Shahrizan held key leadership roles at SME Bank, where he led strategic financial reporting, regulatory compliance, and liquidity and capital adequacy management in line with Bank Negara Malaysia requirements. He also served as Head of Finance at Johawaki Construction Sdn Bhd, and began his career in audit and assurance with Grant Thornton Malaysia, gaining extensive exposure to statutory audits of public-listed and private companies.

Shahrizan holds a Bachelor of Accountancy (Hons) from Universiti Putra Malaysia, a Diploma in Investment Analysis, and is a Chartered Accountant (Malaysia). He is known for his analytical depth, hands-on leadership, and commitment to financial excellence.

Zulhayati Yahya

Head of Human
Resources and
Administration Division



Zulhayati Yahya joined PAAB on 1st July 2008 and has since risen through the ranks to lead the combined Human Resources and Administration Division, formed on 1st January 2012.

A seasoned professional with over 25 years of experience in Human Resources and Administration, she brings a diverse industry background to her role. Before joining PAAB she honed her skills at various companies, including Uniphone Sdn Bhd, Coopers & Lybrand and Bumiputera Merchant Bankers Berhad (transitioned to Alliance Investment Bank).

Zulhayati holds a degree in Business Administration from Eastern Washington University, USA. She retired from PAAB on 31st March 2024 after nearly 16 years of dedicated service.

Mohd Fauzi Omar
Head of Technical & Engineering Division



Mohd Fauzi Omar was appointed Head of Technical & Engineering Division in January 2023, and moving from his previous position as Head of Project Management Division since June 2019. With the new position, he will lead and oversee the overall technical and engineering aspects of approved projects for migrated states, including new technology and innovation.

With over 20 years of working experience in water-related projects, prior to joining PAAB in August 2007 as a Process Design Manager, Mohd Fauzi was attached to a consultancy firm where he specialised in water and infrastructure works. As a Process Engineer, he was responsible for the design, preparation of tender documents, and project completion. During that time, he had completed relevant waterwork projects for Jabatan Bekalan Air (JBA) and Jabatan Kerja Raya (JKR), including Research and Development projects.

Mohd Fauzi had also gained experience in the food and plastic manufacturing industry as a Production Engineer, as well as in a construction firm where he was involved in the construction of water and wastewater works, Electro-chlorination, and Power Plants.

Ir. Shamsunazaruddin Shah Mohd Salleh
Head of Project Delivery Division



Ir. Shamsunazaruddin Shah Mohd Salleh brings over 24 years of experience in the water and sewerage industry to his role as Head of Project Delivery Division, a position he assumed in March 2023. He steadily rose through the ranks at PAAB, where he started in January 2013 as a Manager in the Project Planning Department and led the department from 2015 to 2023.

Prior to PAAB, Ir. Shamsunazaruddin honed his expertise at various construction firms specialising in water supply and sewerage infrastructure. Notably, he was part of the team that delivered the 1234km Sewer Network project in North Central Jeddah, Saudi Arabia, in 2005. His portfolio also includes significant projects in Malaysia such as the Projek Bekalan Air Luar Bandar (BALB), Projek Bekalan Air Hulu Terengganu Peringkat 2B, Indah Water Konsortium Refurbishment Works, and the Demineralisation Plant for Kulim Hi-Tech Independent Power Utility.

He holds a Bachelor (Hons) in Mechanical Engineering from Universiti Kebangsaan Malaysia. He is a registered Professional Engineer with a Practising Certificate (PEPC) issued by the Board of Engineers, Malaysia, and a member of the Institution of Engineers, Malaysia.



Ir. Johari Sinal @ Zainal
Head of Special Projects
Division

Ir. Johari Sinal @ Zainal served as the Project Director for Langat 2 WTP Phase 1 & 2 from November 2021 before assuming the role of the Head of Special Projects Division. In this role, he oversaw multibillion-ringggit projects, developed regional project monitoring systems, and implemented integrated project recording and monitoring systems.

Ir. Johari brings a wealth of experience as a Civil Engineer with a background spanning water engineering, civil & structural engineering, and retail operations in multinational environments. His expertise covers water pipeline design, flood mitigation projects, and involvement in the oil & gas industry, including service station construction and maintenance.

With over 30 years of experience across various projects, Ir. Johari is a subject matter expert in project management, communication, and stakeholder engagement. He has received training in project management, waste technology, raw water processes, concrete testing, and petroleum equipment handling, showcasing his commitment to professional development.

Before joining PAAB in October 2011 as a State Manager, Johari gained significant exposure in the oil and gas and water industry. His roles encompassed planning, implementing, and executing projects, as well as managing care and maintenance operations.

Board Committees

PAAB places corporate governance at the heart of its operations, recognising its crucial role in driving growth, sustainability, and long-term success. By adhering to the latest ethical standards, PAAB ensures transparency, accountability, and responsible decision-making at all levels. These principles not only safeguard the company's reputation but also foster trust among stakeholders, reinforcing PAAB's commitment to operational excellence and ethical business practices.

A steadfast approach to governance strengthens integrity and compliance, cultivating a workplace culture that prioritises ethical conduct. By implementing robust policies and controls, PAAB actively discourages corruption, malpractice, and the abuse of power. This unwavering commitment to governance enhances organisational resilience, paving the way for a sustainable and responsible business growth.

Project Delivery Committee (PDC)

Chairman

Dato Ir. Jauhari Hamidi

Members

- i. Dato' Ir. Nor Hisham Mohd Ghazali
- ii. Dato' Ir. Dr. Mohd Asbi Othman
- iii. Ir. Zulkiflee Omar
- iv. Ir. Abdul Samad Sulaiman
- v. Ir. Zainal Nagin

Procurement Board A Committee (PBA)

Chairman

Nasharuddin Abu Bakar

Members

- i. Dato' Ir. Jauhari Hamidi
- ii. Dato' Ir. Dr. Mohd Asbi Othman
- iii. Ir. Zulkiflee Omar
- iv. Zaleha Abdul Hamid
- v. Ir. Abdul Samad Sulaiman

Integrity & Compliance Committee (ICC)

Chairperson

Dato' Suzana Atan

Members

- i. Datuk Nor Yati Ahmad
- ii. Dato' Ir. Nor Hisham Mohd Ghazali
- iii. Datuk Rawisandran A/L Narayanan

Audit & Risk Committee (ARC)

Chairperson

Dato' Zuraidah Atan

Members

- i. Datuk Nor Yati Ahmad
- ii. Dato' Ir. Nor Hisham Mohd Ghazali
- iii. Datuk Rawisandran A/L Narayanan

Nomination & Remuneration Committee (NRC)

Chairman

Dato' Ir. Nor Hisham Ghazali

Members

- i. Dato' Ir. Jauhari Hamidi
- ii. Dato' Suzana Atan

Sustainability Committee (SC)

Chairman

Dato' Hj. Mad Zaidi Mohd Karli

Members

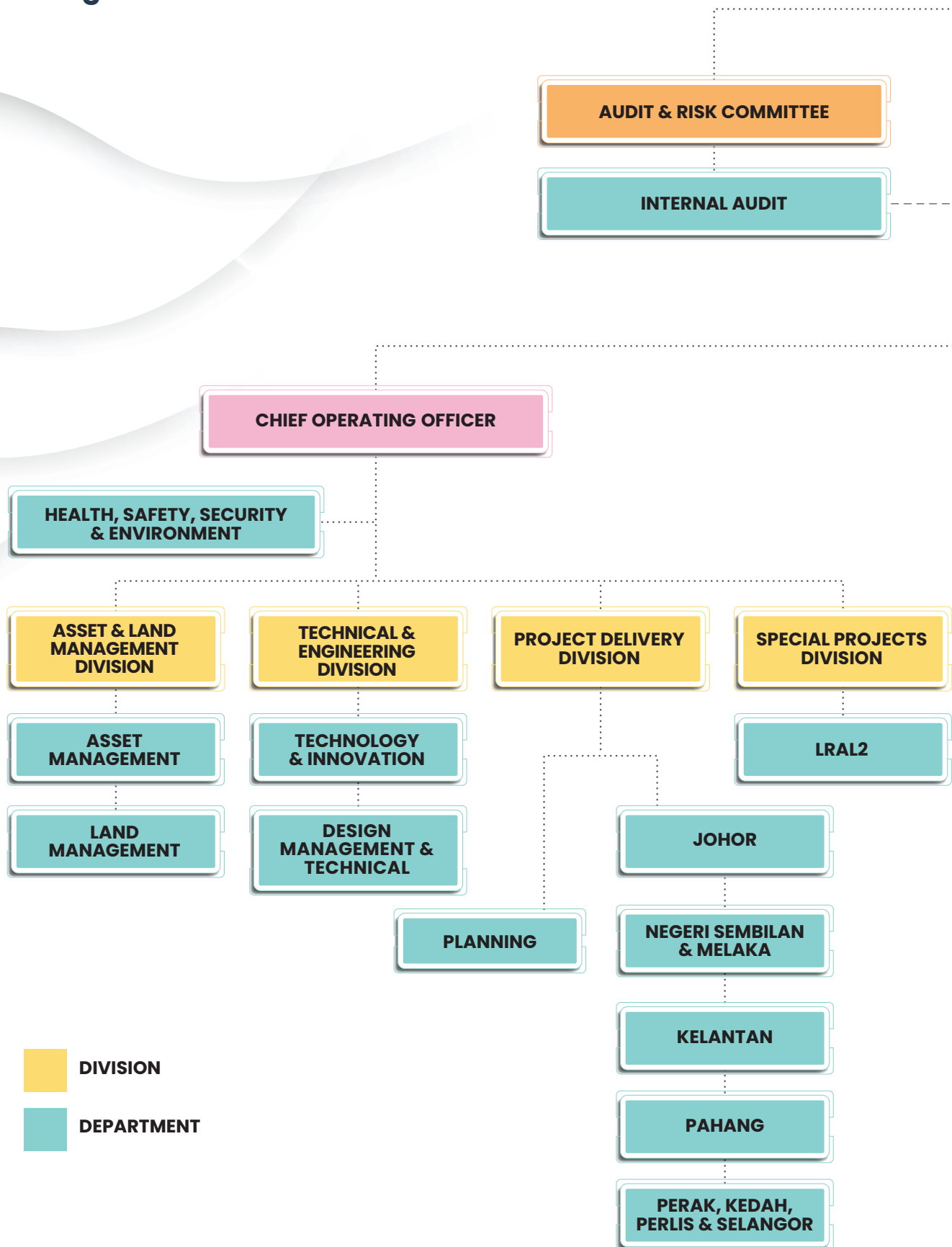
- i. Dato' Ir. Dr. Mohd Asbi Othman
- ii. Dato' Zuraidah Atan
- iii. Datuk Rawisandran A/L Narayanan

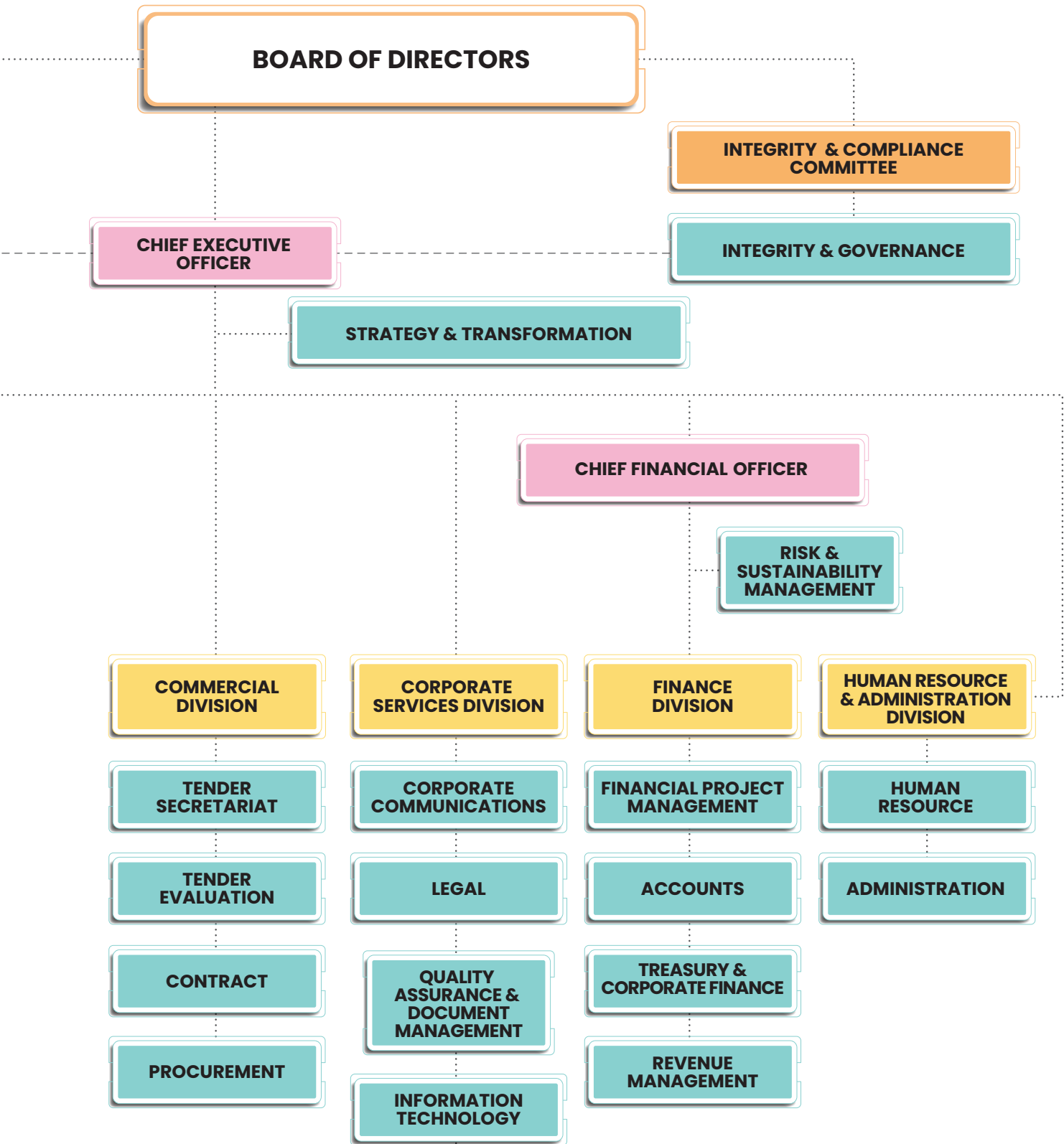
Corporate Structure

PAAB Group of Companies



Organisation Chart





Risk Management & Internal Control

4

OUR GOVERNANCE

Risk Management

PAAB is committed to continuously improving its risk oversight capabilities in identifying uncertainties and foreseeing potential risks that could have an influence on the business environment in which it operates in order to provide excellent risk governance and maximise long-term stakeholder and shareholder returns.

The strategy focuses on assessing various factors, including:

- Climate change impacts
- Cyber security issues
- Changes in business environments
- Regulatory requirements
- Technological advancements
- Operational changes
- Human capital concerns

PAAB has developed cautious, responsible, and transparent governance, risk, and compliance (GRC) measures to support its ongoing resilience and agility in pursuing existing and new business activities. These measures are designed to ensure continued sustainability and performance.



Roles and Responsibilities

The Board and Management are ultimately responsible and accountable for the establishment of the Company's risk management system. The Board confirms that the risk management process has been established to:

- Identify significant risks
- Evaluate potential impacts
- Manage risks effectively
- Mitigate the risks that may impede the achievement of business and corporate objectives

The Risk Management Committee ("RMC") comprised of top and senior management personnel was established to assist the Audit and Risk Committee ("ARC") and the Board in:

- Assessing and anticipating the potential business risks
- Developing and overseeing the risk management framework and policies within the organisation
- Reviewing the effectiveness of mitigation plans
- Determining the overall risk appetite and tolerance level.

Additionally, the RMC is tasked with reviewing the risk related to operational and financial perspectives.

The development of the Enterprise Risk Management (ERM) framework has enabled the Management to identify and prioritise significant risks via an updated Risk Register. They then evaluate the controls to ascertain their effectiveness and efficiency on a periodic basis. The Risk Management function reports on quarterly basis, before being tabled to the ARC and the Board on:

- Identified risks relevant to PAAB that may impede the achievement of its objectives
- Any significant changes to risk or emerging risks
- Appropriate mitigation plans taken in order to mitigate such risks that may deter or interrupt the operations of PAAB's business activities



PAAB's ERM framework adheres to ISO 31000, which uses both bottom-up and top-down approaches to support decision making based on the best available data and information. Through this approach, risks are discussed and aggregated from departmental and divisional levels every quarter.

To enhance the risk identification and assessment process, PAAB conducted a Risk Workshop in 2024 using SWOT and PESTLE analysis as key risk assessment tools. This initiative facilitated a structured approach in identifying new potential risks and developing comprehensive mitigation plans, ensuring a proactive stance in addressing uncertainties.

Business Continuity Management (BCM)

A crisis can strike at any time, and even a short disruption in today's fast-paced business and technology environment can have a catastrophic impact to organisation. Embedding BCM offers several benefits:

- Increased employee readiness in responding and recovering during a business disruption
- Minimised cost, losses, and duration of disruption
- Quick return to a state of 'business as usual'
- Compliance with legal or regulatory requirements

Adopting ISO 22300 as a guideline, PAAB manages BCM via an established business continuity plan for key and critical business processes. This ensures there is no disruption to business and facilitate efficient business resumption. Periodical testing of the plan is conducted as part of our efforts to maintain preparedness, awareness, and effectiveness of business resumption in the event of disruption.

Continuous awareness and training are conducted for business continuity coordinators and key process owners to ensure that everyone involved in the process has the right level of knowledge and skills.

As part of PAAB's annual Business Continuity Management (BCM) policy requirements, a Business Continuity (BC) Test was successfully conducted on 13th November 2024. In 2024, the test was carried out on-site, demonstrating PAAB's commitment to operational resilience with a focus on testing of critical business functions and comprehensive evaluation of the Company's business continuity preparedness.

Discretionary Authority Limits (DAL)

PAAB has DAL set up for the approval of various operational and corporate matters. The DAL is approved by BOD.

Procurement Authority Limits and Committees

Internal Audit

The Internal Audit Department plays a vital role in supporting PAAB's mission to create, protect, and sustain value. By providing independent, risk-based, and objective assurance, advice, insights, and foresight, the Department strengthens the organisation's governance framework. It adopts a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes, ensuring alignment with PAAB's strategic objectives and long-term sustainability.

Governed by the Internal Audit Charter, the department operates with a clear mandate that reflects its purpose, authority, and responsibilities. The charter aligns the department's activities with best practices established by the Institute of Internal Auditors, ensuring professionalism and integrity. The Internal Audit Department provides independent assurance where the audit reports are deliberated by the Audit and Risk Committee (ARC). This Committee reviews internal control matters and highlights significant issues to the Board.

To ensure accountability and transparency, the Department develops an annual risk-based audit plan, which is submitted to the ARC for approval before audit activities commence. Based on the approved plan, the Internal Audit Department undertakes regular and systematic review of internal control processes to provide the ARC with

sufficient assurance that the system of internal controls is effective in addressing PAAB's risks. The Internal Audit Department has unrestricted access to information required for its work, as stipulated in the Internal Audit Charter. The Internal Audit Department adopts the Institute of Internal Auditors International Professional Practices Framework in performing its activities.

Internal Audit

Internal auditing strengthens the organisation's ability to create, protect and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight and foresight.

The Internal Audit Department assists the organisation in achieving its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of PAAB's risk management, control and governance processes.

Governance

The Internal Audit Department is governed by the Internal Audit Charter, which ensures that its activities reflect its purpose, authority, and responsibility, and aligns with the best practices promulgated by the Institute of Internal Auditors.

Audit and Risk Committee

The Internal Audit Department provides independent assurance where the audit reports are deliberated by the Audit and Risk Committee (ARC). This Committee reviews internal control matters and highlights significant issues to the Board. The Internal Audit Department periodically report to ARC with minimum of four (4) meetings held in a year.

Planning and Reporting

On an annual basis, the Internal Audit Department presents its risk based internal audit plan to the ARC for approval before commencing audit work. Based on the approved plan, the Internal Audit Department undertakes regular and systematic review of internal control processes to provide the ARC with sufficient assurance that the system of internal controls is effective in addressing PAAB's risks.

Access and Standards

The Internal Audit Department has unrestricted access to information required for its work, as stipulated in the Internal Audit Charter. The Internal Audit Department adopts the Institute of Internal Auditors International Professional Practices Framework in performing its activities.

Ethical & Governance Policies

Anti-Bribery and Corruption Policy

As an organisation dedicated to bringing about reforms in the water industry, PAAB reiterates its commitment to achieving zero-tolerance against bribery and corruption.

To achieve this, PAAB will ensure that all its business and operations adhere to high ethical standards, integrity and transparency.

PAAB is committed to comply with relevant anti-bribery laws. PAAB expects the same level of commitment from third parties (contractors, consultants, vendors and others) who work with or for PAAB.

PAAB prohibits all forms of bribery and corruption. Employees and associated persons must not participate in any corrupt practices. PAAB will regularly review its Anti-Bribery Management System (ABMS) to ensure it meets all requirements and objectives. PAAB shall continually improve the effectiveness, adequacy, and suitability by periodically reviewing the ABMS.

Integrity and Governance Department shall have direct access to the Board of Directors and Top Management with regard to management of corruption and anti-bribery, and to operate independently and effectively without undue influence.

In a situation where any employee or associated person encounters such corrupt practices in the course of their work or duty, the refusal to participate or engage in any corrupt practices will not result in any penalisation, even if it has a negative impact on PAAB's business.

PAAB has provided an avenue for all employees and associated persons to report any corrupt practice within the organisation via PAAB's designated whistleblowing channel.

This statement serves as a reminder that any breach of this policy may result in disciplinary action that may include termination of employment or business relationship.

Health, Safety, Security & Environment (HSSE) Policy

As the sustainable water services industry, PAAB is committed to conducting all business activities in a healthy, safe, and secure manner, without risk to the environment for our workers, contractors, consultants, visitors, and any other parties involved.

To achieve this policy, PAAB is committed to:

1. Implementing an effective HSSE management system that continually improves performance through monitoring, measuring, auditing, and review.
2. Complying with all applicable HSSE legislation and other requirements.
3. Consulting, cooperating, and communicating with workers on all HSSE matters to achieve a high level of awareness.
4. Encouraging proactive hazard identification and reporting to eliminate potential risks to safety, health, and the environment.
5. Providing all necessary information, instruction, training, and supervision to ensure a safe and healthy work environment with minimal environmental impact.
6. Fostering and reinforcing a safety culture where everyone prioritises safety and strives to integrate safety into daily practices.

Everyone involved, including workers, contractors, consultants, customers, and other stakeholders, shares responsibility for HSSE. We expect and encourage everyone to contribute, comply, and actively participate in making safety a core value at PAAB.

ISO 9001 Quality Policy

PAAB, which is entrusted to build, upgrade and rehabilitate the water supply assets through competitive funding, committed to delivering quality products and services to all stakeholders. This includes employees, water operators, contractors, and related government agencies. We strive to continually improve product and service excellence in terms of quality, functionality, and delivery to enhance end-user satisfaction.

PAAB is dedicated to providing the highest quality equipment, infrastructure, and services at competitive prices and with cost-efficiency. We achieve this by adhering to applicable standards, industry practices, and relevant regulatory requirements. Additionally, we prioritise the expectations of our stakeholders by investing in employee training and motivation, setting clear objectives, and fostering a culture of continuous improvement within our Quality Management System.

We empower our employees to actively participate in achieving continual improvement. They are encouraged to believe in and contribute to this goal, influencing a positive attitude towards quality throughout all levels of the workforce.

Integrity & Governance

2024 Highlights

In 2024, the Integrity and Governance Department (IGD) exemplified PAAB's steadfast dedication to upholding the highest standards of integrity and ethical governance. Through continuous system enhancements and a firm commitment to fostering a culture of transparency, IGD has reinforced PAAB's reputation as a trusted steward of public resources and a benchmark for corporate governance excellence. The year saw remarkable progress in advancing core initiatives and fortifying PAAB's governance framework. Key achievements and milestones are highlighted below:

Corporate Integrity System of Malaysia (CISM)



Corporate Integrity System of Malaysia (CISM) represents a significant initiative by the Malaysian Government to promote a culture of integrity, transparency, and good governance within the business community. As part of this broader effort, the Corporate Integrity Pledge (CIP) was introduced, serving as a voluntary commitment by businesses to uphold the highest ethical standards in their operations.

Aligned with our commitment to embedding integrity into every aspect of our operations, PAAB achieved a significant milestone on 16th February 2024 by fully adopting the Corporate Integrity System Malaysia (CISM). This comprehensive framework empowers us to systematically evaluate and elevate our integrity practices, reinforcing our dedication to ethical excellence and transparent governance.

Anti-Bribery Management System (ABMS)

On 7th - 8th May 2024, PAAB successfully completed the Surveillance Audit for the Anti-Bribery Management System (ABMS) conducted by SIRIM QAS. This comprehensive assessment reaffirmed our adherence to ISO 37001:2016 standards and showcased the effectiveness of our anti-bribery measures. The favorable outcome underscores the strength of our governance framework and reinforces PAAB's unwavering zero-tolerance stance against corruption and bribery.



PAAB Integrity Day 2024

On 6th November 2024, PAAB celebrated Integrity Day, achieving a remarkable milestone with the inclusion of esteemed business associates for the first time. This landmark event underscored our collective commitment to upholding the highest standards of integrity across all facets of our organisation. It highlighted the pivotal role of collaboration in fostering a culture of ethical excellence and transparency.

This year's theme, *Transformasi Berlandaskan Integriti*, reflects our unwavering vision in driving meaningful and transparent transformation grounded in ethical principles. Through active engagement with our stakeholders, we strive to cultivate a culture where integrity is both a guiding priority and a celebrated value. Our commitment to honesty and accountability serves as the foundation for fostering sustainable growth and building enduring trust within the communities we proudly serve.

PAAB Integrity Day saw the meaningful participation of our vendors, underscoring a shared commitment to ethical conduct. The centrepiece of the event was the Integrity Forum, which featured a distinguished panel of experts who shared invaluable insights on the pivotal role of integrity in driving sustainable change. The esteemed panel included Dr. Hj. Mazlan Hj. Ahmad, Advisor of the Operations Review Panel at the Malaysian Anti-Corruption Commission (MACC); Tuan Mohd. Hasraff Hashim, Senior Assistant Commissioner at MACC; and Tuan Rosehamidi Kamaruddin, Group Chief Compliance Officer of SME Bank.

Their collective expertise highlighted the essential role of integrity in nurturing a culture of accountability and ethical conduct, inspiring participants to adopt these values in their own professional paths. A highlight of the day was also the pledge reading, led by Dato' Ir. Abd Halim Sulaiman, Group Executive Chairman of HLA Associates, marking a united stand for integrity across PAAB and its partners. Through this enlightening dialogue and shared commitment, we reinforced our steadfast dedication to integrity as a key driver of positive and lasting transformation.

The event also featured the Corporate Integrity Pledge (CIP), led by our CEO, reinforcing our unwavering commitment to upholding the highest ethical standards. In addition, PAAB's business associates joined in taking the *Ikrar Bebas Rasuah* (Anti-Corruption Pledge), underscoring our shared dedication to eradicating corruption and fostering a culture of accountability. By collectively committing to these pledges, we strengthen our ethical foundations and work towards cultivating a positive, responsible environment that benefits all stakeholders.

In conjunction with Integrity Day, PAAB organised the Integrity Video Competition, inviting participants to showcase their creativity and commitment to promoting ethical values through video content. The competition provided a platform for individuals to express innovative ideas and powerful messages about integrity, transparency, and accountability. The winners of the competition were celebrated for their exceptional contributions in producing videos that effectively conveyed the importance of upholding integrity in both professional and personal spheres.



Integrity Strengthening Activities in 2024

The integrity strengthening initiatives undertaken by PAAB in 2024 are strategically crafted to foster a culture of ethical excellence, reinforce robust governance practices, and enhance awareness around the critical importance of integrity. These activities reflect PAAB's ongoing commitment to ensuring that all employees and stakeholders are not only informed but also empowered to uphold the highest ethical standards, while actively preventing corruption. Through these comprehensive efforts, we continue to fortify our foundation of trust and transparency, setting the stage for sustained organisational integrity and accountability.

Talk for Board of Directors on Seksyen 17(A), Akta Suruhanjaya Pencegahan Rasuah Malaysia 2009 : Liabiliti Korporat



On 30th January 2024, PAAB organised a highly impactful session for the Board of Directors on the critical topic of "Section 17(A), Malaysian Anti-Corruption Commission Act 2009: Corporate Liability." The session was led by Tan Sri Abu Kassim Mohamed, a distinguished expert in governance and anti-corruption, who provided a comprehensive analysis of the provisions under Section 17(A), which holds corporate entities liable for corruption offenses committed by their associates.

The talk emphasised the profound legal, reputational, and operational risks associated with non-compliance and underscored the importance of implementing robust anti-corruption measures. This enlightening session not only raised awareness among PAAB's top leadership but also equipped them with the knowledge and tools necessary to strengthen corporate governance practices and ensure full alignment with Malaysia's anti-corruption standards.

Ceramah Integriti Siri 1.2024 – Integriti Dalam Pekerjaan: Sedikit Yang Berkat, Kecil Yang Bermanfaat



The *Ceramah Integriti Siri 1.2024*, held on 1st April 2024, embraced the theme *Integriti Dalam Pekerjaan: Sedikit Yang Berkat, Kecil Yang Bermanfaat* and was presented by Syamsul Amri Hj Ismail (Syamsul Debat), a prominent advocate for integrity and ethical behaviour.

This insightful talk aimed to inspire PAAB employees to incorporate integrity into their everyday work practices, emphasising the profound impact of small, ethical actions. By organising such sessions, PAAB seeks to proactively address the risks associated with unethical conduct, ensuring that employees are not only well-informed but also deeply committed to maintaining integrity in every aspect of their professional duties. This initiative is part of PAAB's ongoing efforts to foster a culture of ethical responsibility and accountability across the organisation.



Integrity Visit to Malaysia Anti-Corruption Commissioner (MACC), Kuala Lumpur



On 5th June 2024, PAAB organised an Integrity Visit to the Malaysian Anti-Corruption Commission (MACC) in Kuala Lumpur, with a select group of 35 personnel from various departments. The visit provided participants with a thorough overview of MACC's operations and its vital role in the fight against corruption in Malaysia. This enriching experience aimed to enhance the staff's understanding of MACC's work while reinforcing PAAB's ongoing commitment to integrity and anti-corruption initiatives. By engaging directly with MACC, the visit served as a powerful reminder of the importance of ethical practices in safeguarding PAAB's values and strengthening its corporate governance.

Benchmarking Session



Benchmarking sessions were held with esteemed organisations such as Permodalan Nasional Berhad (PNB), Menteri Besar Selangor Incorporated (MBI), and Syarikat Air Perlis (SAP), with the goal of sharing best practices in integrity, governance, and anti-corruption. These collaborative sessions provided valuable insights and strategies to help organisations strengthen their operational and ethical frameworks. By fostering open dialogue and knowledge exchange, the sessions aimed to cultivate a shared commitment to upholding the highest ethical standards and enhance governance practices across a range of organisations.



Financial Highlights

5

KEY HIGHLIGHTS



Lease Income

RM1,219.6 million



PBT

RM457.1 million



Total Assets

RM35,432.2 million



Lease Receivables

RM30,529.9 million



Total Collections

RM 1,278.5 million



Lease Income

CAGR 5.2%



ROA 1.29%



DSCR 1.38x

Financial Strategies and Management

Source of Income and Collections

Our main responsibility is to develop the nation's water infrastructures in Peninsular Malaysia and the Federal Territory of Labuan, using competitive funding sourced from debt capital market. The water infrastructure assets are then leased to water operators licensed by the industry regulator, Suruhanjaya Perkhidmatan Air Negara (SPAN) for operations and maintenance.

Our leasing financial model generates lease income for PAAB throughout the lease tenure of the water infrastructure assets, from the water operators.

The lease income of PAAB is generated from the amount of assets leased to water operators derived from the migrated assets during the restructuring of water sector as well as from refurbishment, development and construction of new water assets. The new water assets are leased to water operators upon completion of construction and for a period of long-term lease tenure (specified tenure for particular asset to the water operators).

Our water infrastructure leases are closely managed and monitored throughout the tenure of the lease. PAAB continuously thrive for improvements in credit control and receivables management by regular review exercise, engaging discussions with water operators and other stakeholders, formulating repayment solutions, assessing cash flow projections and compliance monitoring to agreements.

Sukuk Programmes

We offer comprehensive financing program designed to support the development and maintenance of water infrastructures in Malaysia. Our financing program encompasses mainly project financing of the water infrastructures development tailored to the requirements of each project.

Our development costs are mainly funded through issuance of sukuk in debt capital market. PAAB's funding strategy remains focused on three(3) core factors which includes:

1. Maintaining cost efficiency (optimal timing, pricing and structure);
2. Sukuk portfolio maturity diversification; and
3. Financial sustainability.

PAAB actively monitors market conditions and economic indicators to optimise its capital structure, while managing refinancing and liquidity risks.

In FY2024, PAAB continued to strengthen its financing capacity through the successful issuance of sukuk under its three (3) Sukuk programmes available, raising a total of RM3.42 billion to support ongoing water infrastructures development, and refinancing requirements.

The key issuances during the year were as follows:

- RM1.10 billion AAA-rated iMTN in February 2024
- RM1.08 billion Government-Guaranteed iMTN in June 2024
- RM520 million AAA-rated iMTN in June 2024
- RM720 million ICP in October 2024

These Sukuk issued reflected on strong market confidence in the Company's credit worthiness profile and strategic importance in the nation water infrastructures sector.

Moving forward, PAAB will continue to optimise capital allocation by continuous monitoring and analysing cash flows projections. Maintaining a disciplined approach to financial management, engaging investors and other stakeholders, and sustaining a robust credit profile are key priorities to ensure continuous access to cost-effective funding. Additionally, regular monitoring of market conditions and economic indicators trend will allow for timely adjustments in the financing strategy to mitigate finance cost volatility. By adopting these measures, PAAB aims to maintain financial sustainability for the long-term.

PAAB is also exploring opportunities to integrate Economic, Environmental, Social and Governance (EESG) considerations into future Sukuk offerings to support Malaysia's broader sustainable development goals.

PAAB finance costs continuously rising primarily driven by these issuances of sukuk for financing of water infrastructure development projects as well as refinancing of matured sukuk into longer tenure. To effectively manage finance costs, PAAB will continue to implement active liability management strategies, including the refinancing of matured sukuk into longer tenure at competitive rates and optimising the sukuk portfolio maturity profile. Additionally, cash flow management initiatives, such as strengthening lease income collections and improving working capital efficiency, are prioritised to reduce reliance on external borrowings. Diversification of funding sources, including exploring alternative financing options where appropriate, will also be considered to enhance financial flexibility.

Funds Under Management by External Fund Manager (EFM) – Sukuk Portfolio Mandate

Since its establishment in 2006, PAAB received equity funding injection of RM730 million from the Minister of Finance Incorporated. This initial capital was intended to support working capital requirements, to cover operational and administrative expenses, enabling PAAB to fulfil its mandate in restructuring Malaysia's water services industry.

These funds are entrusted to a panel of experienced EFMs, whose active involvement in credit selection, asset allocation, and market positioning continues to play a critical role in delivering consistent and sustainable portfolio performance and returns.

To maintain alignment with PAAB's investment objectives, risk tolerance and return expectations, EFMs are subject to structured and periodic performance evaluations. This governance framework enables timely and strategic reallocation decisions, ensuring the portfolio remains responsive to evolving market dynamics and fund manager effectiveness.

The portfolio is fully allocated to Shariah-compliant instruments, comprising Corporate Sukuk, Government-Linked Investments, Islamic Money Market instruments, and cash equivalents. This strategic asset mix is designed to prioritise capital preservation, maintain sufficient liquidity, and generate steady, sustainable income-aligned with PAAB's conservative risk appetite and long-term financial planning objectives.

A core feature of the investment strategy is the annual repatriation of income to support PAAB's operational expenditure. This approach ensures that investment returns are effectively deployed to meet ongoing operational needs, while the principal capital is preserved to support long-term financial sustainability and future investment opportunities.

In line with PAAB's broader sustainability agenda, the Company actively promotes responsible investment practices. EFMs are encouraged to prioritise Sukuk issuers that adopt Environmental, Social and Governance (ESG) principles and align with the United Nations Sustainable Development Goals (UN SDGs). By embedding these sustainability considerations into the investment process, PAAB reaffirms its commitment to ethical, transparent and forward-looking financial stewardship.

PAAB will continue to refine our investment strategy to enhance finance income generation. This includes capitalising on opportunities in high-quality Sukuk and Islamic fixed-income instruments, as well as optimising fixed deposit placements to take advantage of prevailing interest rate trends while maintaining adequate liquidity. Sustained collaboration with EFMs will remain a key priority to ensure strong risk-adjusted returns and to uncover new opportunities for portfolio growth.

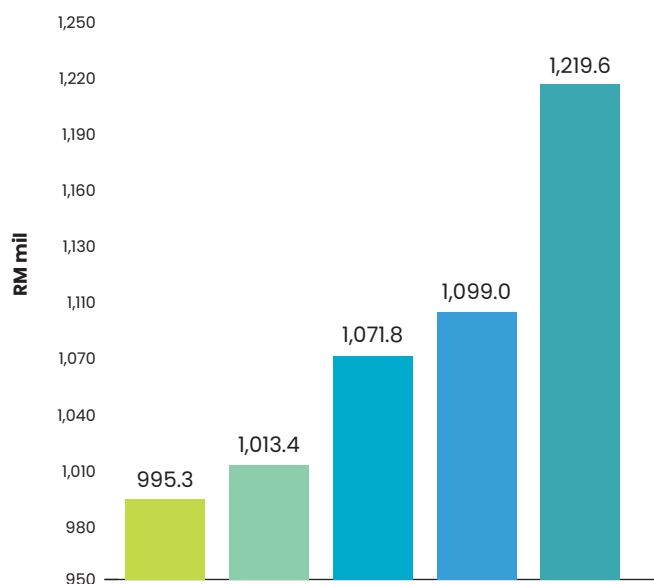
PAAB's strategic investment priorities moving forward include:

- Enhancing portfolio returns through performance-based fund reallocation and the selective appointment of high-performing EFMs;
- Leveraging market opportunities to optimise yields within the Corporate Sukuk and Islamic fixed-income market; and
- Strengthening governance through active engagement with EFMs and the continual enhancement of monitoring and performance tracking tools.

PAAB remains firmly committed to prudent fund management, sustainable income generation, and long-term financial resilience. These principles are central to the Company's investment strategy, ensuring the continued creation of value for stakeholders and the sustained growth of PAAB's financial assets in an increasingly complex and dynamic economic environment.

Financial Performance Analysis

FY 2020 FY 2021 FY 2022 FY 2023 FY 2024



Lease Income

The Company's lease income shown a consistent upward trend over the past five years, indicating robust growth and stability in the revenue stream. Key factors driving this growth include continuous development of new water treatment plants and other related infrastructures, as well as improvements and refurbishment of existing water infrastructures. Additionally, nation's economic growth, hence rising demand for clean and sustainable water supply from residential, business and industries have also contributed to the new water treatment plants development, leading to stable lease income growth.

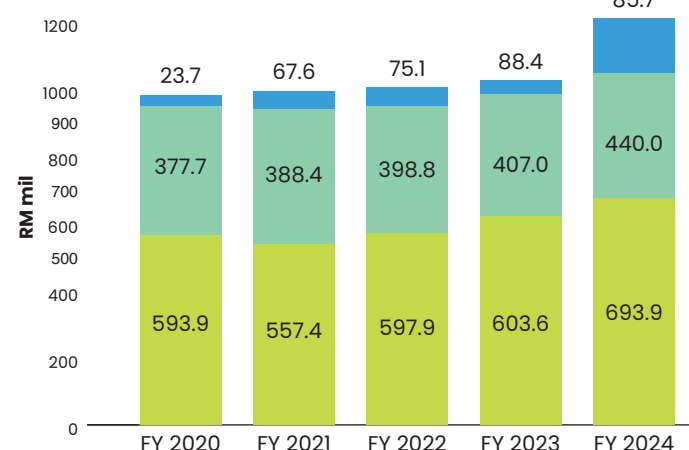
In FY2020, our lease income was RM995.3 million, setting a strong foundation for future growth. The migration of water infrastructure assets from Selangor's water operator to PAAB completed at the end of FY2019, resulted in a significant increase in PAAB's lease income. Lease income grew approximately 1.8% in FY2021 compared to FY2020, further 5.8% in FY2022 compared to FY2021, and slightly slower at 2.5% in FY2023 compared to FY2022. These growths were driven by the continuous improvement and dedication of our team to complete the projects and fulfilled the infrastructures requirement by the nation.

FY2024 was a standout year, with lease income climbed to RM1,219.6 million, an increase of approximately 11% compared to FY2023. This substantial growth is attributed to the completion of Langat 2 Phase 1 WTP project that is the largest water infrastructure project in Malaysia with water distribution capability of 1130 MLD, generated RM74.2 million additional lease income in FY2024.

Overall, the trend in lease income from FY2020 to FY2024 reflects a sustainable growth trajectory. The continuous development of water infrastructure assets has contributed significantly to the increase in the Company's lease income.

Lease Income by States

Selangor Johor Others

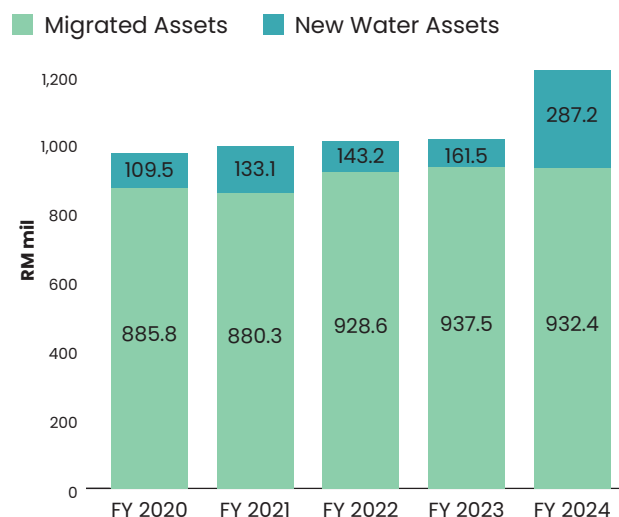


Segmental Lease Income By States

Over the past five (5) years, all states in Peninsular Malaysia migrated to PAAB under the restructuring of water industry, except for Terengganu. Since FY2020, Selangor's and Johor's water operators are the main contributors to PAAB's lease income, accounted for 55% to 60%, and 36% to 38%, respectively. The remaining portion are contributed by the rest of the states.

Segmental Lease Income by Asset Category

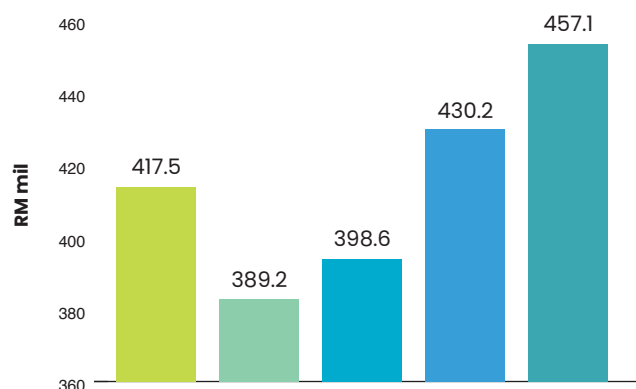
Lease Income by Segments



Lease income on the migrated assets category (EWA) from water operators to PAAB that have been leased back to water operators contributed between 76% to 89% of the Company's lease income. While lease income on the new water assets (NWA) category contributed between 11% to 24%. In line with the completion of more new water infrastructure development projects, lease income on the NWA category gradually increased over the past five(5) years, especially attributed to the completion of Langat 2 Phase 1 WTP project that is the largest water infrastructure project in Malaysia with water distribution capability of 1130 MLD, generated RM74.2 million additional lease income in FY2024.

Profit Before Tax (PBT)

FY 2020 FY 2021 FY 2022
FY 2023 FY 2024



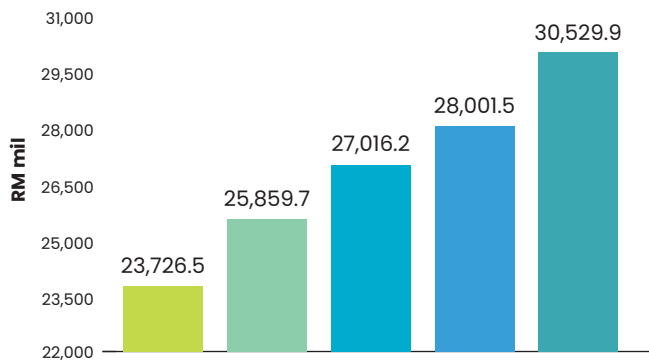
PAAB has demonstrated resilience and growth amidst various market conditions over the past five(5) years, with PBT CAGR of 2.3% between FY2020 to FY2024.

The migration of water infrastructure assets from Selangor's water operator to PAAB completed at the end of FY2019 contributed to the significant increase in PAAB's PBT in FY2020, which arose from extraordinary accounting profit from one-off capital gain on the federal loan waiver granted from the government based on achieving waiver criteria. In FY2021, PAAB recorded decrease in PBT to RM389.2 million, a decline of 6.8% compared to FY2020. The Company's PBT continued to rise from FY2022 (RM398.6 million), FY2023 (RM430.2 million) and FY2024 (RM 457.1 million) in line with the consistent increase in lease income, derived from completion of projects carried out by PAAB.

PAAB has demonstrated financial sustainability and resilience. The consistent growth from FY2021 onwards highlights our commitment to creating value for our stakeholders and driving long-term viability. As we move forward, we remain focused on sustaining our momentum of growth by continuously developing water infrastructures for the nation.

Lease Receivables

FY 2020 FY 2021 FY 2022 FY 2023 FY 2024



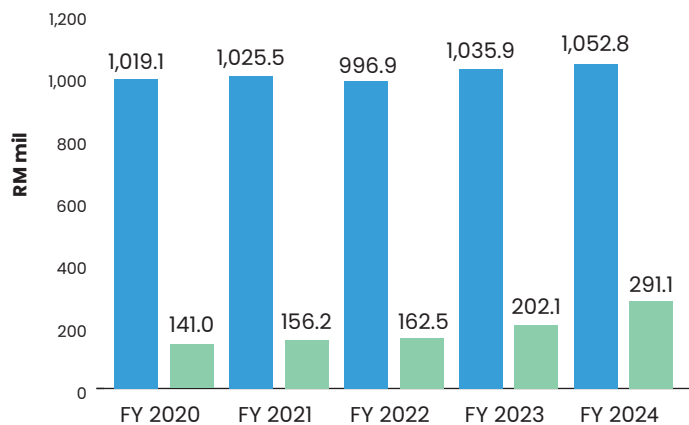
The Company has shown a significant increase in lease receivables from FY2020 to FY2024 amounted to RM6.8 billion. This increase is largely driven by development cost of water infrastructure projects following the completion of the projects, and commenced charging to water operators, over the long-term lease tenure.

Over the past five(5) years, a total of RM5.4 billion worth of development cost (including interest during construction) which are lease chargeable to water operators were recognised in lease receivables. Selangor is the largest contributor to this increase, with RM3.8 billion, attributed to the completion of Langat 2 Phase 1 WTP project. While Johor contributed RM1.0 billion recognised in lease receivables.

Segmental Lease Billing by Asset Category

EWA NWA

Total Billing by Category



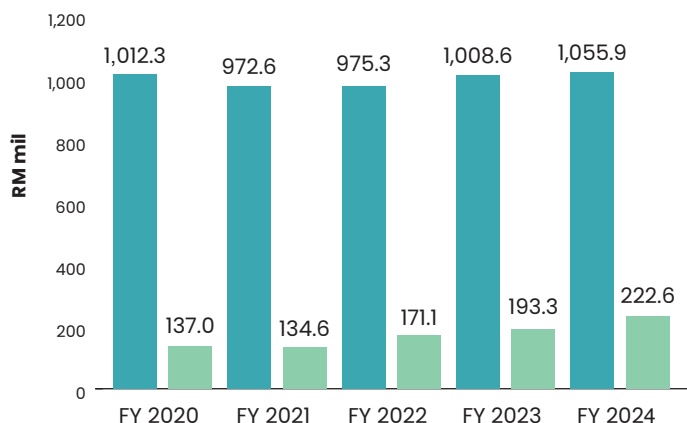
Over the past five(5) years, lease billing shown consistent growth across both EWA and NWA categories. The overall total lease billing steadily increased from RM1.2 billion in FY2020 to RM1.3 billion in FY2024, aligned with the consistent increase in new water infrastructures development over the years that are charged to water operators.

Throughout the period, EWA has remained the primary contributor to the total lease billing, from RM1.0 billion in FY2020 to RM1.1 billion in FY2024. This demonstrates the stability and reliability of billing on EWA lease rental, which is the backbone of the PAAB's lease income stream. The NWA category shown a growth over the years, but still relatively smaller compared to EWA in terms of total lease billing. This significant rise, reflecting the PAAB's proactive efforts to support the nation water infrastructures development projects. In FY2024, the significant increase in NWA is due to the completion of Langat 2 Phase 1 WTP project.

Segmental Lease Collection by Asset Category

■ EWA ■ NWA

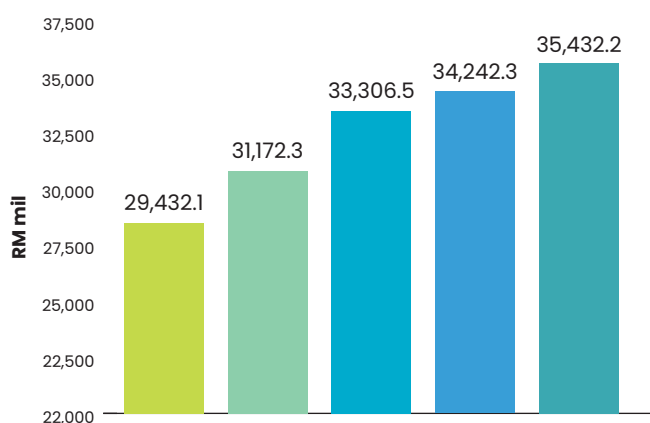
Total Collection by Category



The consistent upward trend in total lease collections from RM1.1 billion in FY2020 to RM1.3 billion in FY2024, highlighting an effective credit control and receivables management. Over the past five(5) years, EWA has remained the main contributor to the total lease collections and NWA demonstrating steady growth, increasing from RM137.0 million in FY2020 to RM222.6 million in FY2024, showing its continued importance of new water infrastructures development.

Total Assets

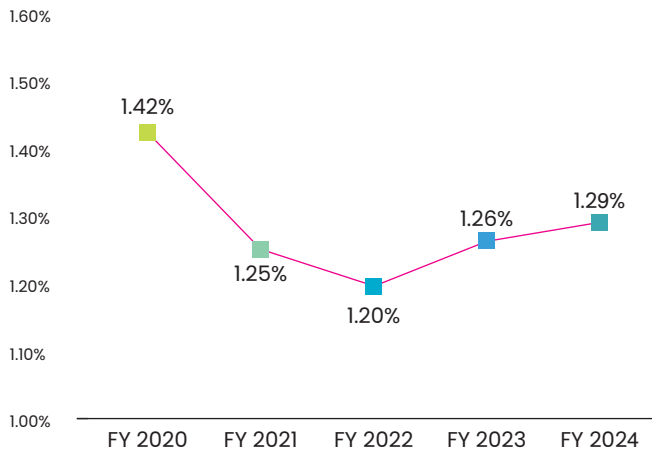
■ FY 2020 ■ FY 2021 ■ FY 2022 ■ FY 2023 ■ FY 2024



From FY2020 to FY2024, PAAB's total assets increased by RM6.0 billion. The increased from RM29.4 billion in FY2020 to RM35.4 billion in FY2024 was mainly due to the completion of water assets migration for Kedah, Perlis and Pahang under the restructuring of Malaysia's water sector programme to PAAB, amounted to RM1.1 billion, RM45.3 million and RM1.1 billion respectively. The consistent growth from FY2022 onwards highlights our commitment to creating value for our stakeholders and driving long-term viability. The trust and confidence of our stakeholders in PAAB's capabilities in developing the nation water infrastructure assets and ensuring the sustainability of water supply services across the country.

As we move forward, we remain focused on sustaining our momentum of growth by continuously developing water infrastructures for the nation.

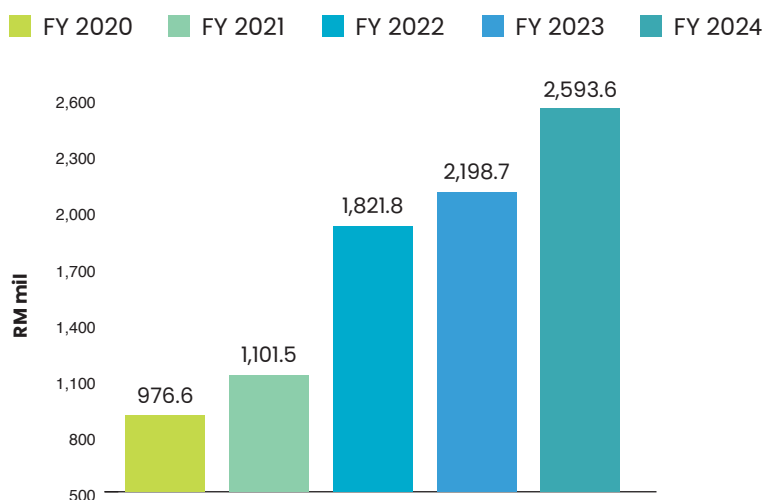
Return On Assets



In FY2020, the Company's return on assets (ROA) stood at 1.42%, resulted from exceptional accounting profits from one-off capital gain on the federal loan waiver granted from the government based on achieving waiver criteria. Over the next two years, ROA dipped to 1.25% in FY2021 and further to 1.20% in FY2022. These declines were due to a significant increase in total assets, as the Company embarked on significant amount of development projects completed.

However, by FY2023, ROA edged up to 1.26%, as the result of the increased in returns arose from completion of projects in the earlier years mentioned above then commenced lease rental charges to water operators. The upward trend continued into FY2024, with the Company achieved ROA of 1.29%. This progress reflects the Company's sustainability to generate returns over the long-term tenure of the lease, to support the initial development cost invested in the nation's water infrastructures.

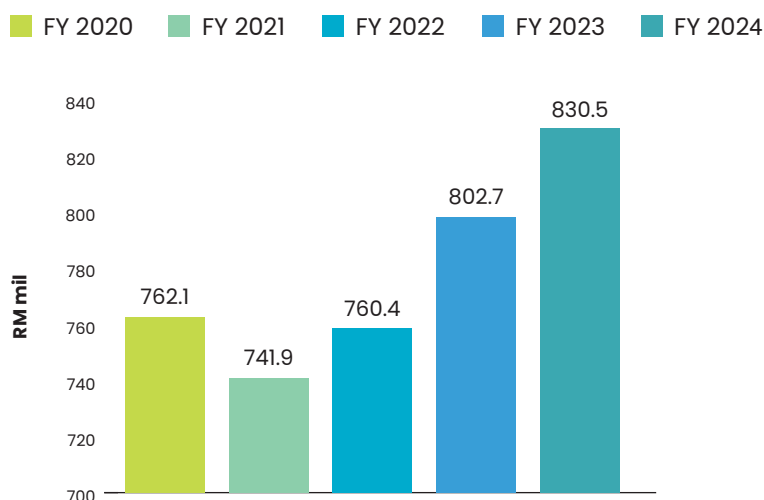
Total Equity



PAAB's equity continuously increased year by year from RM976.6 million in FY2020 to RM2,593.6 million in FY2024, mainly resulted from tax exemption secured on the lease income from EWA from FY2022 to FY2026. This growth provides the Company financial stability, and also reflection of effective financial planning and management.

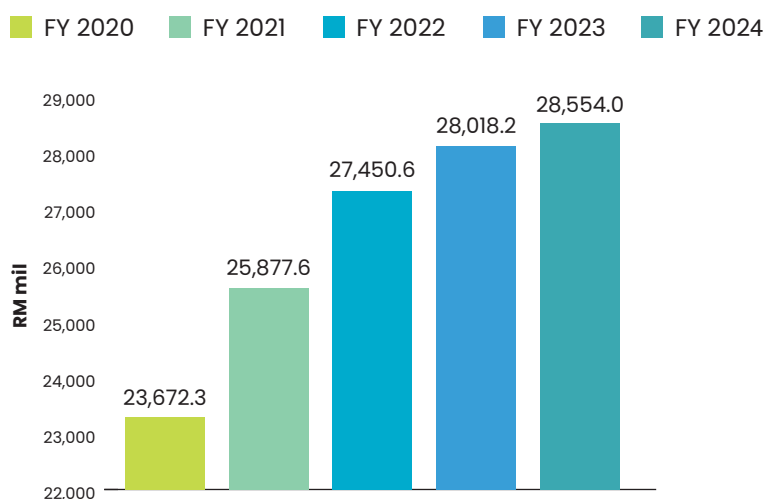
As a result, it provides a positive return to stakeholders, reinforcing their confidence and trust in the Company's long-term sustainability. PAAB financial stability and credit worthiness continues to boost investors' confidence, encouraging them to subscribe to the Company's sukuk issuance in the debt capital market.

Finance Cost



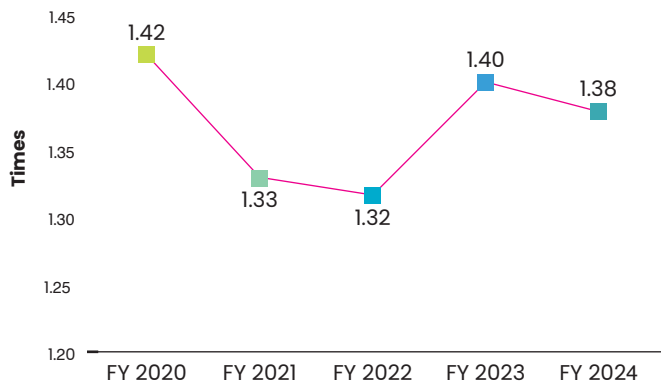
Finance costs (ICP&MTN) increased to RM830.5 million in FY2024 compared to RM802.7 million in FY2023, in line with the increased in total borrowings. The rise in finance costs was primarily driven by issuance of sukuk for financing of water infrastructure development projects as well as refinancing of matured sukuk into longer tenure. Despite the increase, PAAB remains committed to prudent debt management to ensure financing costs are minimised.

Total Borrowings



Total borrowings increased to 28.6 billion in FY2024 from RM28.0 billion in FY2023, reflecting the issuance of sukuk for financing of water infrastructure development projects. This measured approach to borrowing aligned with PAAB's commitment to maintaining financial stability, while continuing to finance water infrastructures development requirement of water operators to support continuous water supply to the residential, business and industries.

Debt Service Coverage Ratio



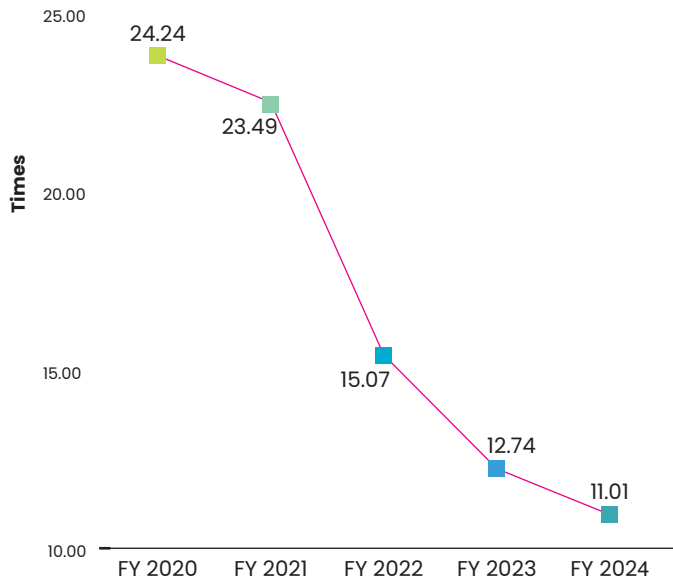
The Debt Service Coverage Ratio (DSCR) remained resilient in FY2024 at 1.38 times, reflecting PAAB's strong ability to meet its debt obligations. This is supported by an increase in Earnings Before Interest and Tax (EBIT) to RM1.3 billion, driven by stable lease income growth.

Over the past five years, DSCR has fluctuated between 1.32 and 1.42 times, reflecting the dynamic balance between earnings, debt obligations and financial strategy. The lowest ratio was recorded in FY2022 at 1.32 times due to a dip in EBIT at RM1.2 billion, while FY2023 showed the stronger recovery at 1.40 times, supported by higher EBIT.

Despite some year-to-year variations, overall PAAB maintained a DSCR consistently above the internal benchmark of 1.0 times, demonstrating its ability to meet debt servicing obligations.

Moving forward, PAAB remains committed to maintaining a sustainable DSCR level by optimising cash flow management, ensuring efficient debt structuring, and aligning financing strategies with long-term financial sustainability.

Net Gearing Ratio



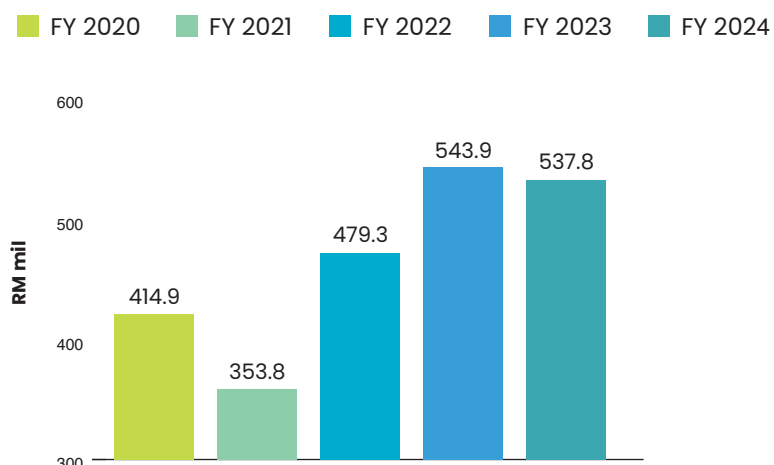
Over the past five years, the net gearing ratio has decreased significantly from 24.24 times in FY2020 to 11.01 times in FY2024, representing a reduction of more than 50%.

In FY2024, PAAB continued its deleveraging trend, reducing its net gearing ratio to 11.01 times, an improvement from 12.74 times in FY2023. This is primarily supported by 18.0% increase in equity arose from the increased in retained earnings, which grew from RM2.2 billion in FY2023 to RM2.6 billion in FY2024. Despite the increase in total borrowings, which rose from RM28.0 billion to RM28.6 billion, the strong equity growth boost financial stability and reduced gearing.

This positive trend underscores PAAB's disciplined approach to capital management, strengthening its balance sheet, and enhancing financial resilience.

PAAB remains committed to prudent financial management, balancing debt obligations with sustainable equity growth to ensure long-term financial stability.

Cash and Bank Balances

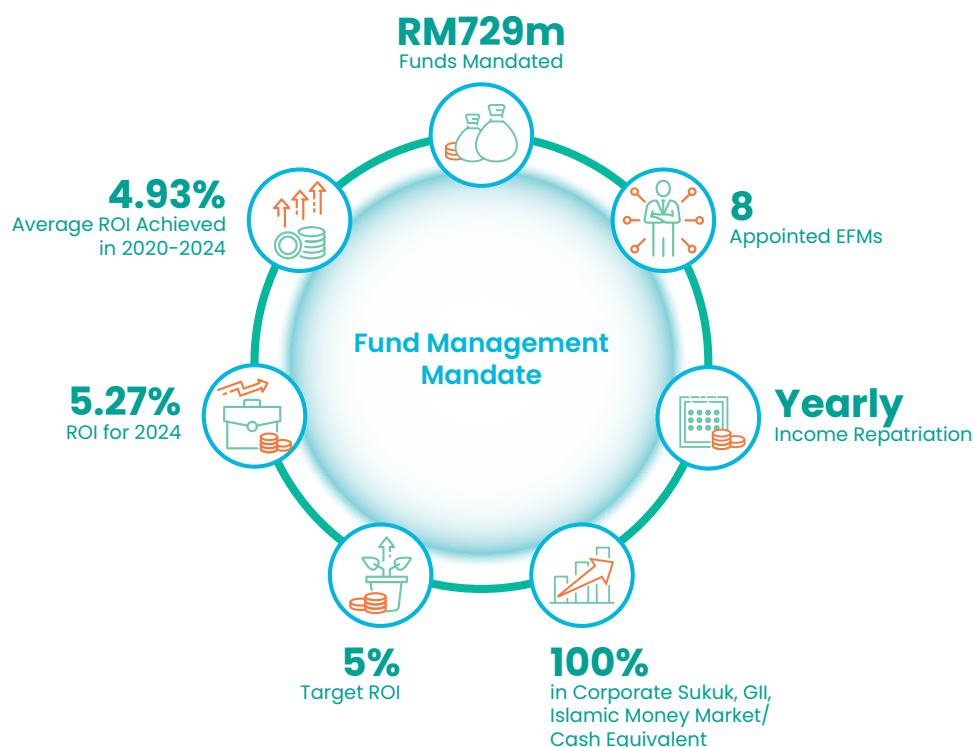


From FY2020 to FY2024, the Company recorded a significant increase of RM122.9 million in its cash and bank balances. This growth reflects the higher collection on lease billings from water operators, as a result of the successful completion and handover of various water infrastructure development projects.

These cash and bank balances included short term deposits on the amount allocated for the redemption of Redeemable Preference Shares due early January annually amounted approximately RM187.0 million.

As a result, the Company's free cash flow as at the end of FY2024 is RM344.9 million including amount allocated for committed and contracted water infrastructures development, monthly salary and administrative expenses. PAAB activities is supported by issuance of sukuk under existing sukuk programme.

Funds Under Management by External Fund Manager (EFM) – Sukuk Portfolio Mandate

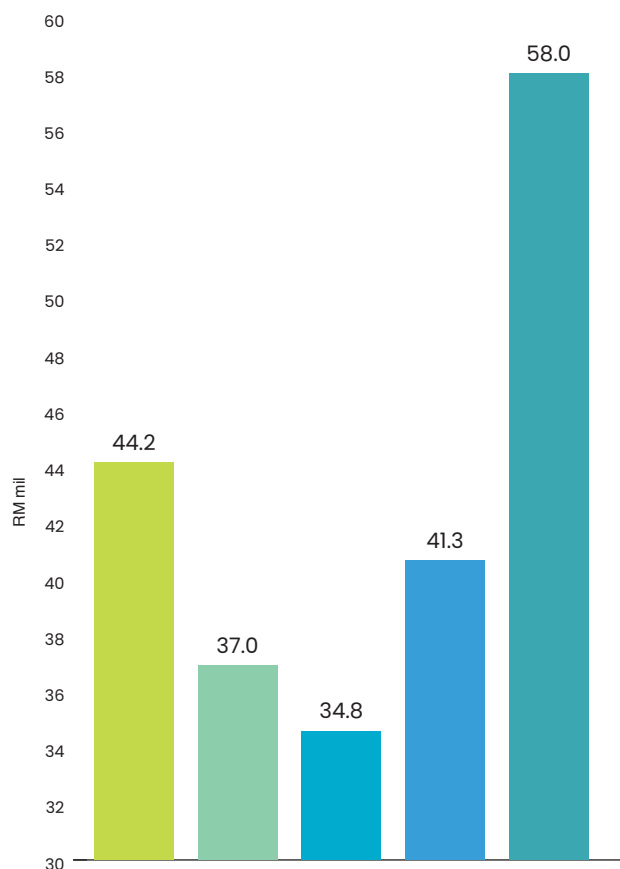


The funds under management by EFMs (Sukuk Portfolio Mandate) continued to deliver stable and resilient returns in FY2024, achieving a 5.27% return on investment (ROI), exceeding the 5.00% target ROI. This performance underscores not only PAAB's disciplined investment approach but also the significant role played by the appointed EFMs in navigating market dynamics and identifying opportunities.

Over the past five years, the Sukuk Portfolio Mandate recorded an average ROI of 4.93%, reflecting both market opportunities and challenges. The early years of this period were impacted by the COVID-19 pandemic, which led to heightened market volatility, lower yields, and a more cautious investment environment. Despite these headwinds, the portfolio remained resilient, benefiting from the expertise and active management of the EFMs, as well as the gradual economic recovery and improving fixed-income market conditions in subsequent years up to FY2024.

Finance Income

FY 2020 FY 2021 FY 2022 FY 2023 FY 2024



For FY2024, total finance income increased significantly to RM58.0 million, marking a 40% growth from RM41.3 million in FY2023. This notable increase was driven by higher returns from the Sukuk Portfolio Mandate and a substantial uplift in fixed deposit returns, reflecting favourable market conditions and pro-active investment strategies.

Income from the Sukuk Portfolio Mandate rose to RM40.4 million in FY2024, compared to RM28.2 million in FY2023, driven by higher portfolio yields and effective fund allocation strategies. Meanwhile, fixed deposit returns increased to RM17.1 million in FY2024 from RM13.1 million in FY2023, reflecting higher placement amounts and the benefit of a favourable market environment.

Finance income shown a steady recovery since FY2022, when it reached its lowest point of RM34.8 million, following the pandemic-driven decline. The significant increase in FY2024 marks the highest finance income recorded in the past five years, surpassing pre-pandemic levels of RM44.2 million in FY2020. This upward trend reflects the gradual strengthening of investment performance, supported by improving market conditions and a disciplined investment approach.

Conclusion

PAAB remain committed to maintaining financial sustainability for the long term, while continuing to finance water infrastructures development requirement of the water operators to support continuous water supply to the residential, business and industries.

Technical Highlights

Project Status for the Year 2024

Design

As of 31st December 2024

53 packages in the design stage

RM9,541.6 Million

Tender & Awards

For the year 2024

25 packages awarded

RM313.6 Million

8 Major packages RM165.7 Million

5 Minor packages RM111.1 Million

12 Mini packages RM36.9 Million

16 packages worth

RM748.9 Million

have been tendered

Construction/Development

As of 31st December 2024

56 packages under construction

RM1,747.0 Million

19 Major packages RM867.6 Million

18 Minor packages RM574.73 Million

17 Mini packages RM76.9 Million

2 LRAL packages RM 227.8 Million

Project Completed

For the year 2024

29 work packages completed

RM388.5 Million

5 Major packages RM249.0 million


3 Minor packages RM34.2 million

18 Mini packages RM 65.4 million

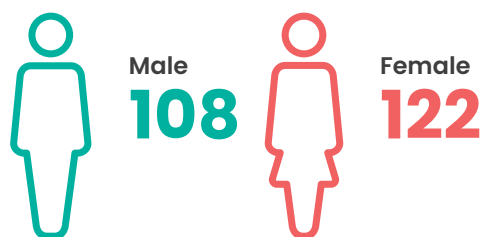
3 LRAL packages RM39.9 million

Human Resources Highlights

PAAB Staff Headcount

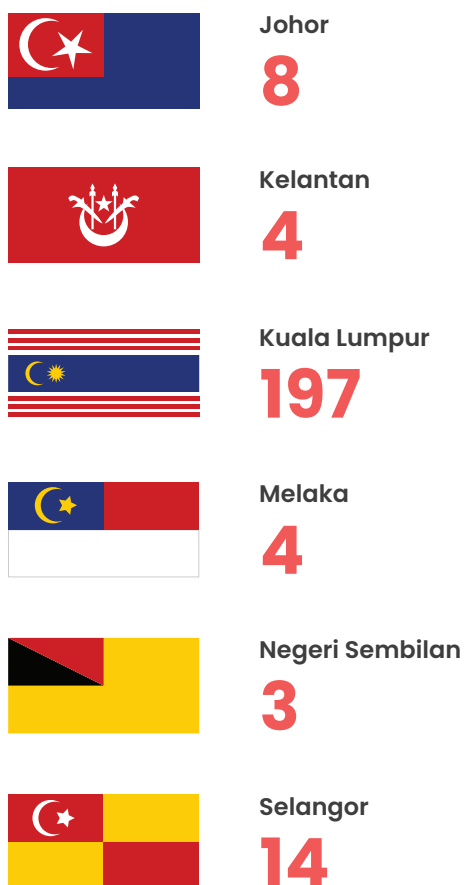
 Current Employees **230**

Gender



Total **230**

Current Employees



Race

Current Employees

Malay	221
Chinese	4
Indian	3
Others	2
Total	230

Division

Current Employees

Chairman's Office	2
CEO's Office	20
CFO's Office	6
COO's Office	7
Asset & Land Management Division	21
Commercial Division	35
Corporate Services Division	22
Finance Division	19
Human Resource Division	19
Project Delivery Division	39
Special Projects Division	14
Technical & Engineering Division	26
Total	230

Category

Gender

Current Employees

	Male	Female	
Top Management	2	1	3
Senior Management	6	1	7
Management	27	19	46
Executive	75	77	152
Non Executive	12	10	22
Total Staff	108	122	230

Age Group

Current Employees

20	14
30	88
40	92
50	34
60	2
Total	230

Project Outlook

6

OPERATIONS

i-WA Milestone Journey

Digital Transformation Excellence Expanding i-WA to SAINS

The digital transformation of Malaysia's water industry is being accelerated through the wider adoption of the Information of Water Asset (i-WA) system, which is now being rolled out to water operators (WOs). A significant milestone has been the implementation of i-WA at Syarikat Air Negeri Sembilan Sdn Bhd (SAINS), marking its first use by a regional agency. SAINS has expressed strong confidence in i-WA's capacity to efficiently manage their assets, with a primary focus on digitising asset information. This will streamline the management and monitoring of water assets throughout the entirety of Negeri Sembilan, facilitated by a robust asset management system.

i-WA has undergone rigorous testing on PAAB's own assets, and valuable insights gained from this process have been shared with other WOs. Given that most operators currently lack established digital asset management systems, they are increasingly favouring the adoption of i-WA over the substantial investment required to develop bespoke solutions. Beyond SAINS, numerous WOs across Malaysia are recognising the significant benefits that i-WA offers.



i-WA: The Premier Digital Asset Management Solution for Malaysian WOs

Complete Water Asset Inventory

i-WA records essential details for all water assets to ensure everything is accurately documented.

Reliable Data Management

i-WA prioritises high-quality, secure, and readily accessible data, ensuring reliable information when needed.

Custom-Built for Water Industry Needs

Unlike generic systems, i-WA is specifically developed to address the unique requirements of water asset management.

Proven Success in the Field

i-WA has been rigorously tested across 2,200 assets in 10 WOs, demonstrating its effectiveness in real-world scenarios.

Support WOs' Specific Needs

i-WA meets the specific needs of WOs, helping them manage assets more effectively.

Reduces Paper Dependency

By storing all information digitally, i-WA significantly reduces the reliance on paper-based records.

Complete Document Library

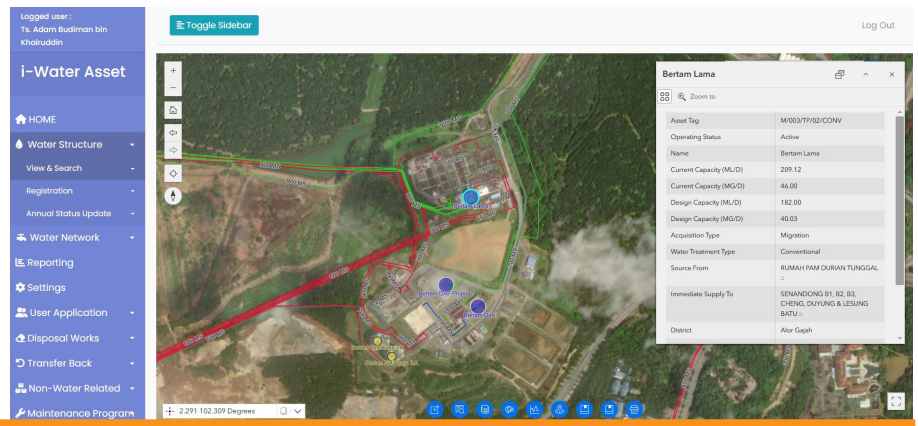
i-WA keeps important documents such as built-drawing, operation and maintenance manuals, equipment information like pumps and motors, ensuring easy access to asset records.

Portable and On-the-Go Access

Users can access i-WA via tablets such as iPads, facilitating convenient on-site access to information anytime, anywhere.

The impact of i-WA is to accelerate innovative digital transformation for the future of Malaysia's water industry. We are committed to drive the industry forward, supporting the government's Water Sector Transformation 2040 (AIR2040) initiative.

Integrating GIS into i-WA : A Smart Solution for Visualising the Spatial Information of Water Assets

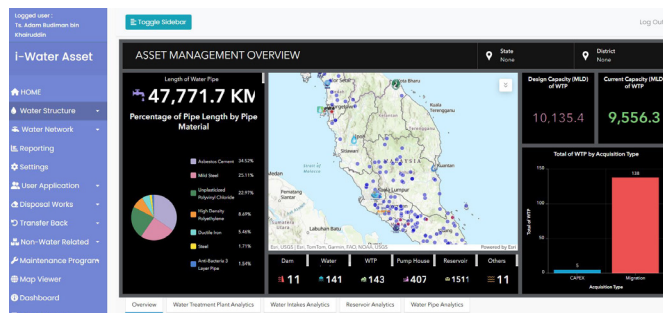


PAAB, consistently strives to enhance water asset management, ensuring improved services and sustainability. A key achievement this year is the integration of a Geographic Information System (GIS) into our i-WA platform.

This integration has transformed the way we view and manage water assets like pipelines, reservoirs, pump houses and water treatment plants. By combining detailed maps with essential asset data, GIS facilitates enhanced visualisation and understanding, streamlining planning, monitoring, and problem-solving.

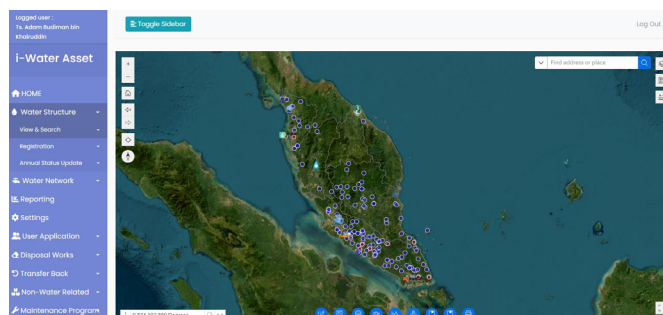
GIS: Enhancing Asset Management

GIS enhances our water asset management through interactive maps, displaying precise asset locations alongside vital contextual data like terrain, developments, and potential risks. This improves maintenance and planning by tracking asset status and schedules, while facilitating seamless data sharing across departments. Engineers can verify consultant data within i-WA, ensuring accuracy and expediting projects. Predictive tools support informed decisions, enabling proactive issue prevention and upgrade planning based on reliable data. In 2024, we successfully mapped thousands of assets, trained staff, and collaborated with GIS specialists to ensure optimal system utilisation.



Future Enhancements: Interactive Data Visualisation

Looking ahead, PAAB will further develop the i-WA platform by integrating interactive dashboards and story maps. These tools will offer more intuitive methods for visualising and sharing information, simplifying data interpretation for decision-making. This continuous enhancement ensures we remain at the forefront of digital asset management.



Impact: Smarter Water Asset Management

The integration of GIS into i-WA marks a significant advancement in our pursuit of smarter water asset management. This technology empowers us to better serve our stakeholders and equips us to effectively address future challenges within the water sector.

Augmented Reality – Revolutionising the Digital Experience



Exploring the Augmented Reality

Augmented Reality (AR) is a technology that enhances our real-world experience by adding Computer-Generated Images (CGI) and information. Utilising PAAB's extensive collection of 2D data via GIS *shapefiles data, AR allows us to interact with both the real world and virtual elements seamlessly, combining them accurately in a 3D space.

PAAB has implemented AR method to confirm the new underground pipeline installations from new recently acquired assets, verify and update existing assets, confirm land plots and boundaries based on collected data.

The Benefits of AR

Using this technological platform, managing and maintaining subsurface utility assets becomes much easier, helping PAAB provide better services. AR for utility mapping aids in tracking and measuring underground utility assets, such as pipelines, by providing data on their location, depth, type, and size. This allows water networks to be easily visualised and checked along with relevant information.

This technology overcomes, the challenge of visually accessing data. It ensures that asset data is accurately positioned, simplifying future maintenance and decision-making. As asset management advances, adopting this technology clearly benefits the operation.

“Technology makes the impossible possible”

*Shapefile data : a type of digital map that can store and display various geographic features.



Level Up! – Asset Management for Water Industry

PAAB was honoured to be invited by Suruhanjaya Perkhidmatan Air Negara (SPAN) to share valuable insights into asset management mechanisms at *Bengkel Penyelarasan Bagi Meningkatkan Pemahaman Pihak Operator Air Berhubung Nota Penjelasan Petunjuk Prestasi Utama (KPI) Lesen Individu Perkhidmatan* workshop, held from 3rd to 4th September 2024 at Bangi Resort Hotel, Selangor.

This workshop successfully provided a comprehensive exposure and understanding of KPI standards for Water Operators, as service licensees under the Water Services Industry Act (WSIA). PAAB delivered a thorough overview of the asset lifecycle, highlighting key areas such as maintenance verification processes, reporting, and forward-looking strategies for asset management advancement.

The session achieved remarkable outcomes and received overwhelmingly positive feedback from both SPAN and Water Operators. PAAB extends its deep appreciation to SPAN for providing us with the opportunity to make meaningful contributions to the industry, particularly in asset management.



Building Information Modelling (BIM)

In 2024, PAAB undertook a series of significant and impactful initiatives aimed at transforming and optimising its project design and delivery processes. These efforts are expected to drive substantial improvements in project execution for 2025 and beyond, setting a new benchmark for efficiency and innovation.

Among the many initiatives, PAAB proudly hosted its very first BIM Event Day for Water Industry Stakeholders on 26th September 2024, at the Intercontinental Hotel, Kuala Lumpur, in collaboration with BIMAGE Consulting (M) Sdn Bhd. This landmark event brought together over 100 participants from various water industry stakeholders, including PETRA, SPAN, Water Operators, Professional Bodies, and Engineering Consultants.



Before the Opening Ceremony of the BIM Day Event for the Water Industry



Main Panel Line-Up at the BIM Event Day 2024



Expert presenting the advantages of BIM in Projects

Experts from various BIM applications shared valuable insights on best practices and innovations impacting water infrastructure projects. They focused on four (4) key areas: the application of BIM throughout the project lifecycle, improving cost efficiency and time management in water projects, developing sustainable long-term solutions for the water industry, and integrating BIM with GIS technology to enhance water resource management.

PAAB successfully launched its first BIM project in October 2024, namely J128 – Batu Pahat Water Supply System. The Consultants are currently finalising the LOD 200 preliminary design, utilising BIM methodology. Additionally, PAAB organised a hands-on workshop to help them become proficient in navigating the BIM model using the Navisworks platform.

PAAB remains committed to advancing smarter water infrastructure planning and enhancing resource management through increased BIM adoption in PAAB projects which is a significant step towards creating a more sustainable and innovative future for Malaysia's water industry.



Experts discussing Efficient Data Management in Digitalisation

Renewable Energy and Energy Efficiency



Site Investigation for mini hydro installation at Cameron Highlands

In alignment with the National Energy Transition Roadmap (NETR) launched by the Government of Malaysia in August 2023, and as a Company under the Minister of Finance Incorporated, PAAB remains committed to supporting the government's initiatives to achieve Net Zero Carbon Emissions by 2050.

PAAB has actively collaborated with Pengurusan Air Pahang Berhad (PAIP) and SAINS to explore the feasibility of integrating mini-hydro systems within the water supply network. As part of this initiative, a technical visit to Cameron Highlands was conducted in April 2024 to assess site conditions for the installation of an inline turbine capable of generating electricity. The feasibility study estimated a potential energy output of approximately 52 kW from the proposed installation. This installation is expected to reduce carbon emissions by approximately 358 tCO₂e annually.

In October 2024, PAAB together with SAINS worked on proposal for mini-hydro installation, focusing on two (2) key locations: the Sungai Terip WTP and the Bukit Tunggul Balancing Reservoir Outlet Pipe. These sites were identified as having the potential to generate approximately 517 kW and 270 kW of electricity, respectively, through inline turbine installations. These installations are projected to reduce carbon emissions by approximately 3,533 tCO₂e and 1,845 tCO₂e annually.

PAAB and SAINS also visited the Universiti Malaya (UM) Laboratory to observe an In-Pipe Hydro demonstration. Additionally, PAAB engaged with Suruhanjaya Tenaga (ST) and the Sustainable Energy Development Authority (SEDA) Malaysia to gather essential information and secure necessary approvals for the proposed installations. Engagements with Tenaga Nasional Berhad (TNB) are planned to support decision-making for the pilot plant installation.

Furthermore, PAAB secured approval from Syarikat Air Darul Aman Sdn Bhd (SADA) in October 2024 to conduct a feasibility study on the installation of rooftop solar panels at two proposed water treatment plants in Kedah.

Moreover, PAAB has incorporated initiatives to reduce the carbon footprint in its projects. One such project is J102 – Package 2 which includes the installation of 900mm Mild Steel Cement Lined (MSCL) distribution pipes and construction of 5 ML Bukit Luchu 1A reservoir in Johor Bahru, as well as 300mm MSCL trunk main and 2.5 ML Senai 6 reservoir in Kulai, Johor where Alone Solar Photovoltaic (PV) systems, have been incorporated and expected to reduce carbon emissions by approximately 16.4 tCO₂e annually.



Briefing session on Sg. Terip WTP mini-hydro installation proposal

Technical Collaboration

PAAB has partnered with the National Hydraulic Research Institute of Malaysia (NAHRIM) to evaluate the deployment of odor-detecting sensors and non-reagent water quality sensors in selected water treatment plants. These sensors have demonstrated their suitability for application, and PAAB is now in the process of collaborating with potential water operators to identify an appropriate site for a pilot installation.

Additionally, PAAB has engaged with Universiti Teknologi Malaysia (UTM) to explore the feasibility of integrating Computational Fluid Dynamics (CFD) into the design of water treatment plant components. Initial discussions suggest that adopting CFD can enhance the precision of design consultants in sizing treatment plants. PAAB plans to conduct further studies to refine this approach before incorporating it into future design standards.

PAAB has also conducted technical visits to several Air Selangor water treatment plants to gather insights on ultrafiltration and reverse osmosis membrane systems. These visits aim to assess the potential for incorporating advanced membrane technology into the design of new water treatment facilities.



Visit to NAHRIM analysers and laboratory

Briefing of ultrafiltration membrane system and plant tour of Sg. Rumpit WTP



The Langat 2 Phase 1 (L2P1) WTP

The L2P1 WTP is designed for high operational reliability with minimal human intervention to ensure uninterrupted water supply. The treated water distribution system is divided into two main corridors:

Western Corridor

Transfers treated water from the L2P1 WTP to Bukit Enggang Balancing Reservoir via pumping. Water then flows by gravity to three (3) service reservoirs with a combined capacity of 124 ML connected to the water reticulation system with a total capacity of 840 ML supplying areas such as Kuala Lumpur City Centre, KL South, Petaling, Sungai Besi, Kinrara, and Puchong.

Northern Corridor

Transfers treated water from L2P1 WTP to Hulu Langat Balancing Reservoir via pumping. Water then flows by gravity to two (2) service reservoirs with a combined capacity of 64 ML connected to the water reticulation system with a total capacity of 290 ML supplying the following areas such as Ampang, Kuala Lumpur North (Wangsa Maju-Maluri), Keramat, and Gombak.

The delivery of treated water upon overall project completion are illustrated in Diagram 1.0 below.



Diagram 1.0.: Delivery of Treated Water to Air Selangor

Air Selangor (AiS) has benefited from the Langat 2 Phase 1 project since December 2019, which began with an initial supply capacity of 325 MLD. This project marks the commencement of a mission dedicated to delivering clean, treated water.

As of October 2024, L2P1 has successfully transitioned to a fully operational status, having handed over the supply of treated water at full capacity of 1,130 mld.

Residual Disposable System Project

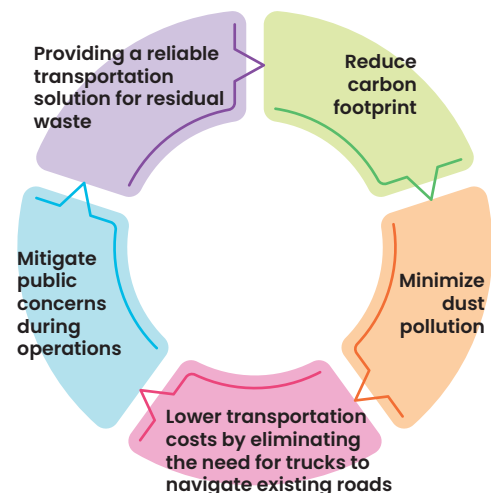
Package 3 – Design and Build for Residual Disposal System for L2P1 WTP

As part of PAAB's commitment to align with EESG initiatives, the L2P1 WTP features the first-of-its-kind Tubular Pipe Conveyor System, providing sustainable transportation for handling the residual to the landfill area.

With a capacity of 1,130 MLD, the plant generates nearly 400 tonnes of residual waste daily, depending on the quality of raw water from the Semantan River in Pahang. This innovative conveyor system transports the residual waste approximately 1.9 km from the treatment facilities to a new landfill area near Bukit Enggang Balancing Reservoir at Bandar Mahkota Cheras, Selangor. Notably, it is the longest tubular conveyor system in Malaysia, traversing diverse terrains, including granitic hills, clay soil, existing roads, and the East Klang Valley Highway (EKVE).

The completion of this tubular conveyor system provides sustainable transportation for handling the residual to the landfill area. Carbon footprint, dust pollution, and most importantly transportation costs will be reduced due to the elimination of trucking system through existing road to the landfill area. Thus, it will also avoid public complaints during the operation.

The completion of this Tubular Pipe Conveyor System will provide sustainable transportation for handling the residual to the landfill area is illustrated in Figure 1:



Package 3: Main Components



Info

Pipe Conveyor Length: 1.9km
Total Landfill Area: 240 Acres
Landfill Lifespan: 30 Years (Phase 1 & 2)

EKVE Highway Crossing

Length: 75 m
Height Clearance: 5.4 m

Figure 1: Overall plan of Pipe Conveyor System



Charging Station located at Water Treatment Plant



Intermediate Charging Station



Pipe conveyor crossing existing road



Pipe Conveyor traversing diverse terrains



Pipe Conveyor crossing EKVE Highway



The Construction of Residual Storage Shelter

The Tubular Pipe Conveyor System has incorporated green technology values in its design to align with EESG initiatives, such as:

- a. The use of pipe conveyors for transporting dewatered residual waste from the existing Langat 2 Phase 1 Water Treatment Plant to the final disposal landfill, due to the reduction in fossil fuel use by lorries, thereby minimising material spillage.
- b. Selection of energy-efficient plant and equipment, such as high-efficiency motors and the use of variable frequency speed controls for pipe conveyors.
- c. Proposal and use of energy-efficient building services, such as air-conditioning units with inverter technology and LED light fittings.
- d. Implementation of a central rainwater harvesting system for collecting rainwater from building roofs, to be used for general hose downs, flushing, and a tyre wash system.
- e. Installation of water conservation fixtures, such as dual-flush cisterns with full-flush and partial-flush discharge, limited to a maximum of 6 litres for a full flush and 3 litres for a partial flush, to ensure efficient and effective water use.

Challenges during the construction of the Tubular Pipe Conveyor System and landfill area:

- i. Piers located in a granitic hilly area with slopes exceeding 28m in height, requiring controlled rock excavation using chemicals.
- ii. No blasting works permitted during construction, due to the proximity of the structure to the Langat 2 Water Treatment Plant and Bukit Enggang Balancing Reservoir.
- iii. Public complaints from residents during construction activities.
- iv. Lengthy approval processes from authorities during KM ('Kebenaran Merancang' or Planning Approval), Earthworks & Infrastructure, and Building Plan Approval stages.

The Langat 2 Phase 2 (L2P2) WTP

In January 2024, PAAB reached a significant milestone by agreeing to proceed with L2P2 project. This pivotal step underscores our commitment to enhancing the water supply infrastructure in Selangor.

This dedication to advancing the project will play a vital role in meeting the growing water demands of the community and ensuring sustainable access to clean water for the consumer.

The main objectives of the L2P2 are:-

- a. To meet water demand for new developments and the future needs in the State of Selangor, Federal Territories of Kuala Lumpur and Putrajaya.
- b. To continue the development of L2P1.
- c. To increase WTP's supply capacity aiming to maintain at least a 10% supply margin reserve for a more sustainable overall water supply system.
- d. To improve the Overall Reserve Margin for Selangor, Wilayah Persekutuan Kuala Lumpur and Putrajaya from the current 6.6% to 15.6%.
- e. To enhance connectivity between WTPs due to improved supply margin reserve.
- f. To improve external storage for a more reliable and sustainable water supply scheme. This also aims to minimise interruptions due to the construction of additional reservoirs with combined capacity of 552ML.

The L2P2 and the Western Corridor are set to commence the construction work in the year 2027. As we move forward, the remaining project packages will be progressively awarded.

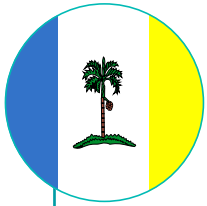
This dedication to ensuring that this initiative enhances the reliability and quality of water supply for the residents of Selangor contributes to a more secure and sustainable future.

L2P2 demonstrates PAAB's commitment to delivering sustainable and efficient water solutions, marking a significant milestone in the state's ongoing journey toward achieving water security.

The major components Langat 2 Phase 2 are as follows:-

- a. Water Treatment Plant – Construction of 1130 MLD Water Treatment Plant, Residual Treatment Facility and Landfill & Pipe Conveyor System.
- b. Northern Corridor – Supply and lay a new pipeline, construction of a new reservoir and a new pumping station.
- c. Western Corridor – Construction of a new reservoir, a new pumping station and new pipe connectivity works.
- d. Southern Corridor – Supply and lay a new pipeline, construction of a new reservoir and a new pumping station.
- e. Interconnection Works – New interconnection work at the Northern and Southern corridor.

Project Updates

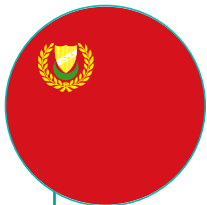


Pulau Pinang

On 15th August 2024 and 25th October 2024, PAAB had approved a portion of the development costs for two (2) new water treatment plant projects in Pulau Pinang i.e. Sungai Muda WTP (114 MLD) and Sungai Perai WTP (136 MLD).

The Sungai Muda WTP and Sungai Perai WTP are expected to provide and maintain 15% treated water supply reserve margin in Pulau Pinang and able to meet water demand for future developments needs in Seberang Perai Utara District and Seberang Perai Tengah District.

The appointment of an engineering consultant for both projects expected to kick-off by 1st quarter and 2nd quarter of 2025.

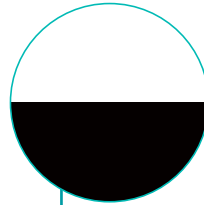


Kedah

Further to the approval of two (2) WTPs in Kedah in October 2023: Sidam WTP Phase 1 (200 MLD) and Sg. Karangan WTP Phase 1 (150 MLD), PAAB has appointed engineering consultants in June 2024. This marks significant milestones as we enter the study and design phases.

The consultants will collaborate closely with PAAB and Syarikat Air Darul Aman (SADA) for conducting comprehensive studies and designs to ensure the project meets the requirements and objectives, adheres to the industry standards, and progresses within the planned timeline.

We are looking forward to next phase of these projects and excited about the positive impact these projects will contribute to the water supply system in Kuala Muda and Kulim Districts and ultimately to the overall rise in Kedah's water supply reserve margin.



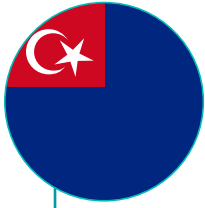
Pahang

As we entered 2024, PAAB began on-site works to replace old pipes across Maran, Rompin, Raub, Pekan and Termerloh Districts spanning approximately 86km which expected to complete in 2025.

Other projects currently in the process of study and design stage by the appointed consultants are :

- i. Upgrading capacity water treatment plants i.e. Jenderak WTP Phase 2 (9 MLD), Batu Embun 5 WTP (25 MLD) and Lepar WTP Phase 1 (10 MLD)
- ii. Construction of several numbers of new water storage with total capacity approximately 90ML in various districts in Pahang.
- iii. Installation of new pipelines in Temerloh, Jerantut, Pekan and Kuantan Districts approximately 88km long.
- iv. Refurbishment works for existing water treatment plants, pump houses and water storage.

As the projects begin to progress actively and more new projects are expecting to emerge, PAAB is in the process of establishing a regional office in Pahang which expect to ready by 3rd quarter of 2025.



Johor

Completion of Sultan Iskandar WTP (Phase 1) 116 MLD

The successful completion of Sultan Iskandar WTP (Phase 1) 160 MLD in March 2024 marks a major achievement in PAAB's journey. This accomplishment demonstrates the PAAB team's dedication and unwavering commitment.

Currently, with the next phase of Sultan Iskandar WTP (Phase 2) 160 MLD. Among the key objectives of expanding the capacity of this WTP is to ensure a sufficient and continuous water supply to address the growing water demands especially required for the operational needs of Data Centres in Johor Bahru.



Kelantan

On 1st October 2024, PAAB had the honour of hosting a visit by the Honourable Prime Minister, Datuk Seri Anwar Ibrahim to Chicha Water Treatment Plant Phase 2 (20 MLD) in Pasir Hor, Kota Bharu, Kelantan. Also present, were the Prime Minister's wife, Datin Seri Dr. Wan Azizah Wan Ismail, the Minister of Natural Resources and Environmental Sustainability, YB. Nik Nazmi Nik Ahmad and Kelantan Exco, Datuk Dr. Izani Husin.

During the visit, PAAB highlighted the completion of projects involving rehabilitation works and the replacement of 140km old pipes worth RM80 million in Kelantan. PAAB also highlighted that they are currently supervise other projects worth more than RM273 million i.e. construction of the Chicha Phase 2 WTP (20MLD), Bukit Chupak WTP (10 MLD), Tanjung Mas WTP (30 MLD), replacement of old pipes around Kota Bharu along 217 kilometres and plans to undertake the development of Tok Bali WTP (50 MLD).

Sustainability @ PAAB

7

SUSTAINABILITY STATEMENT

Serving as the company responsible for the development water assets, PAAB facilitates the centralised management and strategic development of critical water infrastructure. Our core mandate involves developing and upgrading water infrastructure across Peninsular Malaysia and Labuan, leveraging financing solutions which includes Islamic Commercial Papers under Sukuk Wakalah Programme that applies PASB's Sustainability Sukuk Framework and two (2) other sukuk programmes, accessing private debt capital markets to ensure cost-effective project implementation. PAAB's dedication to enduring infrastructure development underscores our focus on delivering reliable and resilient water services. Our efforts will also focus on enhancing our sustainability performance and establishing compliance guidelines to align internal processes with our long-term sustainability goals.

Our commitment to integrate sustainability into our operations supports the government's efforts and contributes to the Water Sector Transformation Agenda (WST 2040) Framework's goal of strengthening Malaysia's water sector. By enhancing accessibility and inclusivity, we foster equal opportunities while promoting long-term sustainability in alignment with the UN SDGs.



Langat 2 WTP, Selangor

Sustainability Governance

At PAAB, the Board of Directors (“the Board”) oversees sustainability matters, ensuring alignment with the organisation’s strategic priorities. The Sustainability Committee (“SC”) as the sub-committee of the Board, works alongside the Sustainability Steering Committee (“SSC”) in driving initiatives across the organisation.

The SC convenes quarterly to review progress, address key issues and drive continuous improvement while the SSC is responsible for planning, implementing, evaluating and communicating policies, frameworks, strategies, targets and practices that align with the UN SDGs, ensuring a globally relevant approach to cultivate a better tomorrow.

Defining Reporting Scope and Boundaries

The Statement covers the period from 1st January 2024 to 31st December 2024 (“FY2024” or “the year under review”) and includes developments within Pengurusan Aset Air Berhad (“PAAB”)¹ and our subsidiaries listed below. For FY2024, our reporting scope excludes disclosures related to the construction of our projects.

Companies

Pengurusan Aset Air Berhad (“PAAB”)	Construct, refurbish, improve, upgrade, maintain and repair water infrastructure and all other associated assets within the system.
Pengurusan Air SPV Berhad (“PASB”)	A special purpose vehicle for Sukuk issuance.

Locations

Corporate Office <ul style="list-style-type: none">• Kuala Lumpur	State Offices <ul style="list-style-type: none">• Negeri Sembilan• Melaka• Johor• Kelantan
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¹ ACQUA SPV Berhad (“ASPV”) has been a dormant entity since 2019.

Sustainability Highlights

Economic Advancement



RM1,219,633,000

Economic Value Generated
(Lease Income Revenue)



100 %

Allocation of procurement
budget on local suppliers

Environmental Responsibility



Scope 1 & 2

GHG emissions reporting and
tracking commenced in FY2024



183.79 tCO₂e

Total GHG Emissions for FY2024

Social Well-being



Zero

in number of work-related fatalities



RM 166,000

Spent for community programmes,
sponsorships and donations

Ethical Governance



100%

of our operations have
been assessed for
corruption-related risks



30%

female directors as
the Board members



Zero

Substantiated complaints
concerning breaches
in customer privacy and
losses of customer data

Advancing Our Sustainability Strategy

Our sustainability strategy aligns with the 2030 Agenda for Sustainable Development and the Paris Agreement, reflecting our commitment to responsible business practices. The framework integrates responsible practices into our operations, driving value creation for stakeholders while minimising adverse impacts on people and the planet.

Aspiration

Catalysing development in the water sector that meets the needs of the present without compromising the ability of future generations to meet their own needs

Vision

Sustainable Water Services Industry

Mission

- To settle State Government's Federal Loan water debts through acquisition of their water assets of equivalent value
- To build, upgrade and rehabilitate the water supply assets through competitive financing

Guided By

2030 Agenda for Sustainable Development

Paris Agreement

Enablers

Leadership
Commitment

Passionate
Workforce

Resource
Availability

Ethical Business
Conduct

Technological
and Innovation

Stakeholder
Engagement

Sustainability Pillars & Material Sustainability Matters

Economic Advancement

1. Investor Relations
2. Economic Contribution
3. Supply Chain Management and Procurement Practices
4. Business Optimisation and Digitalisation
5. Product Quality and Engineering Innovation
6. Sustainable Financing

Environmental Stewardship

1. Energy, Emissions and Climate Action
2. Waste, Effluents and Circular Economy
3. Water Consumption
4. Biodiversity

Social Accountability

1. Human Rights and Labour Practices
2. Occupational Health, Safety and Well-being
3. Talent Management
4. Diversity, Equity and Inclusivity Opportunity
5. Business Service Excellence
6. Community Engagement

Ethical Governance

1. Corporate Governance, Business Ethics and Anti-Corruption
2. Data Privacy and Cybersecurity

Key Result Areas

Vibrant Water Sector Ecosystem

Harmonious Living with Nature

Decent Quality of Life

Contribution to the UN SDGs



Key Stakeholder Groups



Minister of Finance
(Incorporated)



Government Ministries
and Agencies



Regulators, Rating Agencies
and Certification Bodies



Financial Institutions
and Investors



Water Operators



Contractors, Suppliers
and Vendor



Employees



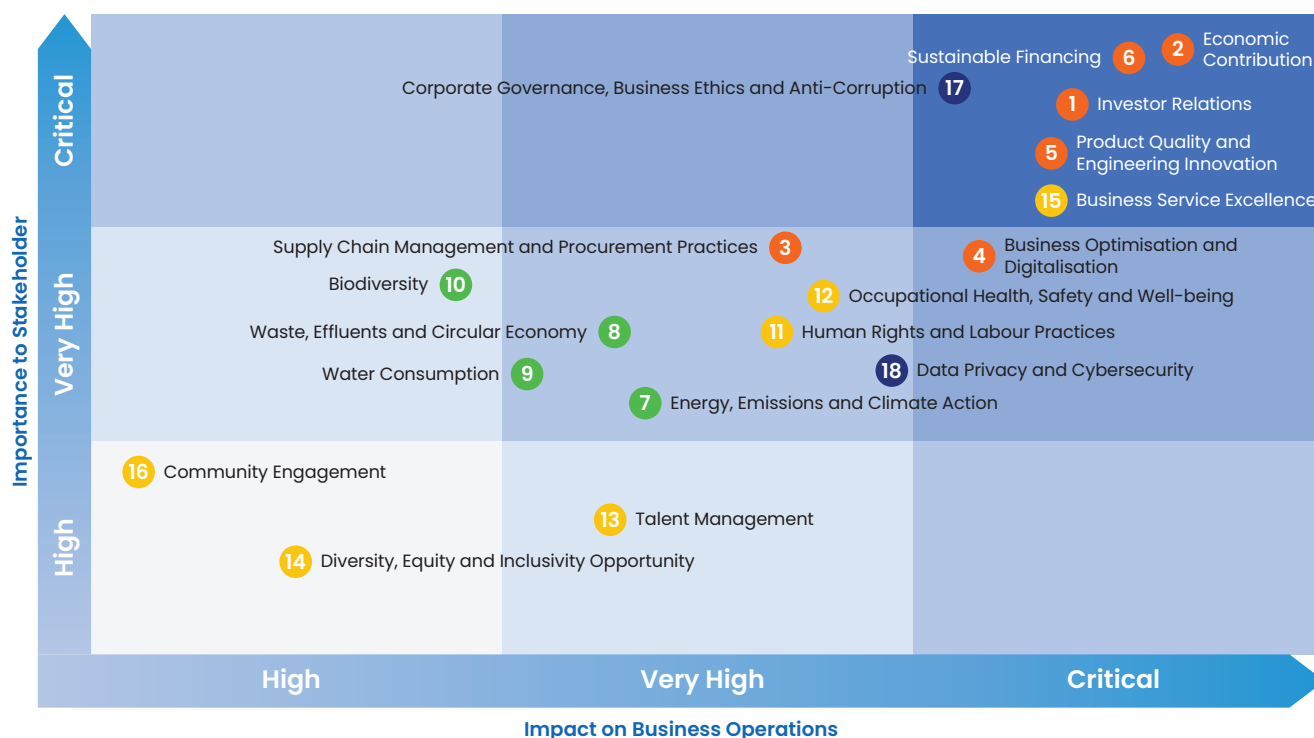
Communities, NGOs
and Public



Media

Determining Material Priorities

We conducted a materiality assessment, identifying 18 material issues across our ESG pillars. This process led to the introduction of new material matters and the refinement of existing ones to better align with evolving priorities. These findings were consolidated into a materiality matrix, visually mapping how these issues are prioritised based on their significance to stakeholders and the organisation. Our top six (6) material matters for the year are **Economic Contribution, Sustainable Financing, Corporate Governance, Business Ethics and Anti-Corruption, Investor Relations, Product Quality and Engineering Innovation** as well as **Business Service Excellence**.



EESG Pillar	Material Matters	Importance Level
Economic Advancement	1. Investor Relations 2. Economic Contribution 3. Supply Chain Management and Procurement Practices 4. Business Optimisation and Digitalisation 5. Product Quality and Engineering Innovation 6. Sustainable Financing	Critical Critical Very High Critical Critical Critical
Environmental Stewardship	7. Energy, Emissions and Climate Action 8. Waste, Effluents and Circular Economy 9. Water Consumption 10. Biodiversity	Very High Very High Very High Very High
Social Accountability	11. Human Rights and Labour Practices 12. Occupational Health, Safety and Well-being 13. Talent Management 14. Diversity, Equity and Inclusivity Opportunity 15. Business Service Excellence 16. Community Engagement	Very High Very High Very High High Critical High
Ethical Governance	17. Corporate Governance, Business Ethics and Anti-Corruption 18. Data Privacy and Cybersecurity	Critical Very High



Please scan the QR code for our full Sustainability Statement or you may download it from our website at www.paab.my/sustainability/

Knowledge Sharing

8

HAPPENINGS

Future Leaders of Water Sustainability (FLOWS 2024)

Moving with The “FLOWS”

PAAB was delighted to participate in the United Nations Global Compact Network Malaysia & Brunei's (UNGCMYB) inaugural “Water Symposium: Future Leaders of Water Sustainability (FLOWS)” held on 9th May 2024 in Connexion Conference & Event Centre, Bangsar South City.

The event was officiated by YAB Dato' Sri Haji Fadillah Haji Yusof, Deputy Prime Minister and Minister of PETRA. During the event, our esteemed CEO, Ir. Zulkiflee Omar had the honour of joining a panel discussion on “Water-A National Security Issue” moderated by Dr. Tunku Alina Alias, Advisory Panel member of UNGCMYB.

PAAB also took this opportunity to engage and explain our core business to the participants who visited our booth at the venue.

This is a manifestation of our relentless commitment towards water sustainability for current and future generations.



Chairman as Guest Speaker at Indonesia Water Forum 2024

PAAB proudly took the international stage as our Chairman, Dato' Seri Ir. Jaseni Maidinsa, was invited to speak at the Indonesia Water Forum 2024 (IWF 2024) organised by Persatuan Perusahaan Air Minum Seluruh Indonesia (PERPAMSI). The event took place from 28th to 30th of August 2024 at the Jakarta International Expo, Kemayoran, under the theme "Transformasi Air Minum Menuju Indonesia Emas Tahun 2024". The Forum brought together key players in the water sector from Indonesia and members of the Southeast Asia Water Utilities Network (SEAWUN). The Malaysian delegation also included representatives from the Malaysia Water Association (MWA) and SPAN.

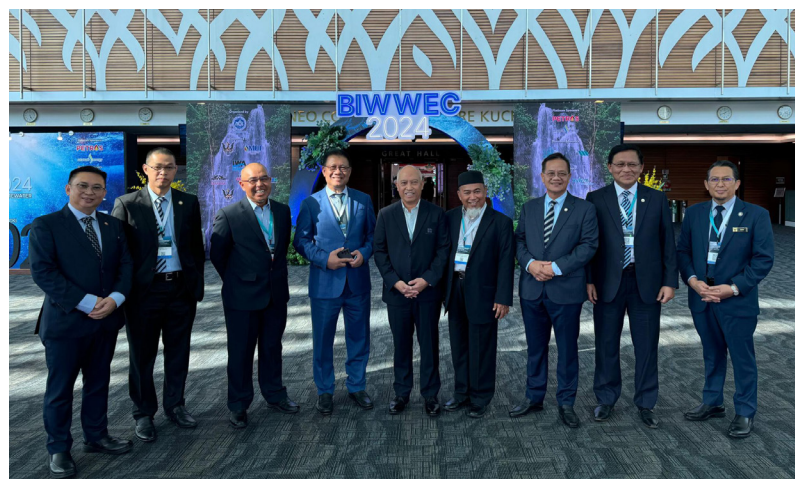
Our presentation covered PAAB's history, its pivotal role in restructuring the Malaysian water industry. SPAN and Aguas de Portugal, a leading Portuguese water operator, shared their experiences in water industry restructuring in Malaysia and Portugal, respectively. Discussions extended to alternative financing strategies for Indonesia's water sector. PERPAMSI has shown strong interest in emulating PAAB's restructuring model and expressed its intent to visit our Kuala Lumpur office to gain deeper insights into PAAB's operations. This milestone event not only highlights PAAB's leadership in the water industry but also serves as a platform for fostering stronger ties between PAAB, PERPAMSI, and other regional stakeholders.



CEO as Guest Speaker & Panelist at BIWWEC 2024 @ Kuching, Sarawak

PAAB participated in the Borneo International Water & Wastewater Exhibition & Conference 2024 (BIWWEC 2024) and the Sarawak Utilities & Telecommunication Conference 2024 (SUTCon 2024), held in Kuching, Sarawak. CEO Ir. Zulkiflee Omar, a key figure in PAAB's water infrastructure development and financing, delivered a presentation on Financial Sustainability in Water Infrastructure at BIWWEC 2024. He also introduced PAAB's Innovative Business Model, which focuses on strategic initiatives like New Water Asset Development, and Non-Revenue Water Financing methodologies.

The conferences, attended by water industry stakeholders from New Zealand, the Philippines, Singapore, Indonesia, and Australia, provided a platform for discussions and collaborative efforts to advance smart, innovative water solutions for a sustainable future in Borneo and the wider region. PAAB is committed to shaping a sustainable water infrastructure landscape and believes in the power of knowledge-sharing and collaboration.



Stakeholder Engagement

International College of
Yayasan Melaka, 23rd February
2024



Educational Visits to International College of Yayasan Melaka and Kolej Poly-Tech MARA Pahang

PAAB recognises the value of engaging and building bridges between different cultures and knowledge systems to forge a better future together. Throughout various educational visits this year, PAAB had meaningful sessions this year with College of Yayasan Melaka on 23rd February 2024 and Kolej Poly-Tech MARA in Pahang on 7th August 2024 respectively.

We are pleased both institutions collaboration with our industry. Educational institutions are never meant to be isolated entities. They exist within a broader and holistic ecosystem of stakeholders including the government, the industry, the local communities as well as local universities.

From our perspective, this kind of educational session is truly a game changer in our business and water industry. This is a move towards a more equitable and sustainable educational system for our present and future generations. Therefore, this collaboration with the institutions is a great milestone for both organisations. In addition, this strategic collaboration spearheads opportunities for lifelong learning.



Kolej Poly-Tech MARA Pahang, 7th August 2024



Tenaga Nasional Berhad, 13 December 2024

Focused Group Discussion (FGD) between PAAB and Tenaga Nasional Berhad (TNB)

At PAAB, we acknowledge the importance of FGD in driving our daily business towards success, fostering trust, and generating value for all involved parties. Every decision we make is driven by our dedication to improving business and stakeholder outcomes. We maintain open and consistent communication with our key stakeholders to stay aligned with their changing needs, allowing us to continue serving each other in the long term. The FGD outlines our commitment to engaging with stakeholders in a transparent, inclusive, and responsible manner, and is consistent with PAAB's mission and vision.

In the spirit of advancing water industry, PAAB collaborated with TNB in an FGD on 13th December 2024, to construct action plans aimed at a better understanding of each other's needs and obligations.

- **Building Trust and Credibility**
To foster trust and credibility among our stakeholders through transparent and consistent communications, while upholding ethical business practices in utilities industry.
- **Managing Stakeholder Expectations**
To understand and manage the needs, expectations, and priorities of our stakeholders. Emerging risks that may compromise our corporate reputation or business outcomes are identified and integrated into our strategic planning and decision-making processes.
- **Enhancing Corporate Reputation**
To enhance our reputation as a responsible organisation by engaging proactively with stakeholders, and contributing positively to the communities in which we operate.

Bukit Chupak Water Treatment Plant Groundbreaking Ceremony by MB Kelantan

29th February 2024
Gua Musang, Kelantan

The ground-breaking ceremony for Bukit Chupak Water Treatment Plant (WTP) project in Gua Musang, Kelantan was held on 29th February 2024. The event was graced by Kelantan Menteri Besar, Ustaz Dato' Mohd. Nassuruddin Daud.

The project costing at RM47.9 million, will be able channel a supply of treated water amounting to 10 MLD, at the same time benefiting approximately 30,000 residents in Gua Musang.



PM Visit Chicha Phase 2 WTP Project in Kota Bharu

1st October 2024
Kota Bharu, Kelantan



Prime Minister Datuk Seri Anwar Ibrahim visited the construction site of the Chicha Phase 2 WTP in Pasir Hor, Kota Bharu, Kelantan, which has a capacity of 20 million litres per day (MLD) and a project cost of RM54.9 million. The plant is scheduled for completion by January 2026.

During the project briefing, our CEO Ir. Zulkiflee Omar, highlighted that five (5) additional projects under PAAB, with a combined value exceeding RM273 million, are underway. These include construction of the Chicha WTP, Bukit Chupak WTP (10 MLD), Tanjung Mas WTP (30 MLD), replacement of 217km of ageing pipelines around Kota Bharu, and planning for the Tok Bali WTP in Pasir Puteh with a capacity of 50 MLD. Ir. Zulkiflee also shared that PAAB has successfully completed water infrastructure projects in Kelantan worth over RM80 million, including the restoration and replacement of approximately 140km of pipelines. The Prime Minister was accompanied by his wife, Datin Seri Dr. Wan Azizah Wan Ismail, the Minister of Natural Resources and Environmental Sustainability, YB. Nik Nazmi Nik Ahmad, and Kelantan State Executive Councillor, Datuk Dr. Izani Husin.



Media Visit

PAAB undertook a media visit during Ramadan 2024, engaging with Media Prima, the New Straits Times (NST), and Radio Televisyen Malaysia (RTM). The purpose of this visit was to reinforce media relations and provide updates on PAAB's water infrastructure and sustainability initiatives.

The visit facilitated a platform for collaborative engagement, encouraging productive discussions concerning industry challenges and public awareness of sustainable water management. It also provided an opportunity to express gratitude for the media's support, while reaffirming PAAB's dedication to transparent communication and robust partnerships.

Media Prima



NST



RTM



CSR

Lestari

Kempen Masjid Hijau

More than 100 participants, including 40 volunteers from PAAB and Politeknik Port Dickson, came together to support the *Kempen Masjid Hijau* PAAB 2024 CSR programme held at the Masjid Kariah Kampung Jimah Lama in Port Dickson on 25th July 2024.

Key highlights include a spiritual talk entitled “Water Sustainability in Worship” by Ustaz Syed Abdul Kader Aljoofre, CSR Lestari donation worth RM17,500 from PAAB by CEO Ir. Zulkiflee Omar to Tuan Haji Mohamad Abdul Latif, Chairman of Masjid Kariah Kampung Jimah Lama, and a demonstration on water-efficient taps and Rainwater Harvesting CSR – *Kempen Masjid Hijau* Systems (SPAH) by the Malaysia Green Technology and Climate Change Corporation (MGTC).



Beach Cleaning

An impressive 480kg of rubbish was collected during the Beach Clean-Up Programme held at Teluk Senangin, Lumut, Perak. The event saw participation from approximately 300 volunteers, including representatives from strategic partner Kelab Belia Prihatin, various banks, Lembaga Air Perak (LAP), the Manjung Municipal Council Universiti Teknologi Petronas and UniKL Malaysia students from application of BIM in water projects. Sustainable long-term solutions for the water industry, integration of BIM with GIS technology for enhanced water resource management. PAAB remains committed to advancing smarter water infrastructure planning and optimising resource management through BIM adoption.

The programme, themed “A Wave of Change”, showcased a collective effort to protect and preserve the environment as well as highlighted the importance of community-driven initiatives in fostering environmental sustainability.



Edu-Sustainability Programme

PAAB has launched a pilot initiative, the PAAB Lestari Edu-Sustainability Campaign at Universiti Sains Malaysia (USM), to promote sustainability through education. The campaign aims to educate students about water conservation and sustainable practices, ensuring they are well-informed and proactive about environmental sustainability issues. CEO Ir. Zulkiflee Omar, announced donation allocation of RM50,000 for various sustainability initiatives at USM in Penang. The campaign involved upgrading water supply facilities and infrastructure at the Desa Siswa Indah Kembara L-12 residential college. Key upgrades will include replacing water taps and toilet tanks with water-efficient products, reducing water consumption by up to 50%. The event was attended by notable attendees, including PAAB Chairman, USM Deputy Vice-Chancellor, PBAPP Chief Operating Officer, and Water Watch Penang President.



Volunteerism

Last year, a group of PAAB staff embarked on a meaningful mission, participating in an international volunteer weekend. Their adventure wasn't simply an outing: it was a dedicated effort to combat marine pollution and raise environmental awareness. From the 21st to 23rd of June 2024, they joined Phase 2 of the PADI AWARE Dive Against Debris®, organising a beach clean-up and delivering environmental education. This commitment highlights their role as corporate volunteers, directly contributing to vital Sustainable Development Goals: #13 for Climate Action, #14 for Life Below Water, and #17, fostering crucial Partnerships.

The impact of their work, meticulously documented with measurable assessments, was compiled into a Sustainability Report and shared with the PADI Aware Foundation and the Department of Marine. These figures aren't just numbers; they represent tangible actions and a positive change. PAAB recognises the significance of this contribution. The staff's involvement in the beach clean-up and their work in educating students at SK Perhentian, demonstrate a holistic approach to environmental responsibility. It would be a missed opportunity if these achievements were not showcased in these achievements in PAAB's 2024 Sustainability Report and Annual Report, ensuring the story of their dedication is told consistently.

Looking ahead, PAAB will focus on river clean-ups in 2025, addressing pollution at its source. While future efforts will target rivers, the valuable contributions from the 2024 beach clean-up shall not be forgotten. These actions by PAAB's corporate volunteers form an important part of the ongoing narrative of environmental stewardship. You can find more about their work in the Sustainability Report 2024: Phase 2 PADI AWARE Dive Against Debris®, Beach Clean-up and Environment Education flipbook.



Calendar of Events 2024



Benchmarking & Networking

29 February

Groundbreaking Ceremony Bukit Chupak Water Treatment Plant

Bukit Chupak, Gua Musang, Kelantan
Stakeholder Engagements



Benchmarking & Networking

08 February

Visit to Lok Heng WTP & Layang 2 Sultan Iskandar WTP

Kota Tinggi, Johor
Stakeholder Engagements



05 March

Courtesy Visit to Chief Minister of Melaka

Melaka Chief Minister Office
Stakeholder Engagements

06 March

Malaysia Book of Records Award Ceremony

Package 6A L2P1 WTP





08 March

Site Visit by Deputy Minister of PETRA to Petaseh Intake, Jelebu

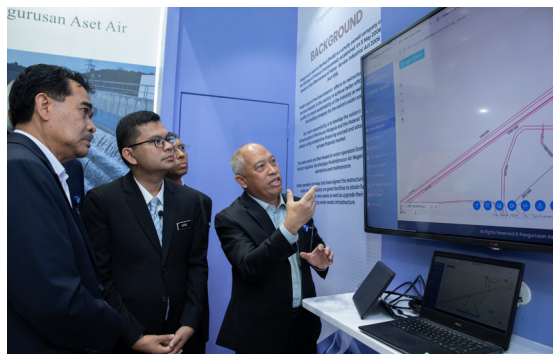
Jelebu, Negeri Sembilan
Stakeholder Engagements

02 April

CSR PAAB Prihatin – Ramadan & Syawal Programme

Kajang, Semenyih, Selangor
PAAB Prihatin





23-25 April

Asia Water

Kuala Lumpur Convention Centre
Exhibition

26-27 April

Hari Air Sedunia

The Waterfront, Kuching, Sarawak
Exhibition





30 April

Majlis Ceriakan Raya PAAB

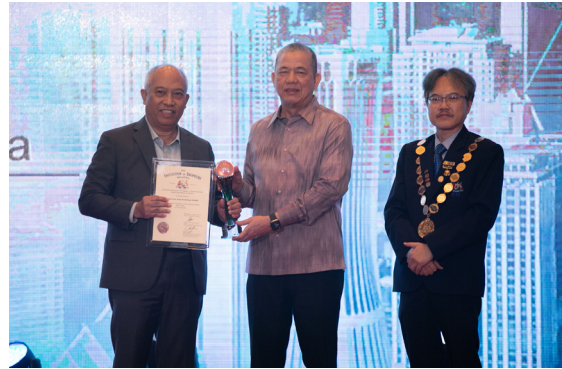
The Westin Kuala Lumpur
Stakeholder Engagements

09 May

FLAWS 2024

Bangsar South City, Kuala Lumpur
Exhibition





01 June

IEM Awards 2024

One World Hotel, Selangor
Awards

16-17 July

MWA Water Malaysia Conference 2024 – Operationalising Water Transformation in Malaysia – New Strategies and Actions

Wyndham Grand Ballroom Bangsar
Kuala Lumpur
Exhibition



PENGURUSAN ASET AIR BERHAD (PAAB)

6



24 July

Site Visit by the Chief Secretary of PETRA

L2P1 WTP

Stakeholder Engagements



25 July

Kempen Masjid Hijau

Masjid Kariah Kg Jimah Lama, Port Dickson
Masjid Hijau



24-25 July

SAP Now Southeast Asia Conference and Exhibition

Singapore
Conference



July

CEO Featured in Britishpedia

Britishpedia
Leadership



01 August

Persidangan Pentadbiran Tanah bersempena dengan Sambutan Hari Tanah Negara Ke-8 Tahun 2024

Dewan Sri Siantan, Kompleks Perbadanan Putrajaya
Exhibition



17-18 August

Malaysia SDG Summit 2024

Kuala Lumpur Convention Centre
Exhibition





22 August

The BrandLaurette BestBrands Awards 2023-2024

The Majestic Hotel, Kuala Lumpur Awards



28-30 August

Indonesia Water Forum 2024

Jakarta, Indonesia
Conference



28-30 August

Borneo International Water & Wastewater Exhibition & Conference 2024

Kuching, Sarawak
Conference



22-23 September

CSR Beach Cleaning Programme

Pantai Teluk Senangin, Perak
Beach Cleaning

26 September

BIM Day Event for Water Industry

InterContinental Kuala Lumpur
Event





27-29 September

Program Madani Rakyat (PMR) by PETRA

Miri, Sarawak
Exhibition

01 October

Prime Minister Visit Chicha WTP

Kota Bharu, Kelantan
Stakeholder Engagements





29 October

Launch of the Water Transformation Roadmap 2040 (AIR2040)

MITEC, Kuala Lumpur
Exhibition

19 November WATER LOSS 2024

Royale Chulan, Kuala Lumpur
Conference





20 November

Malaysia Digital Transformation Awards

Le Meridien Hotel, Putrajaya
Awards



22 November

PAAB-Government Investment Companies (GIC) MoF Friendly Bowling

Wangsa Bowl IOI City Mall Putrajaya
Networking Events



26 November

National Water Innovation Conference And Exhibition (NWICE2024)

Kuala Lumpur Convention Centre
Conference

Events / Programmes

Exhibitions / Conference

Events / Programmes



16 December

CSR Lestari Edu-Sustainability

Universiti Sains Malaysia, Pulau Pinang

To promote sustainability through education

- Upgrade water supply facilities and installation of water saving devices

17 December

Courtesy Visit to Chief Minister of Pulau Pinang

Penang Chief Minister Office

RM 1 billion Investment for Two (2) WTP's in
Pulau Pinang



News Article

Highlights in 2024

Pengurusan Aset Air to Invest RM1 Bil to Fund Two(2) Water Treatment Plants in Seberang Perai

THE EDGE
MALAYSIA

Pengurusan Aset Air to invest RM1 bil to fund two water treatment plants in Seberang Perai

BY EMIR ZAINUL
theedge.malaysia.com

KUALA LUMPUR (Dec 17): Malaysia's water asset custodian Pengurusan Aset Air Bhd (PAAB) is set to invest nearly RM1 billion to fund the construction of two water treatment plants in Seberang Perai, Penang, starting in 2025.

The project, a collaboration with the Penang state government, involves the construction of the Sungai Perai Water Treatment Plant (WTP) in Seberang Perai Tengah district with a capacity of 136 million litres of water per day (MLD), and the Sungai Muda WTP in Seberang Perai Utara district with a capacity of 114 MLD. "Once completed, a 15% treated water reserve supply margin can be achieved and maintained in the state of Penang and hence, will be able to cope with high consumer demand in both Seberang Perai Tengah and Seberang Perai Utara areas to support future development needs," PAAB said in a statement on Tuesday.

The statement was issued after PAAB, a company wholly owned by the Minister of



PHOTO BY PAAB

From left: Pengurusan Aset Air Bhd (PAAB) head of corporate services division Rozaifee Abu Zaharim, chief financial officer Zaleha Abdul Hamid, Penang Chief Minister Chow Kon Yeow, PAAB chairman Datuk Seri Jaseni Maidins and CEO Zulkiflee Omar

Finance Inc, paid a courtesy call to Penang Chief Minister Chow Kon Yeow to present its roles and responsibilities as a company appointed by the federal government to provide facilitation funds in implementing water infrastructure development projects.

The Seberang Perai area has been facing water problems for at least six years as its only primary water source is from Sungai Muda in the north along the Kedah border. The longstanding water issue was a central issue during the Sungai Bakap by-election back in July 2024.

The Penang state government at the time said that it was working on three projects to address the water supply problems, which had been previously announced under the Water Contingency Plan 2030 by the state government and Penang Water Supply Corporation Sdn Bhd.

In May, Prime Minister Datuk Seri Anwar Ibrahim said Perak had agreed

to supply water to Penang via the Keri-an Integrated Green Industrial Park into Seberang Perai.

PAAB's role does not stop in Penang. It also covers all states that have entered the National Water Services Industry Restructuring Plan with PAAB.

PAAB forms part of the government's efforts to restructure the water services industry in the country to achieve better efficiency and quality, as well as to ensure sustainability of the industry.

Its main responsibility is to develop the nation's water infrastructure in Peninsular Malaysia and the Federal Territory of Labuan, using competitive financing sourced and obtained from the private financial market. The water assets are then leased to water operators licensed by the industry regulator, Suruhanjaya Perkhidmatan Air Negara (SPAN), for operations and maintenance.

USM dipilih kampus rintis Kempen PAAB Lestari 2024

GEORGE TOWN - Universiti Sains Malaysia (USM) kampus Pulau Pinang dipilih untuk melaksanakan program tanggungjawab sosial korporat (CSR) yang dilaksanakan oleh Pengurusan Aset Air Berhad (PAAB), iaitu Kempen PAAB Lestari 2024 (Edu-Sustainability).

Kempen itu merupakan inisiatif PAAB iaitu syarikat milik penuh Menteri Kewangan Diperbadankan dengan kerjasama Perbadanan Bekalan Air Pulau Pinang (PBAPP) dan badan bukan kerajaan, Water Watch Penang (WWP).

Ketua Pegawai Eksekutif PAAB, Zulkiflee Omar berkata, PAAB telah menyayurkan peruntukan berjumlah RM50,000 kepada USM kampus Pulau Pinang untuk melaksanakan kempen berkenaan.

Menurutnya, USM merupakan kampus rintis pertama kepada kempen tersebut sebagai strategi jangka masa panjang bagi memperkukuhkan lagi usaha memelihara alam sekitar di peringkat kampus institusi pengajian tinggi (IPT).

"Sebelum ini kita sudah melaksanakan inisiatif ini sejak 2019 iaitu Program School



Jaseni (kiri) menandatangani plak Program CSR, Kempen PAAB Lestari 2024 pada majlis pelancaran kempen berkenaan di Desa Siswa Indah Kembara USM pada Isnin.

Sustainability melibatkan 11 sekolah di lima negeri iaitu Kelantan, Johor, Pahang, Selangor dan Negeri Sembilan. "Inisiatif ini dilaksanakan selama empat tahun bagi memanfaatkan 10,000 murid dan pelajar dengan peruntukkan RM500,000.

"Ia merupakan komitmen

kita di negeri-negeri yang telah menandatangani pelan penstrukturan semula industri bekalan air," katanya selepas melancarkan Kempen PAAB Lestari 2024 di USM di sini pada Isnin.

Turut hadir, Pengerusi PAAB, Datuk Seri Jaseni Maidins; Timbalan Naib

Canselor (Rangkaian Industri dan Komuniti) USM, Profesor Dr Azlan Amran dan Ketua Pegawai Operasi PBAPP, Rosyidi Lat.

Tambah beliau, pelbagai inisiatif kelestarian bakal diterapkan dan dilaksanakan untuk menyampaikan maklumat penjimatan air dan amalan hijau melalui kempen kesedaran kepada pelajar IPT.

"Ia bagi memastikan mereka memahami dan mengambil tahu mengenai isu kelestarian alam sekitar. Sebagai projek rintis kampus lestari kepada program CSR ini, PAAB akan melaksanakan inisiatif kelestarian termasuk penukaran pili air dan tangki tandas sedia di kolej kediaman.

"Penukaran pili air adalah menukarkan kepada produk cekap air yang menghasilkan pengeluaran air lebih rendah dengan keupayaan menjimatkan bil air sehingga 50 peratus daripada jumlah bil semasa," katanya.

Zulkiflee menambah, peruntukan berjumlah RM50,000 untuk menaik taraf kemudahan bekalan air dan infrastruktur kampus di kolej kediaman Desa Siswa Indah Kembara L-12 yang dijangka siap dalam tem-

poh tiga bulan.

"Pemilihan USM kampus Pulau Pinang sebagai kampus rintis pertama adalah kerana dalam laporan Suruhanjaya Perkhidmatan Air Negara, ia mencatatkan penggunaan air bersih tertinggi, sama seperti penggunaan di kilang dan hotel.

"Selepas ini sasaran kita adalah pada Kampus USM di Nibong Tebal dan Kelantan. Kita juga bercadang untuk untuk memperluaskan kempen ini di universiti-universiti lain seperti Universiti Utara Malaysia," katanya.

Jelas beliau, program CSR PAAB berteraskan kepada empat prinsip iaitu suka rela, pendidikan, masyarakat setempat dan alam sekitar.

"Harapan kami adalah untuk melihat keberkesanan Kempen PAAB Lestari ini dalam kalangan pelajar USM yang merupakan generasi masa hadapan yang akan menerapkan agenda penjimatan air serta kelestarian alam sekitar di negara ini.

"Pelajar juga boleh meneruskan kerjayanya ini melalui sesi libat urus dan program kesedaran bersama pihak berkepentingan lain," katanya.

USM Dipilih Kampus Rintis Kempen PAAB Lestari 2024

TELUS & TULUS
Sinar
Harian

PM Tinjau Tapak Pembinaan Loji Rawatan Air (LRA) Chicha Fasa 2



PM tinjau tapak pembinaan Loji Rawatan Air (LRA) Chicha Fasa 2

Oleh Siti Rohana Idris - Oktober 1, 2024 @ 8:02pm
bhnews@bh.com.my



Perdana Menteri, Datuk Seri Anwar Ibrahim (tengah) diiringi Menteri Sumber Asli dan Kelestarian Alam Nik Nazmi Nik Ahmad (dua, kanan) dan Ketua Pegawai Eksekutif Pengurusan Aset Air Berhad (PAAB) Ir Zulkiflee Omar meninjau kemajuan tapak projek Pembinaan Loji Rawatan Air (LRA) Chicha Fasa Dua dan Sistem Agihan di Pasir Hor hari ini.

KOTA BHARU: Datuk Seri Anwar Ibrahim hadir di tapak pembinaan Loji Rawatan Air (LRA) Chicha Fasa 2 di Pasir Hor, di sini, hari ini.

480kg sampah dikutip di pantai Teluk Senangin

LUMUT - Sebanyak 480 kilogram (kg) sampah berjaya dikutip Pengurusan Aset Air Berhad (PAAB) menerusi Program Pembersihan Pantai, Cetus Gelombang Lestari di Pantai Teluk Senangin, di sini pada Isnin.

Ketua Pegawai Eksekutif PAAB, Ir Zulkiflee Omar berkata, program tanggungjawab sosial korporat (CSR) itu merupakan inisiatif syarikatnya yang berteraskan kelestarian alam sekitar dan membudayakan amalan hijau sejak 2019.

"Selain program Sustainability School, kita juga melaksanakan kempen masjid hijau PAAB di sembilan masjid di Melaka, Kelantan dan Negeri Sembilan yang telah dinaik taraf fasiliti supaya lebih cekap penggunaan air.

"Program hari ini adalah kesinambungan daripada A Wave Of Change - Beach and Mangrove Cleaning yang dilaksanakan di Nibong Tebal, Pulau Pinang, Tanjung Karang, Selangor dan Kampung Sungai Melayu, Johor pada tahun lalu.

"Objektif program ini bukan sahaja menjaga kelestarian alam sebaliknya kita dapat menerapkan nilai sukarelawan kepada para pelajar sekali gus memberi mesej berterusan kepada pengunjung," katanya.

Pada program itu, hampir 300 sukarelawan terdiri daripada Kelab Belia Prihatin sebagai rakan strategik, penggiat industri perbankan, Lembaga Air Perak (LAP), Majlis Perbandaran Manjung (MPM) dan pelajar dari Universiti Teknologi Petronas (UTP) serta UnikL Malaysia Institute of Marine Engineering Technology (UnikL Mimet) telah berjaya mengutip 480kg sampah dalam tempoh sejam di sepanjang 1 kilometer pantai berkenaan.

PAAB turut memasang tiga papan tanda informasi di kawasan pantai dan menanam empat pokok rhu sebagai simbolik perasmian program.

Dalam perkembangan lain, Zulkiflee berkata, PAAB telah menyiapkan projek-projek berkaitan aset air bernilai RM7.4 bilion, projek yang dalam pembinaan (RM1.8 bilion) manakala projek dalam fasa reka bentuk pula melibatkan lebih



Program Pembersihan Pantai, Cetus Gelombang Lestari di Pantai Teluk Senangin, Lumut pada Isnin berjaya mengutip sebanyak 480kg sampah.

RM5 bilion.

"Aset air PAAB melibatkan pembinaan loji rawatan air (LRA), membaik pulih LRA dan menggantikan paip uzur di seluruh negara. Kita fokus tiga perkara ini kerana ia dapat meningkatkan kadar rizab margin air terawat negeri.

"Selain itu, kita telah memulakan reka bentuk bagi projek LRA Langat 2 bagi fasa 2 yang dapat mengeluarkan 1.13 juta liter air sehari bernilai RM4 bilion. Ia merupakan salah satu projek terbesar PAAB dan dijangka siap pada tahun 2030," katanya.



Komuniti setempat turut membantu sukarelawan mengumpul sampah yang dikutip.

480kg Sampah Dikutip di Pantai Teluk Senangin



PAAB Salur Dana RM97,500 Naik Taraf Fasiliti Air di Masjid, Surau



TELLUS & TULLUS • MATA DAN TELINGA RAKYAT • PEMACU PERUBAHAN

Sinar Harian NASIONAL 11

JUMAT 26 JULAI 2024 • SINAR HARIAN

PAAB salur dana RM97,500 naik taraf fasiliti air di masjid, surau

PORT DICKSON - Pengurusan Aset Air Berhad (PAAB) syarikat milik penuh Menteri Kewangan Diperbadankan (MKD) telah memperuntukkan lebih RM97,500 bagi menaik taraf fasiliti air di sembilan masjid dan surau di tiga negeri sejak tahun 2022.

Program tanggungjawab sosial korporat (CSR) yang dilaksanakan dengan kerjasama Malaysia Green Technology and Climate Change Corporation (MGTC) itu diadakan menerusi Kempen Masjid Hijau PAAB 2024.

Ketua Pegawai Eksekutifnya, Ir Zulkiflee Omar berkata, tujuan program itu diadakan sebagai usaha pihaknya menjadikan masjid sebagai pemangkin kepada agenda kelestarian alam.

"Tahun ini, Masjid Kariah Kampung Jimah Lama terpilih kerana ia terletak dalam jajaran projek PAAB iaitu kerja-kerja berkaitan di pintu sungai Loji Rawatan Air Sungai Linggi, Mukim Rantau.

"Ia adalah kesinambungan daripada Kempen Masjid Hijau yang telah kami laksanakan di empat masjid di Melaka pada tahun 2022 dan tiga masjid serta satu surau di Kelantan pada 2023," katanya selepas program Kempen Masjid Hijau PAAB 2024 di Masjid Kariah Kampung Jimah Lama di sini pada Khamis.

Hadir sama, Ketua Pegawai Eksekutif MGTC, Shamsul Bahar Mohd Nor.

Menurutnya, bagi program di Masjid Kariah Kampung Jimah Lama, PAAB telah memperuntukkan sebanyak RM12,500 dan pada masa sama turut memberi sumbangan tunai RM5,000.

Jelasnya, ia melibatkan pemasangan pili cekap air, sistem pengumpulan air hujan (SPAHH) dan pemasangan sistem agihan dan tekanan yang melibatkan keseluruhan peruntukan RM12,500.

"Penukaran pili telah pun siap, bagaimanapun sistem SPAHH dan pemasangan sistem agihan dan tekanan masih dalam proses pemasangan dan dijangka siap dalam waktu terdekat.

"Bagi meningkatkan tekanan air yang didapati agak lemah di beberapa tempat mengambil wuduk, sistem agihan dan pam turut dipasang," jelasnya.

Tambahnya, kesemua kerja-kerja penambahbaikan fasiliti air yang dilaksanakan diselia oleh MGTC.

Dalam pada itu katanya, kempen dan amalan bertujuan membantu kelestarian alam sekitar perlu dijalankan secara berterusan dan bukannya di satu-satu tempat saja.

Malah katanya, kesedaran amalan hijau perlu diterapkan sehingga sehati dalam kalangan masyarakat.

"Pemilihan masjid bagi menyalakan kempen ini adalah tepat kerana ia merupakan nadi kepada sesebuah kariah," ujarnya.

Wakil MGTC membuat demonstrasi pili cekap air.

COMMITMENT TO WATER SECURITY

PAAB receives IEM award for engineering prowess

KUALA LUMPUR: Pengurusan Aset Air Berhad (PAAB) was recently honoured with the IEM Award for Contribution to Engineering Industry in Malaysia 2024 by the Institution of Engineers Malaysia (IEM).

Every year, the IEM bestows its prestigious award, recognising organisations whose work has significantly advanced the field.

The award celebrates those who have contributed to the advancement of engineering in Malaysia or designed and implemented innovative engineering solutions with practical applications.

PAAB joins the ranks of esteemed recipients through its pivotal role in constructing, refurbishing, improving, and upgrading water infrastructure which underscores its commitment to ensuring the nation's water security and sustainability.

PAAB also plays a critical role in securing economically viable funding for water projects across Malaysia, reflecting its dedication to responsible stewardship of resources.

Since its establishment in 2006, PAAB has embarked on a multitude of water infrastructure projects, ranging from small-scale initiatives to large-scale endeavours.

The cumulative investment in

completed projects stands at over RM7 billion as at March, a testament to its impact on Malaysia's infrastructure landscape.

With approximately RM1.8 billion worth of projects under construction and over RM8 billion in various designs and tendering stages, PAAB continues to spearhead initiatives that drive progress and innovation in the water sector.

PAAB's track record of success is evidenced by the completion of more than 200 water infrastructure projects nationwide. It has contributed significantly to the nation's water reserve margin.

Notable achievements include a remarkable 2061 MLD (million litres per day) increase in supply capacity, a boost of 793 ML (million litres) in storage capacity, and the replacement and connection of 2,549km of water pipelines.

The rigorous evaluation process conducted by the IEM underscores PAAB's contributions to nation-building and engineering progress.

Following stringent assessments, the IEM Council unanimously approved the conferment of the IEM Award for Contribution to Engineering Industry in Malaysia 2024 to PAAB.

This prestigious recognition underscores PAAB's dedication to ad-



Pengurusan Aset Air Berhad chief executive officer Ir. Zulkiflee Omar (left) receiving the IEM Award for Contribution to Engineering Industry in Malaysia 2024 from Deputy Prime Minister Datuk Seri Fadillah Yusof recently. Looking on is IEM president Prof Dr Jeffrey Chiong Choong Lwin. PIC COURTESY OF PAAB

vancing the water industry and its pivotal role in ensuring Malaysia's sustainable development.

PAAB's receipt of the IEM award reaffirms its position as a trailblazer in engineering excellence and a beacon of inspiration for future generations.

As Malaysia continues its journey towards achieving engineering milestones, PAAB stands as a shining example of innovation, dedica-

tion, and unwavering commitment to national progress.

"Moving forward, PAAB is also

deeply committed to integrate environmentally friendly approaches into all facets of its operations, with a particular focus on engineering and construction practices aligning with the Malaysian government's vision for achieving net zero carbon emissions by 2050," said PAAB chief executive officer Ir. Zulkiflee Omar

who received the award from Deputy Prime Minister Datuk Seri Fadillah Yusof recently.

He also expressed his appreciation to PAAB staff, the government and various authorities including Minister of Finance Incorporated, the Energy Transition and Water Transformation Minister and the National Water Services Commission for being part of PAAB's journey.

PAAB Receives IEM Award for Engineering Prowess

NEW STRAITS TIMES

PAAB Sumbang Lebih RM20,000 Bantuan Persiapan Ramadan, Syawal

PAAB sumbang lebih RM20,000 bantuan persiapan Ramadan, Syawal

KAJANG - Pengurusan Aset Air Berhad (PAAB) memilih Pertubuhan Kebajikan Islam Peribadi Mulia di sini bagi menerima sumbangan PAAB Prihatin bersempena bulan Ramadan dan Syawal tahun ini.

Ketua Pegawai Eksekutif PAAB, Ir Zulkiflee Omar berkata, PAAB menyalurkan sumbangan berjumlah RM21,200 yang bakal memberi manfaat kepada 74 anak-anak kurang bernasib baik.

Ujarnya, bantuan meliputi sumbangan cek RM3,000 kepada pertubuhan selain baucar beli-belah RM150 dan sumbangan duit raya RM50 setiap seorang serta pek jadah berbuka puasa kepada anak-anak terabit.

Selain itu, ujarinya lagi, syarikat milik penuh Menteri Kewangan Diperbadankan itu turut menganjurkan kempen Shop & Share yang menggalakkan kakitangan menyumbangkan satu daripada barangan runcit mereka kepada anak yatim.

"Antara yang berjaya dikumpulkan termasuklah barangan penjagaan diri, barangan keperluan dapur dan juga pakaian terpakai yang masih boleh digunakan.



ZULKIFLEE

"Turut disumbangkan barangan keperluan khas seperti sabun mandi dan syampu khusus untuk anak-anak yang mengalami penyakit kulit ekzema," ujarinya kepada *Sinar Harian* pada majlis penyerahan sumbangan di pejabat Pertubuhan Kebajikan Islam Peribadi Mulia di sini.

Sumbangan diserahkan kepada Timbalan Pengetua pertubuhan itu, Nurul Syuhadah Noor Rizan.

Dalam pada itu, Zulkiflee berkata, PAAB berharap sumbangan dihulurkan dapat meringankan beban Pertubuhan Kebajikan Islam Peribadi Mulia untuk melakukan persiapan dan membeli barangan kelengkapan menjelang Syawal tidak lama lagi.

Jelasnya, seramai 74 kanak-kanak lelaki dan perempuan terdiri daripada anak yatim, fakir miskin dan asnaf zakat dari usia empat hingga 12 tahun yang menghuni rumah kebajikan berkenaan setakat ini.

"Program tanggungjawab sosial korporat (CSR) PAAB Prihatin ini dianjurkan bukan sahaja untuk mengimarahkan ibadah pada bulan Ramadan malah mewujudkan nilai kemasyarakatan menjelang musim perayaan.

"Semoga usaha kecil PAAB ini dapat memberikan kegembiraan dan mengukir



Program PAAB Prihatin dianjurkan bukan sahaja untuk mengimarahkan bulan Ramadan malah mewujudkan nilai kemasyarakatan menjelang musim perayaan.

senyuman kepada anak-anak penghuni rumah kebajikan ini menjelang Hari Raya Aidilfitri," ujarinya.

Program CSR tahunan ini turut disertai seramai 14 sukarelawan terdiri daripada kakitangan PAAB.



PAAB bantu empat negeri atasi masalah kadar air tidak terhasil

Oleh **Tuty Haryanti Ahmad Rodzi** - Mac 6, 2024 @ 1:50pm
bhnews@bh.com.my



Pengerusi PAAB, Datuk Seri Jaseni Maidinsa (kanan) dan turut sama Pengarah Urusan IINFRA, Tengku Datuk Dr Hishammuddin Zaizi (kiri) melakukan gimik perasmian pada Pengurusan Aset Air Berhad (PAAB), menganjurkan acara 'Official Certificate Presentation Ceremony Malaysia Book of Records di di Langat 2 Water Treatment Plant Project (LRA2). - Foto ASWADI ALIAS

AMPANG: Pengurusan Aset Air Berhad (PAAB) mendapati Perlis, Kedah, Kelantan dan Pahang adalah negeri yang dikesan mempunyai air tidak terhasil (NRW) tinggi serta margin rizab air terawat paling rendah.

PAAB Bantu Empat(4) Negeri Atasi Masalah Kadar Air Tidak Terhasil



9

**AWARDS &
ACHIEVEMENTS**

**Malaysia Book of Records
– Longest Dual Functions &
Twin Parellel Treated Water
Tunnels**

**Institution of Engineers
Malaysia (IEM) 65th Awards**

**The BrandLaureate
BestBrands Awards 2023–
2024 – Nation's Pride**

**Malaysia Digital
Transformation Awards
2024 – Special Mention Inter-
Agency Award**

Malaysia Book of Records – Longest Dual Functions & Twin Parellel Treated Water Tunnels

During the construction of the tunnels (outlet tunnels)



The nation's first twin-treated water-lined tunnel marks a significant step forward in water infrastructure and signifies PAAB's accomplishment in developing water assets. This tunnel system, comprising a 2.2km and 3.2m diameter tunnel, carved beneath the Hulu Langat and Bukit Sungai Putih Forest Reserves, not only efficiently conveys treated water but also provides vital storage capacity.

As a cornerstone of the Langat 2 Scheme, this project secures a reliable water supply for the growing communities of Ampang and Hulu Klang, ensuring a sustainable future.

The successful completion of the Hulu Langat – Ampang Twin Lined Tunnel works has made Langat 2 Phase 1 eligible for the following awards by the Malaysia Book of Records under these categories:

1. Longest dual-function treated water tunnels
2. Longest twin parallel treated water tunnels

PAAB has contributed towards the advancement of water supply engineering in Malaysia by incorporating advanced concepts and new, modern, state-of-the-art technologies, ensuring that the standards of the water supply in Malaysia will be equal comparable to developed countries.



Application of synthetic (PVC) waterproofing membrane



The completion of the Hulu Langat – Ampang Twin Lined Tunnel (outlet tunnels)

Institution of Engineers Malaysia (IEM) 65th Awards



PAAB has been awarded the prestigious “IEM Award for Contribution to Engineering Industry in Malaysia 2024” by the Institute of Engineers Malaysia (IEM) Council in recognition of its outstanding contribution to the water industry.

The conferment of the award was unanimously approved by the IEM Council, which conducted stringent ratings and judging based on PAAB’s capabilities and significant contributions to nation-building and engineering progress. The award was accepted by our CEO, Ir. Zulkiflee Omar during IEM’s 65th Annual Dinner & Awards Night on 1 June 2024 at One World Hotel.

A heartfelt thanks and appreciation to PETRA, and the SPAN for being part of PAAB’s journey in the water industry.



The BrandLaureate BestBrands Awards 2023–2024 – Nation’s Pride



For the first time in our 18-year history, PAAB was honoured by The World Brands Foundation (TWBF) with The BrandLaureate BestBrands Awards 2023–2024 – Nation’s Pride, a recognition that celebrates our exceptional branding efforts, outstanding performance, and significant contributions to the water industry. Since our establishment in 2006, one of our core objectives has been to position PAAB as a leader in the water industry – an organisation known for its efficiency, reliability, and innovation.

This prestigious accolade marks a significant milestone in our journey and motivates us to pursue this objective with even greater determination. PAAB extends its heartfelt gratitude to each and every one of our employees, whose dedication and hard work have been instrumental in this achievement. Together, we have navigated challenges and celebrated victories, proving that when we unite towards a common goal, we are unstoppable. This recognition is more than an award; it is a testament to PAAB’s spirit, resilience, and drive to excel.

Malaysia Digital Transformation Awards 2024 – Special Mention Inter-Agency Award

PAAB’s digital asset management system, Information-Water Asset (i-WA), was awarded the Special Mention – Inter-Agency Award by Malaysia Digital Transformation (MDT) at the GovInsider Live Malaysia 2024 event. The event, officiated by the Honourable Tuan Gobind Singh Deo, Minister of Digital, acknowledges exemplary inter-agency initiatives promoting long-term collaboration. PAAB’s in-house asset management system, currently tracks and manages over 2,200 water assets and over 35,000km of pipelines nationwide. The recognition is a testament to PAAB’s commitment to improving Malaysia’s water industry and encourages continued enhancement of Malaysia’s water infrastructure and the adoption of digital advancements.



PAAB AWARD LIST

2023-2024

Malaysia Book of Records

29th September 2023



**MBOR: Longest
Microtunneling 'Internal
Diameter 2500mm' Twin
Parallel Water Pipeline**



**MBOR: Deepest
Microtunneling 'Internal
Diameter 2500mm' Twin
Parallel Water Pipeline**

Institute Of Engineers Malaysia (IEM)

1st June 2024



**IEM 65th Awards – In Recognition for
Contribution in the Engineering Industry –
Water Industry for the Year 2024**

Asian Power

8th November 2023



**Asian Water Awards 2023
Water Technology Excellence
Award (Water Resource
Management) - Malaysia**



**Asian Water Awards 2023
Collaborative Water Initiative
of the Year - Malaysia**



**The BrandLaureate BestBrands Awards
2023-2024 – Nation's Pride**

Malaysia Book of Records

6th March 2024



**MBOR: Longest Dual Functions
Treated Water Tunnels**



**MBOR: Longest Twin Parallel
Treated Water Tunnels**

Malaysia Digital Transformation

20th November 2024



**Malaysia Digital Transformation Awards
2024 – the Special Mention –
Inter-Agency Award**

10

FINANCIAL
STATEMENT



Pengurusan Aset Air Berhad

(Registration No. 200601012793 (732544-D))

(Incorporated in Malaysia)

and its subsidiaries

Directors' report for the year ended 31 December 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal activities

The principal activities of the Company are developing and managing the nation's water infrastructure in Peninsular Malaysia and the Federal Territories of Putrajaya and Labuan whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements.

Ultimate holding corporation

The ultimate holding corporation is Minister of Finance (Incorporated), incorporated in Malaysia under the Minister of Finance (Incorporation) Act 1957.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to owner of the Company	383,924	381,976

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclose in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid a final single tier ordinary dividend of 2.77 sen per ordinary share totalling RM20,251,753 on 8 August 2024 in respect of the financial year ended 31 December 2023.

The final ordinary dividend recommended by Directors in respect of the financial year ended 31 December 2024 is 2.74 sen per ordinary share totalling RM20,000,000.

Pengurusan Aset Air Berhad

(Registration No. 200601012793 (732544-D))

(Incorporated in Malaysia)

and its subsidiaries

Directors of the Company

Directors who served during the financial year until the date of this report are:

Dato' Seri Ir. Jaseni bin Maidinsa

Dato' Ir. Jauhari bin Hamidi

Dato' Zuraidah binti Atan

Dato' Ir. Nor Hisham bin Mohd Ghazali

Dato' Suzana binti Atan

Nasharuddin bin Abu Bakar

Datuk Nor Yati binti Ahmad

Dato' Ir. Dr. Mohd. Asbi bin Othman

Datuk Rawisandran A/L Narayanan

Dato' Haji Mad Zaidi bin Mohd Karli @ Sukari (Appointed on 15.04.2024)

Dato' Haji Rosli Bin Isa (Resigned on 15.04.2024)

Directors' interests in shares

None of the Directors holding office at 31 December 2024 had any interest in the shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or related corporations with the Directors or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The directors' benefits paid to or receivable by directors in respect of the financial year ended 31 December 2024 are as follows:

	By the Company RM'000
Directors of the Company:	
Fees	407
Remuneration	251
Estimated money value of any other benefits	9
Total	667

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares

There were no changes in the issued and paid-up capital of the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

During the financial year, the Company effected a Group Directors and Officers Liability Insurance Policy covering its subsidiaries. The aggregate amount of insurance premium paid was RM48,770. There was no indemnity given to or insurance effected for auditors of the Company during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

Other statutory information (continued)

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performances of the Group and of the Company for the financial year ended 31 December 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Subsequent event

Pursuant to a resolution passed by the Board of Directors on 26 March 2025, the Group intends to apply to the Registrar of Companies for strike-off of Acqua SPV Berhad under Section 550 of the Companies Act 2016, subject to the approval from the Minister of Finance (Incorporated) ("MOF Inc.").

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM279,000 and RM234,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



Dato' Zuraidah binti Atan
Director



Dato' Ir Jauhari bin Hamidi
Director

Date: 29 May 2025

Pengurusan Aset Air Berhad

(Registration No. 200601012793 (732544-D))

(Incorporated in Malaysia)

and its subsidiaries

Statements of financial position as at 31 December 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Assets					
Non-current assets					
Plant and equipment	2	3,921	4,243	3,921	4,243
Intangible assets	3	2,620	532	2,620	532
Right-of-use assets	4	2,992	2,839	2,992	2,839
Assets under construction	5	2,850,426	4,570,127	2,850,426	4,570,127
Investment in subsidiaries	6	-	-	1,000	1,000
Lease receivables	7	30,146,503	27,666,106	30,146,503	27,666,106
Trade and other receivables	8	279,996	230,368	279,996	230,368
		33,286,458	32,474,215	33,287,458	32,475,215
Current assets					
Lease receivables	7	383,386	335,374	383,386	335,374
Trade and other receivables	8	236,882	177,153	236,360	177,153
Current tax assets		4,097	7,334	3,953	7,334
Other investments	9	983,625	704,321	708,559	632,240
Cash and cash equivalents	10	537,765	543,895	534,716	541,811
		2,145,755	1,768,077	1,866,974	1,693,912
Total assets		35,432,213	34,242,292	35,154,432	34,169,127
Equity and liabilities					
Equity attributable to owner of the Company					
Share capital	11	730,000	730,000	730,000	730,000
Retained earnings		1,830,302	1,466,630	1,829,888	514,684
Fair value reserve		33,265	2,047	33,265	2,047
Total equity		2,593,567	2,198,677	2,593,153	1,246,731
Non-current liabilities					
Deferred income	12	3,645,013	3,798,896	3,645,013	3,798,896
Loans and borrowings	13	21,519,481	21,449,959	3,797,330	3,979,814
Amount due to subsidiaries	14	-	-	17,722,152	17,470,145
Deferred tax liabilities	16	2,969,700	2,901,457	2,969,700	2,901,457
Lease liabilities		2,166	1,798	2,166	1,798
		28,136,360	28,152,110	28,136,361	28,152,110

Statements of financial position as at 31 December 2024 (continued)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current liabilities					
Loans and borrowings	13	3,682,920	3,055,715	333,519	283,606
Trade and other payables	15	1,017,966	834,294	1,017,402	834,031
Amount due to subsidiaries	14	-	-	3,072,597	3,651,249
Lease liabilities		1,400	1,400	1,400	1,400
Current tax liability		-	96	-	-
		4,702,286	3,891,505	4,424,918	4,770,286
Total liabilities		32,838,646	32,043,615	32,561,279	32,922,396
Total equity and liabilities		35,432,213	34,242,292	35,154,432	34,169,127

The notes on pages 119 to 162 are an integral part of these financial statements.

Pengurusan Aset Air Berhad

(Registration No. 200601012793 (732544-D))

(Incorporated in Malaysia)

and its subsidiaries

Statements of profit or loss and other comprehensive income for the year ended 31 December 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	17	1,219,633	1,098,968	1,219,633	1,098,968
Amortisation of government grants		153,822	182,270	153,822	182,270
Other income		16,445	33,445	17,044	34,020
Depreciation expenses		(2,449)	(1,950)	(2,449)	(1,950)
Amortisation of intangible assets	3	(276)	(335)	(276)	(335)
Personnel costs	21	(36,069)	(32,989)	(36,069)	(32,989)
Net reversal of impairment on assets under construction	5	3,680	42,977	3,680	42,977
Net reversal/(loss) of impairment on financial instruments		5,014	(2,039)	5,014	(2,039)
Other expenses		(24,797)	(38,395)	(24,195)	(37,811)
Results from operating activities		1,335,003	1,281,952	1,336,204	1,283,111
Finance income	18	57,950	41,325	53,856	38,720
Finance costs	19	(935,816)	(893,123)	(935,816)	(893,123)
Profit before tax	20	457,137	430,154	454,244	428,708
Tax expense	22	(73,213)	(50,291)	(72,268)	(49,731)
Profit for the year		383,924	379,863	381,976	378,977
Other comprehensive income net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Debt securities measured at fair value through other comprehensive income ("FVOCI")		31,218	18,346	31,218	18,346
Other comprehensive income for the year, net of tax		31,218	18,346	31,218	18,346
Total comprehensive income for the year		415,142	398,209	413,194	397,323

The notes on pages 119 to 162 are an integral part of these financial statements.

Pengurusan Aset Air Berhad

(Registration No. 200601012793 (732544-D))

(Incorporated in Malaysia)

and its subsidiaries

Statements of changes in equity for the year ended 31 December 2024

	Note	/-----Attributable to owner of the Company-----/ /---Non-distributable---/ Distributable			
		Share capital RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
Group					
At 1 January 2023		730,000	(16,299)	1,108,095	1,821,796
Debt securities measured at fair value through other comprehensive income					
- Gains during the year		-	18,346	-	18,346
Profit for the year		-	-	379,863	379,863
Total comprehensive income for the year		-	18,346	379,863	398,209
<i>Distributions to owner of the Company</i>					
- Dividend to owner of the Company	23	-	-	(21,328)	(21,328)
Total transactions with owner of the Company		-	-	(21,328)	(21,328)
At 31 December 2023/1 January 2024		730,000	2,047	1,466,630	2,198,677
Debt securities measured at fair value through other comprehensive income					
- Gains during the year		-	31,218	-	31,218
Profit for the year		-	-	383,924	383,924
Total comprehensive income for the year		-	31,218	383,924	415,142
<i>Distributions to owner of the Company</i>					
- Dividend to owner of the Company	23	-	-	(20,252)	(20,252)
Total transactions with owner of the Company		-	-	(20,252)	(20,252)
At 31 December 2024		730,000	33,265	1,830,302	2,593,567
		Note 11	Note 11		

Statements of changes in equity for the year ended 31 December 2024 (continued)

	Note	/-----Attributable to owner of the Company-----/			
		/---Non-distributable---/		Distributable	
		Share capital RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
Company					
At 1 January 2023		730,000	(16,299)	157,035	870,736
Debt securities measured at fair value through other comprehensive income					
- Gains during the year		-	18,346	-	18,346
Profit for the year		-	-	378,977	378,977
Total comprehensive income for the year		-	18,346	378,977	397,323
<i>Distributions to owner of the Company</i>					
- Dividend to owner of the Company	23	-	-	(21,328)	(21,328)
Total transactions with owner of the Company		-	-	(21,328)	(21,328)
At 31 December 2023/1 January 2024		730,000	2,047	514,684	1,246,731
Debt securities measured at fair value through other comprehensive income					
- Gains during the year		-	31,218	-	31,218
Profit for the year		-	-	381,976	381,976
Total comprehensive income for the year		-	31,218	381,976	413,194
<i>Distributions to owner of the Company</i>					
- Dividend to owner of the Company	23	-	-	(20,252)	(20,252)
- Waiver on amount due to subsidiary	14	-	-	953,480	953,480
Total transactions with owner of the Company		-	-	933,228	933,228
At 31 December 2024		730,000	33,265	1,829,888	2,593,153
		Note 11	Note 11		

Pengurusan Aset Air Berhad

(Registration No. 200601012793 (732544-D))

(Incorporated in Malaysia)

and its subsidiaries

Statements of cash flows for the year ended 31 December 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities					
Profit before tax		457,137	430,154	454,244	428,708
<i>Adjustments for:</i>					
Amortisation of government grants		(153,822)	(182,270)	(153,822)	(182,270)
Amortisation of intangible assets	3	276	335	276	335
Depreciation expenses		2,449	1,950	2,449	1,950
Finance costs	19	935,816	893,123	935,816	893,123
Finance income	18	(57,950)	(41,325)	(53,856)	(38,720)
Gain on disposals of plant and equipment		(23)	(30)	(23)	(30)
Gain on disposals of intangible assets		-	(16)	-	(16)
Foreign exchange gain		-	(9,207)	-	(9,207)
Gain from lease modification on lease receivable		(4,792)	-	(4,792)	-
Gain from lease modification on right-of-use asset		-	(249)	-	(249)
Net (reversal)/loss of impairment on financial instruments		(5,014)	2,039	(5,014)	2,039
Net reversal of impairment loss on assets under construction	5	(3,680)	(42,977)	(3,680)	(42,977)
Write off of irrecoverable capitalised borrowing cost upon lease commencement	5	2,435	16,530	2,435	16,530
Operating profit before working capital changes		1,172,832	1,068,057	1,174,033	1,069,216
Change in lease receivables		124,304	133,041	124,304	133,041
Change in trade and other receivables		(104,070)	(39,750)	(103,548)	(39,750)
Change in trade and other payables		92,215	(95,100)	91,914	(94,856)
Change in amount due to subsidiaries		-	-	(2,463)	(1,287)
Cash generated from operations		1,285,281	1,066,248	1,284,240	1,066,364

Statements of cash flows for the year ended 31 December 2024 (continued)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Tax paid		(1,875)	(1,083)	(644)	(965)
Tax refund		46	158	-	158
Net cash from operating activities		1,283,452	1,065,323	1,283,596	1,065,557
Cash flows from investing activities					
Acquisition of plant and equipment	2	(1,180)	(967)	(1,180)	(967)
Proceeds from disposal of plant and equipment		23	42	23	42
Acquisition of intangible assets	3	(2,364)	(490)	(2,364)	(490)
Proceeds from disposal of intangible assets		-	16	-	16
Net acquisition of asset under construction		(775,095)	(760,771)	(775,095)	(760,771)
(Acquisition)/Proceeds from of other investments		(248,086)	(18,300)	(45,101)	53,781
Interest received		57,950	41,325	53,856	38,720
Net cash used in investing activities		(968,752)	(739,145)	(769,861)	(669,669)
Cash flows from financing activities					
Repayment of loans from Government of Malaysia ("GoM")		(107,966)	(126,753)	(107,966)	(126,753)
Redemption of Redeemable Preference Shares ("RPS")		(190,502)	(189,198)	(190,502)	(189,198)
Redemption of Islamic Medium-Term Notes ("IMTN")		(2,600,000)	(2,615,000)	-	-
Redemption of Islamic Commercial Papers ("ICP")		-	(895,731)	-	-
Interest paid in relation to ICP and IMTN		(807,513)	(769,636)	-	-
Payment on behalf of a subsidiary in relation to redemption of IMTN and ICP		-	-	(3,407,513)	(4,280,367)
Issuance of IMTN		2,700,000	4,060,000	-	-
Issuance of ICP		706,357	296,856	-	-
Advance from a subsidiary		-	-	3,406,357	4,356,856
Advance to a subsidiary		-	-	(200,000)	(40,000)
Payment of lease liabilities		(732)	(608)	(732)	(608)
Interest paid in relation to lease liabilities		(222)	(177)	(222)	(177)
Dividend paid	23	(20,252)	(21,328)	(20,252)	(21,328)
Net cash used in financing activities		(320,830)	(261,575)	(520,830)	(301,575)

Statements of cash flows for the year ended 31 December 2024 (continued)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net (decrease)/increase in cash and cash equivalents		(6,130)	64,603	(7,095)	94,313
Cash and cash equivalents at 1 January		543,895	479,292	541,811	447,498
Cash and cash equivalents at 31 December	10	537,765	543,895	534,716	541,811

(a) Cash outflows for leases as a lessee

Group and Company	Note	2024 RM'000	2023 RM'000
Included in net cash from operating activities:			
Payment relating to leases of low-value assets	20	111	175
Included in net cash from financing activities:			
Payment of lease liabilities		732	608
Interest paid in relation to lease liabilities	19	222	177
Total cash outflows for leases		1,065	960

(b) Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	Loans and borrowings		Lease liabilities		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
As at 1 January	24,505,674	24,821,935	3,198	5,732	24,508,872	24,827,667
Net changes from financing cash flows	(299,624)	(239,462)	(954)	(785)	(300,578)	(240,247)
Other changes						
Gain from derecognition of loans from GoM	-	(1,064,209)	-	-	-	(1,064,209)
Finance cost	996,441	1,003,992	222	177	996,663	1,004,169
Foreign exchange differences	-	(6,813)	-	-	-	(6,813)
Others	(90)	(9,769)	1,100	(1,926)	1,010	(11,695)
Total liabilities related other changes	996,351	(76,799)	1,322	(1,749)	997,673	(78,548)
As at 31 December	25,202,401	24,505,674	3,566	3,198	25,205,967	24,508,872
	Note 13	Note 13				

(b) Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

Company	Loans and borrowings		Amount due to subsidiaries		Lease liabilities		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
As at 1 January	4,263,420	5,458,824	21,121,394	20,283,538	3,198	5,732	25,388,012	25,748,094
Net changes from financing cash flows	(298,468)	(315,951)	(201,156)	36,489	(954)	(785)	(500,578)	(280,247)
Other changes								
Gain from derecognition of loans from GoM	-	(1,064,209)	-	-	-	-	-	(1,064,209)
Finance cost	165,987	201,338	830,454	802,654	222	177	996,663	1,004,169
Foreign exchange differences	-	(6,813)	-	-	-	-	-	(6,813)
Waiver on amount due to subsidiary	-	-	(953,480)	-	-	-	(953,480)	-
Others	(90)	(9,769)	(2,463)	(1,287)	1,100	(1,926)	(1,453)	(12,982)
Total liabilities related other changes	165,897	(879,453)	(125,489)	801,367	1,322	(1,749)	41,730	(79,835)
As at 31 December	4,130,849	4,263,420	20,794,749	21,121,394	3,566	3,198	24,929,164	25,388,012
	Note 13	Note 13	Note 14	Note 14				

The notes on pages 119 to 162 are an integral part of these financial statements.

Pengurusan Aset Air Berhad

(Registration No. 200601012793 (732544-D))

(Incorporated in Malaysia)

and its subsidiaries

Notes to the financial statements

Pengurusan Aset Air Berhad is a public limited liability company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

Level 19, Menara Felda,
Platinum Park, No 11,
Persiaran KLCC,
50088 Kuala Lumpur.

Registered office

Suite C-5-4, Wisma Goshen,
Plaza Pantai,
Jalan Pantai Baharu,
59200 Kuala Lumpur.

The consolidated financial statements as at and for the financial year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The principal activities of the Company are developing and managing the nation's water infrastructure in Peninsular Malaysia and the Federal Territories of Putrajaya and Labuan.

The ultimate holding corporation is Minister of Finance (Incorporated), incorporated in Malaysia under the Minister of Finance (Incorporation) Act 1957.

These financial statements were authorised for issue by the Board of Directors on 29 May 2025.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - › Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - › Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - › Amendments to MFRS 9, *Financial Instruments*
 - › Amendments to MFRS 10, *Consolidated Financial Statements*
 - › Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025 as applicable to the Group and the Company;

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026 as applicable to the Group and the Company; and
- from the annual period beginning on 1 January 2027 for the accounting standard that is effective for annual periods beginning on or after 1 January 2027 as applicable to the Group and the Company.

The initial application of the accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Company except as mentioned below:

MFRS 18, Presentation and Disclosure in Financial Statements

MFRS 18 will replace MFRS 101, *Presentation of Financial Statements* and applies for annual periods beginning on or after 1 January 2027. The new accounting standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal.
- Management – defined performance measures (“MPMs”) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group and the Company are currently assessing the impact of adopting MFRS 18.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Debt securities measured at FVOCI	Fair value

1. Basis of preparation (continued)

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 7.5(i)(a) – Assessment of leases to conclude whether the leases of water assets to state water operators are finance leases or operating leases.
- Note 16.1 – Tax treatment adopted by the Company following the tax exemption granted by the Minister of Finance (MOF) on gross income of migrated water assets for a period of 5 years from the Years of Assessment ("YA") 2022 to 2026 with an additional 5 years from YA 2027 to 2031.

As at 31 December 2024, the current assets of the Group and the Company are lower than the current liabilities by RM2.6 billion. Notwithstanding this, the Directors have considered that, as a wholly owned subsidiary of Minister of Finance (Incorporated), the Group and the Company will continue to receive financial backing from its ultimate holding corporation, Minister of Finance (Incorporated).

The Directors have also assessed that the preparation of the financial statements on a going concern basis is appropriate, considering the following:

- i) the continuous financial support from the ultimate holding corporation, Minister of Finance (Incorporated) to refinance the outstanding government guaranteed sukuk that are due for repayment in the next twelve months;
- ii) access to a government-guaranteed RM20 billion Islamic Medium-Term Notes Programme ("IMTN"), maturing on 8 February 2041, with a remaining available limit of RM0.6 billion;
- iii) the issuance of Sukuk under the AAA RM20 billion IMTN Programme, maturing on 4 November 2039, with a remaining available limit of RM6.1 billion; and
- iv) the availability of an Islamic Commercial Papers ("ICP") programme totalling RM2.0 billion, maturing on 3 August 2029, with a remaining available limit of RM1.3 billion.

At the date of this report, there is no reason for the Directors to believe that the preparation of financial statements of the Group and the Company on a going concern basis is inappropriate.

2. Plant and equipment

Group and Company

Cost

At 1 January 2023

Additions

Disposal

At 31 December 2023/1 January 2024

Additions

Disposal

At 31 December 2024

Accumulated depreciation

At 1 January 2023

Depreciation

Disposal

At 31 December 2023/1 January 2024

Depreciation

Disposal

At 31 December 2024

Carrying amounts

At 1 January 2023

At 31 December 2023/1 January 2024

At 31 December 2024

	Office renovation RM'000	Furniture and fittings RM'000	Office equipment RM'000	Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
At 1 January 2023	6,786	383	784	3,736	853	12,542
Additions	339	-	22	276	330	967
Disposal	(2,581)	(2)	(116)	(224)	(251)	(3,174)
At 31 December 2023/1 January 2024	4,544	381	690	3,788	932	10,335
Additions	23	14	207	396	540	1,180
Disposal	-	-	-	-	(121)	(121)
At 31 December 2024	4,567	395	897	4,184	1,351	11,394
At 1 January 2023	3,482	377	763	2,495	815	7,932
Depreciation	857	4	13	369	79	1,322
Disposal	(2,577)	(2)	(115)	(217)	(251)	(3,162)
At 31 December 2023/1 January 2024	1,762	379	661	2,647	643	6,092
Depreciation	860	2	8	445	187	1,502
Disposal	-	-	-	-	(121)	(121)
At 31 December 2024	2,622	381	669	3,092	709	7,473
At 1 January 2023	3,304	6	21	1,241	38	4,610
At 31 December 2023/1 January 2024	2,782	2	29	1,141	289	4,243
At 31 December 2024	1,945	14	228	1,092	642	3,921

3. Intangible assets

Group and Company	Software RM'000	Software under development RM'000	Total RM'000
Cost			
At 1 January 2023	36,877	-	36,877
Additions	363	127	490
Disposal	(293)	-	(293)
At 31 December 2023/1 January 2024	36,947	127	37,074
Additions	620	1,744	2,364
At 31 December 2024	37,567	1,871	39,438
Accumulated depreciation			
At 1 January 2023	36,500	-	36,500
Amortisation	335	-	335
Disposal	(293)	-	(293)
At 31 December 2023/1 January 2024	36,542	-	36,542
Amortisation	276	-	276
At 31 December 2024	36,818	-	36,818
Carrying amounts			
At 1 January 2023	377	-	377
At 31 December 2023/1 January 2024	405	127	532
At 31 December 2024	749	1,871	2,620

4. Right-of-use assets

Group and Company	Offices RM'000
At 1 January 2023	5,145
Addition	448
Derecognition	(2,126)
Depreciation	(628)
At 31 December 2023/1 January 2024	2,839
Addition	1,100
Depreciation	(947)
At 31 December 2024	2,992

5. Assets under construction

Group and Company	Note	Assets under construction RM'000
Cost		
At 1 January 2023		4,843,005
Additions		801,193
Capitalisation of borrowing cost	5.2	111,046
Write off of irrecoverable capitalised borrowing cost upon lease commencement	5.4	(16,530)
Reclassified to lease receivables at commencement of lease		(1,127,442)
Write off of irrecoverable land premium		(2,185)
At 31 December 2023/1 January 2024		4,609,087
Additions		856,665
Capitalisation of borrowing cost	5.2	60,847
Write off of irrecoverable capitalised borrowing cost upon lease commencement	5.4	(2,435)
Reclassified to lease receivables at commencement of lease		(2,638,458)
At 31 December 2024	5.1	2,885,706
Impairment loss		
At 1 January 2023		81,937
Impairment loss for the year		6,335
Reversal of impairment	5.3	(49,312)
At 31 December 2023/1 January 2024		38,960
Reversal of impairment	5.3	(3,680)
At 31 December 2024		35,280
Carrying amounts		
At 1 January 2023		4,761,068
At 31 December 2023/1 January 2024		4,570,127
At 31 December 2024		2,850,426

5.1 Assets under construction

The assets under construction comprise water assets that are to be leased to state water operators under a finance lease upon completion of construction.

Assets under construction are measured at cost less any accumulated impairment losses.

5.2 Capitalised borrowing costs

The borrowing costs are capitalised at 4.18% (2023: 4.20%), which is the weighted average interest rate applicable to the Group's and Company's general borrowings during the year.

5. Assets under construction (continued)

5.3 Impairment loss and reversal of impairment

The Group and the Company monitor the recoverability of borrowing costs for each project. Borrowing costs incurred up to the certificate of practical completion date ("CPC") and certificate of partial occupation ("CPO") can be recovered from the state water operators. Effective from 1 January 2023, the Group and the Company can recover the borrowing costs incurred up to the CPO date where the projects are partially completed.

The Group and the Company provide impairment on capitalised borrowing costs subsequent to the CPC and CPO date as the recoverability of these capitalised borrowing costs will be subject to negotiation upon lease commencement. Effective from 1 January 2023, the Group and the Company will enter into lease agreement once certain projects obtain CPO. The impairment loss will be reversed when the impaired amount could be recovered from the state water operators upon lease commencement.

5.4 Write off of irrecoverable capitalised borrowing cost upon lease commencement

The Group and the Company write off of irrecoverable capitalised borrowing cost upon lease commencement when it is certain that these amounts could not be recovered from state water operators.

6. Investment in subsidiaries

Company	2024 RM'000	2023 RM'000
Cost of investment	1,000	1,000

Details of the subsidiaries are as follows:

Name of entity	Country of incorporation & principal place of business	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
Pengurusan Air SPV Berhad	Malaysia	6.1	100	100
Acqua SPV Berhad	Malaysia	6.2	100	100

Principal activities of the subsidiaries:

- 6.1** Special purpose entity incorporated by the Company for the purpose of issuing Islamic debt instruments for the Company to develop and manage the nation's water assets and related infrastructure in Peninsular Malaysia and the Federal Territories of Putrajaya and Labuan.

6. Investment in subsidiaries (continued)

- 6.2** The subsidiary has ceased its operations and has become dormant. The Directors of the subsidiary intends to dissolve the subsidiary by making an application to the Registrar of Companies to strike-off the subsidiary from the register pursuant to Section 550 of the Companies Act 2016, subject to the approval from the Minister of Finance (Incorporated) ("MOF Inc.").

7. Lease receivables

Group and Company	Note	2024 RM'000	2023 RM'000
Non-current			
Lease receivables	7.2	30,147,713	27,667,043
Impairment loss		(1,210)	(937)
		<u>30,146,503</u>	<u>27,666,106</u>
Current			
Lease receivables	7.2	383,386	335,374
	7.1	<u>30,529,889</u>	<u>28,001,480</u>

- 7.1** The Group and the Company lease water assets to state water operators. Most of the leases contain an initial non-cancellation period of 45 years except for 1 lease which contain an initial non-cancellation period of 30 years.

- 7.2** Included in the lease receivables is an amount of RM378 million (2023: RM554 million) relating to Redeemable Preference Share ("RPS") issued by SYABAS to finance non-revenue water works.

In 2005, Minister of Finance ("MOF") had subscribed these RPS from SYABAS for a total subscription price of RM655 million.

The Company had later entered into a master agreement with the Government of Malaysia represented by MOF, State Government of Selangor and Pengurusan Air Selangor ("AIS") on 12 September 2014 in relation to migration of water assets. Subsequently, a settlement agreement was entered between AIS and the Company to set out the terms of the transfer of the RPS held by MOF whereby the RPS will be transferred from MOF to the Company, and thereafter from the Company to AIS.

For the transfer of RPS from MOF to the Company, the Company had entered into an option agreement with MOF on 21 February 2020 and granted MOF with a put option. MOF has the right to require the Company to purchase the RPS in the manner and at the exercise price as agreed in the agreement.

On 21 February 2020, the Company had entered into another option agreement with AIS and the Company granted AIS a call option to require the Company to dispose the RPS to AIS at RM1. Upon the redemption date, the agreed value for the monthly rental shall be paid by AIS in equal instalments mutually agreed by both parties.

7. Lease receivables (continued)

7.3 The Company has accounted for the put option held by MOF as loans and borrowings (see Note 13.4) and correspondingly, a net investment in lease receivables as they were deeply in the money on initial recognition, and they are part of the water asset migration arrangement. The initial recognition of the lease receivables, and loans and borrowings were determined by discounting future cash flows at 4.06% per annum (based on FY2020 average borrowings rate).

The nominal value of the option at the end of the reporting period was RM386 million (2023: RM576 million).

7.4 The lease payments to be received are as follows:

Group and Company	2024 RM'000	2023 RM'000
Less than one year	1,641,324	1,455,885
One to two years	1,684,889	1,481,004
Two to three years	1,520,919	1,513,134
Three to four years	1,548,985	1,362,590
Four to five years	1,558,131	1,390,071
More than five years	54,288,115	48,291,883
Total undiscounted lease payments	62,242,363	55,494,567
Unearned lease income	(31,711,264)	(27,492,150)
Impairment loss	(1,210)	(937)
Lease receivables at 31 December	30,529,889	28,001,480

7.5 Material accounting policy information

(i) Recognition and initial measurement

(a) As a lessor

When the Group and the Company act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

In the assessment of leases to conclude whether these are finance leases, the Directors exercised significant judgment and considered the following:

- These leases transfer substantially all the risk and rewards incidental to ownership of the water assets; and
- The Group and the Company expect the residual value of the water assets at the end of the lease term to be minimal.

7. Lease receivables (continued)

7.5 Material accounting policy information (continued)

(i) Recognition and initial measurement (continued)

(a) As a lessor (continued)

If an arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

The Group and the Company recognise assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

(ii) Subsequent measurement

(a) Lease income

The Group and the Company recognise finance lease income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's and the Company's net investment in the lease. The Group and the Company aim to allocate finance lease income over the lease term on a systematic and rational basis. The Group and the Company apply the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned lease income. The net investment in the lease is subject to impairment requirements in MFRS 9, *Financial Instruments*.

8. Trade and other receivables

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current					
Trade					
Finance receivables	8.3	17,374	5,959	17,374	5,959
Trade receivables	8.1, 8.2	426,763	393,837	426,763	393,837
Allowance for impairment		(164,141)	(169,428)	(164,141)	(169,428)
		279,996	230,368	279,996	230,368

8. Trade and other receivables (continued)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current					
Trade					
Finance receivables	8.3	151	36	151	36
Trade receivables	8.1	168,845	131,085	168,845	131,085
		168,996	131,121	168,996	131,121
Non-trade					
Deposits	8.4	32,997	36,364	32,997	36,364
Interest receivables		1,976	921	1,484	921
Prepayments and other receivables	8.5	32,913	8,747	32,883	8,747
		67,886	46,032	67,364	46,032
		236,882	177,153	236,360	177,153
		516,878	407,521	516,356	407,521

8.1 The trade receivables represent the lease rentals due and payable by state water operators.

8.2 The non-current trade receivables mainly comprise amount due from Syarikat Air Negeri Sembilan Sdn. Bhd. ("SAINS"), Ranhill SAJ Sdn. Bhd. ("RSAJ") and Air Kelantan Sdn. Bhd. ("AKSB"). SAINS, RSAJ and AKSB have restructured the outstanding amount to be repaid over remaining 30 years, 15 months and 18 years respectively (2023: 31 years, 60 months and 19 years respectively).

8.3 Finance receivables relate to the payment made to contractors for the Non-Revenue Water ("NRW") Financing Scheme. Since financial year 2023, the Company has offered NRW Financing Scheme to the state water operator to cover part of operating and internal capital expenditures.

The Company will make payment to the contractors relating to the scheme up to three years from issuance of Letter of Consent ("LOC").

Upon completion of projects or three years after issuance of LOC, whichever earlier, the Company will enter into repayment schedule over 48 months with state water operators on the repayment of principal and profit rate of 3.50% (2023: 3.50%).

8.4 Deposits mainly consist of project deposits being paid to local authorities prior to commencement of construction works. The deposits will be refunded upon project completion after issuance of Certificate of Completion and Compliance.

8.5 Included in the other receivables amounting to RM28,250,000 is related to the flushing cost claimable from the contractor and payable to the state water operator as disclosed in Note 15.1.

9. Other investments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<i>Fair value through other comprehensive income</i>				
- Debt securities	708,559	632,240	708,559	632,240
<i>Amortised cost</i>				
- Fixed deposits	275,066	72,081	-	-
	983,625	704,321	708,559	632,240

The Group's investment in debt securities and fixed deposits amounting to RM355,517,000 and RM275,066,000 respectively (2023: RM350,443,000 and RM72,081,000) are issued by Federal Government-related entities.

The Company's investment in debt securities amounting to RM355,517,000 (2023: RM350,443,000) are issued by Federal Government-related entities.

Included in the Group's other investment is deposits in Finance Service Reserve Account ("FSRA") amounting to RM275,066,000 (2023: RM209,039,000) as disclosed in Note 25.

10. Cash and cash equivalents

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short term deposits		513,660	516,692	513,660	516,692
Cash and bank balances		24,105	27,203	21,056	25,119
	10.2	537,765	543,895	534,716	541,811

10.1 Material accounting policy

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts, if applicable.

10.2 The Group's short-term deposits and bank balances amounting to RM422,720,000 (2023: RM450,801,000) are held with Federal Government-related entities.

The Company's short-term deposits and bank balances amounting to RM419,670,000 (2023: RM448,717,000) are held with Federal Government-related entities.

Included in the Group's short-term deposits is deposits in Finance Service Reserve Account ("FSRA") amounting to RM3,049,000 (2023: RM70,508,000) as disclosed in Note 25.

11. Capital and reserve

	Amount 2024 RM'000	Number of shares 2024 '000	Amount 2023 RM'000	Amount 2023 RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 January/31 December	730,000	730,000	730,000	730,000

11.1 Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

11.2 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of debt securities carried at fair value through other comprehensive income until the assets are derecognised or impaired.

12. Deferred income

Group and Company	Note	2024 RM'000	2023 RM'000
Non-current			
Deferred income from:			
Government grant arising from interest free loan from Government of Malaysia	12.1	3,536,957	3,688,138
Non-monetary government grant	12.2	108,056	110,758
		3,645,013	3,798,896

12.1 The deferred income from government grant is arising from the differences between the present value of future cash flows and the nominal value of the loans, discounted at rates between 2.63% at point of migration to 4.64% at the date of the restructured government loans (2023: 2.63% to 4.64%). The deferred income from government grant is recognised in profit or loss as amortisation of government grant over the loan periods.

12.2 The Group and the Company received a Sungai Labu off river storage from Ministry of Energy Transition and Water Transformation (PETRA) formerly known as Ministry of Energy, Science, Technology, Environment and Climate Change (KeTTHA) in 2019. The fair value of the asset was based on the land acquisition cost and construction cost incurred by PETRA on the date of the transfer. The grant is amortised over remaining 40 years (2023: 41 years) and recognised in profit or loss as amortisation of government grant.

13. Loans and borrowings

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current					
Loans from the Government of Malaysia ("GoM")	13.1	3,604,354	3,601,507	3,604,354	3,601,507
Government guaranteed					
Islamic Medium					
-Term Notes	13.2	5,190,000	5,370,000	-	-
Non-government guaranteed					
Islamic Medium					
-Term Notes	13.2	12,532,151	12,100,145	-	-
Put option on RPS	13.4	192,976	378,307	192,976	378,307
		21,519,481	21,449,959	3,797,330	3,979,814
Current					
Loans from the Government of Malaysia ("GoM")	13.1	148,188	107,971	148,188	107,971
Government guaranteed					
Islamic Medium					
-Term Notes	13.2	1,313,377	1,052,991	-	-
Non-government guaranteed					
Islamic Medium					
-Term Notes	13.2	1,324,944	1,719,118	-	-
Islamic Commercial Papers	13.3	711,080	-	-	-
Put option on RPS	13.4	185,331	175,635	185,331	175,635
		3,682,920	3,055,715	333,519	283,606
		25,202,401	24,505,674	4,130,849	4,263,420

13.1 Loan from Government of Malaysia ("GoM")

Loans from GoM are unsecured, non-interest bearing and are repayable over the remaining periods ranging 29 years to 44 years (2023: 30 years to 45 years). These loans represent Federal Government loans taken over from the state water operators as part of the Group's and the Company's acquisition of the nation's water assets.

The nominal value of the loan at the end of the reporting period was RM7.3 billion (2023: RM7.4 billion). The initial recognition of the outstanding loans provided by GoM based on the new terms were determined by discounting future cash flows at rates ranging from 2.63% at point of migration to 4.64% at the date of the restructured government loans (2023: 2.63% to 4.64%). The corresponding of deferred income from government grant has been recognised and disclosed in Note 12.

13. Loans and borrowings (continued)

13.2 Islamic Medium-Term Notes ("IMTN")

- (a) The issuance of the Islamic debt instruments was solely to finance the operation of the Company for the purpose of acquisition of the nation's water assets and to finance the Company's development and construction of new water assets and the related working capital requirement. The profit rate of the IMTNs are ranging from 1.00% to 4.63% (2023: 1.00% to 4.63%).
- (b) The IMTNs were issued in two structures:

In respect of the Sukuk Ijarah

- The Sukukholders, through a subsidiary, Pengurusan Air SPV Berhad ("the issuer") purchases certain Ijarah Assets from time to time from the Company, by way of transfer of the beneficial ownership of the Ijarah Assets pursuant to an Asset Purchase Agreement.
- The Issuer (on behalf of the Sukukholders) (in such capacity, the "Lessor") shall then, from time to time, lease the Ijarah Assets to the Company (in such capacity, the "Lessee") for a predetermined rental and tenure pursuant to the Ijarah Agreement. The Issuer declares a trust over the Ijarah Assets, the present and future rights and interest in the Ijarah Agreement, the Purchase Undertaking and the proceeds of the foregoing (collectively the "Ijarah Trust Assets") in favour of the Sukukholders, and shall issue the Sukuk Ijarah to the Sukukholders to represent the Sukukholders' undivided beneficial ownership in the Ijarah Trust Assets.

In respect of the Sukuk Musyarakah

- Investors shall from time to time form a Musyarakah amongst themselves and subscribe to the Sukuk Musyarakah issued by the Issuer which represent their proportionate and undivided interest in the pool of Musyarakah Assets (as defined below) to be managed by the Company.
- The Musyarakah Assets shall form part of the Musyarakah Venture. The Musyarakah Assets will consist of at least 1/3 of Existing Assets and will be identified at or around the time of issuance of the Sukuk Musyarakah. The Issuer, on behalf of the Sukukholders (in its capacity as the "Lessor"), shall then lease the Existing Assets in the Musyarakah Venture to the Company for a pre-determined Rentals and tenure pursuant to the Ijarah Agreement.
- The Issuer shall declare a trust over the Musyarakah Assets, its present and future rights and interest in the Ijarah Agreement, the Purchase Undertaking and the proceeds of the foregoing (collectively the "Musyarakah Trust Assets") in favour of the Sukukholders, and the Sukuk Musyarakah shall represent the Sukukholders' undivided beneficial ownership in the Musyarakah Trust Assets.

13. Loans and borrowings (continued)

13.2 Islamic Medium-Term Notes ("IMTN") (continued)

(b) The IMTNs were issued in two structures (continued):

In respect of the Sukuk Musyarakah (continued)

- The Sukukholders shall share any returns from the Musyarakah Venture (i.e. Rentals from the Ijarah Agreement) between the Issuer and the Company with respect to the Existing Assets in the Musyarakah Venture and any Shariah-compliant income generated from the investments.
 - Future Assets and Assets To Be Acquired which may include among others, the rental proceeds received from third parties via the lease of completed Future Assets or from delivered Assets To Be Acquired in proportion to their respective holdings of the Sukuk Musyarakah while losses shall be borne by and limited to each Sukukholder's respective capital contribution to the Musyarakah Venture.
 - Returns generated from the Musyarakah Venture shall be distributed to the Sukukholders as expected return of the Musyarakah Venture in the form of one-off or periodic distributions. The Sukukholders shall agree that any returns in excess of the expected return shall be paid to the Company as incentive fees.
 - Pursuant to the Purchase Undertaking, the Company shall purchase the Musyarakah Assets from the Issuer, by way of transfer of the beneficial ownership, at the Exercise Price upon the occurrence of certain events.
- (c) As disclosed in Note 25, the Group is required to maintain a Shariah-compliant Finance Service Reserve Account ("FSRA") with a bank appointed by the Group which is acceptable to CIMB Investment Bank Berhad (the "Lead Manager" and "Shariah Adviser") for its non-government guaranteed Islamic Medium-Term Notes.

13.3 Islamic Commercial Papers ("ICP")

In respect of the Sukuk Wakalah Programme

- The Sukuk Wakalah Programme is subject to the Sukuk Wakalah Programme Limit up to RM2 billion and the Sukuk Wakalah Programme Tenure is up to seven (7) years from the date of first (1st issuance) of the Sukuk Wakalah.

13. Loans and borrowings (continued)

13.3 Islamic Commercial Papers (“ICP”) (continued)

In respect of the Sukuk Wakalah Programme (continued)

- A subsidiary of the Company, Pengurusan Air SPV Berhad (“PASB”) is appointed by MTrustee Berhad (“Sukuk Trustee”) (acting on behalf of the Sukukholders) as an agent for the Sukukholders to perform services which include investing the Sukuk Proceeds in the Wakalah and management of the Wakalah Portfolio. Wakalah Portfolio comprises of investment in Shariah-compliant Business and Commodity Murabahah Investment. Shariah-compliant Business refers to general business of the Company which involves developing and managing the nation’s water infrastructure in Malaysia. Commodity Murabahah Investment refers to investment in Shariah-compliant commodities not limited to crude palm oil or such other acceptable commodities (excluding ribawi items in the category of medium of exchange such as currency, gold and silver) which are provided through Bursa Suq Al-Sila’ commodity trading platforms acceptable to the Joint Shariah Advisers which will be identified from time to time of issuance of Sukuk Wakalah.
- PASB shall declare a trust on the Trust Assets (refers to Sukuk Proceeds, Wakalah Portfolio and rights of the Sukukholders) for the benefit of the Sukukholders. The Company (“the Issuer”) shall, from time to time, issue the Sukuk Wakalah to the Sukukholders and the Sukukholders shall subscribe to the Sukuk Wakalah by paying the Sukuk Proceeds. The relevant Sukuk Wakalah shall represent the Sukukholders’ undivided proportionate interests in the relevant Trust Assets.
- PASB (on behalf of the Sukukholders) shall utilise at least thirty three percent (33%) of the Sukuk Proceeds of the relevant Sukuk Wakalah for investment into the Shariah-compliant Business via Pengurusan Aset Air Berhad (“Investment Manager”), subject to the valuation principles set out in the Wakalah Agreement. The Investment Manager shall manage the Shariah-compliant Business for the benefit of the Sukukholders.
- For the avoidance of doubt, the above ratio of at least thirty three percent (33%) of the Sukuk Proceeds is only applicable at the point of initial investment for the relevant Sukuk Wakalah and does not need to be maintained throughout the Tenure of the relevant Sukuk Wakalah. However, PASB shall ensure that the Shariah-compliant Business shall at all times be a component of the Wakalah Portfolio.
- 100% of Sukuk Proceeds from Sukuk Wakalah issued during the year was invested in Shariah-compliant Business.

13.4 Put option on RPS

On 21 February 2020, an option Agreement was signed between the Company, MOF and SYABAS in relation to the purchase of SYABAS Redeemable Preference Share (“RPS”) by the Company through a put option granted by the Company to MOF. MOF has the right to require the Company to purchase the RPS in the manner and at the exercise price as agreed in the agreement.

13. Loans and borrowings (continued)

13.4 Put option on RPS (continued)

Upon transfer of RPS from MOF to the Company, the Company shall then transfer all the RPS to AIS in accordance with the terms agreed in the option agreement signed between AIS and the Company. Please refer to Note 7.2 for further details.

The initial recognition of the outstanding option on the RPS was determined by discounting future cash flows at 4.06%.

The nominal value of the option at the end of the reporting period was RM386 million (2023: RM576 million).

14. Amount due to subsidiaries

	Company	
	2024 RM'000	2023 RM'000
Non-current		
Amount due to subsidiaries	17,722,152	17,470,145
Current		
Amount due to subsidiaries	3,072,597	3,651,249
	20,794,749	21,121,394

The amount due to subsidiaries mainly consists of principal proceeds of the IMTNs and ICPs received by Pengurusan Air SPV Berhad, a subsidiary which were then on-lent to the Company and profit charged on the principal to the Company. The finance expense is computed using the profit rate of the IMTNs and ICPs ranging from 1.00% to 4.63% (2023: 1.00% to 4.63%).

The amount due to subsidiaries is unsecured, interest bearing and repayable on demand as and when the subsidiary's principal and profit amounts of the IMTNs and ICP are due for repayments.

During the year, the subsidiary, Acqua SPV Berhad had granted a waiver on amount due from the Company amounting to RM953,480,000 of which the outstanding balance was RM953,557,000 in prior year as a result of the procedure for the subsidiary to be dissolved under Section 550 of the Companies Act 2016 in Malaysia, subject to the approval from the Minister of Finance (Incorporated) ("MOF Inc.").

15. Trade and other payables

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade					
Trade payables	15.1	32,075	7,304	32,075	7,304
Accruals for project related cost	15.2	838,837	710,246	838,837	710,246
Retention sum	15.3	112,484	84,777	112,484	84,777
		983,396	802,327	983,396	802,327

15. Trade and other payables (continued)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-trade					
Other accruals	15.4	22,923	22,752	22,359	22,186
Other payables		11,647	9,215	11,647	9,518
		34,570	31,967	34,006	31,704
		1,017,966	834,294	1,017,402	834,031

15.1 Included in the trade payables amounting to RM28,250,000 is related to the flushing cost charged by state water operator which is claimable from the contractor as disclosed in Note 8.5.

15.2 The project related cost comprises construction of water assets expenses incurred of which invoices have not been received from contractors as at the end of the financial year.

15.3 Retention sum payable to subcontractors is payable upon expiry of defect liabilities period of 3 months to 24 months from the respective dates of completion. Out of the retention sum payables, RM27,253,000 (2023: RM4,229,000) are due within 12 months.

15.4 Other accruals mainly comprise accruals for annual license fees to National Water Services Commission.

16. Deferred tax liabilities

Recognised deferred tax liabilities

Deferred tax assets and liabilities are attributable to the following:

Group and Company	Assets		Liabilities		Net	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Plant and equipment	-	-	(689)	(608)	(689)	(608)
Assets under construction	-	-	(164,060)	(157,249)	(164,060)	(157,249)
Lease receivables	-	-	(2,858,076)	(2,794,794)	(2,858,076)	(2,794,794)
Trade receivables	39,394	40,663	-	-	39,394	40,663
Tax loss carry-forward	9,200	8,339	-	-	9,200	8,339
Others	5,249	2,874	(718)	(682)	4,531	2,192
Tax assets/ (liabilities)	53,843	51,876	(3,023,543)	(2,953,333)	(2,969,700)	(2,901,457)
Set off of tax	(53,843)	(51,876)	53,843	51,876	-	-
Net tax liabilities	-	-	(2,969,700)	(2,901,457)	(2,969,700)	(2,901,457)

16. Deferred tax liabilities (continued)

16.1 Significant judgement and assumptions arising from estimation of current tax and deferred tax

The Company has obtained tax exemption on the gross income in relation to the lease rental income of migrated water assets under Section 127(3A) of the Income Tax Act, 1967 ("ITA") via MOF letter dated 30th January 2023. The approval is given for a period of 5 years from the Years of Assessment ("YA") 2022 to 2026 with an additional 5 years from YA2027 to YA2031, subject to be re-evaluated by the MOF and to the future terms and conditions.

The Company has adopted the following assumptions to estimate the current and deferred tax as follows:

- The Company will be able to obtain the approval from the MOF by the end of first 5 years (i.e. 2026) on the tax exemption on the gross income in relation to the lease rental income of the migrated water assets;
- Capital allowances and finance cost attributable to migrated water assets will not be claimed by the Company during the tax exemption period;
- Direct and attributable cost related to migrated water assets shall not be deductible in the tax computation during tax exemption period from YA2024 to YA2026; and
- The tax written down value and capital allowances for migration water assets from YA 2021 will be frozen during the tax exemption period. Capital allowances from such assets will be claimable upon the expiry of the tax exemption period which is after YA 2026 or after YA 2031 if the tax exemption is extended.

17. Revenue

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Lease income	1,219,633	1,098,968	1,219,633	1,098,968

18. Finance income

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<i>Interest income of financial assets calculated using the effective interest method that are:</i>				
– at amortised cost				
Placement in Shariah-compliant investment products by licensed banks and other financial institutions	17,119	13,089	13,025	10,484
– at fair value through other comprehensive income				
Other Sukuk investment managed by external fund managers	40,366	28,200	40,366	28,200
Non-Revenue Water Financing Scheme with state water operators	465	36	465	36
	57,950	41,325	53,856	38,720

19. Finance costs

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<i>Interest expense of financial liabilities that are not at fair value through profit or loss</i>				
Government loans	151,120	179,569	151,120	179,569
Islamic Medium-Term Notes	825,732	798,489	–	–
Islamic Commercial Papers	4,722	4,165	–	–
Amount due to a subsidiary, Pengurusan Air SPV Berhad	–	–	830,454	802,654
Put option on RPS	14,867	21,769	14,867	21,769
Lease interest charges	222	177	222	177
	996,663	1,004,169	996,663	1,004,169
<i>Interest expense of financial liabilities that are not at fair value through profit or loss capitalised into qualifying assets: Assets under construction</i>				
	(60,847)	(111,046)	(60,847)	(111,046)
	935,816	893,123	935,816	893,123

20. Profit before tax

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax is arrived at after charging/(crediting):				
Auditors' remuneration				
- Audit fees				
KPMG PLT	279	275	234	230
- Non-audit fees				
Local affiliates of KPMG PLT	217	120	205	108
Material (income)/expenses				
Foreign exchange gain	-	(9,207)	-	(9,207)
Gain from lease modification on lease receivables	(4,792)	-	(4,792)	-
Write off of irrecoverable capitalised borrowing cost upon lease commencement	2,435	16,530	2,435	16,530
Expenses arising from leases				
Expenses relating to leases of low-value assets	111	175	111	175
Net (reversal)/loss on impairment of financial instruments				
Financial assets at amortised cost				
- Trade receivables	(5,287)	2,094	(5,287)	2,094
- Lease receivables	273	(55)	273	(55)

21. Personnel costs

Group and Company	2024 RM'000	2023 RM'000
Personnel costs (including key management personnel):		
Wages and salaries	22,238	18,506
Bonus	2,337	4,828
Contributions to defined contribution plans	4,329	4,084
Other employee benefits	7,165	5,571
	36,069	32,989

22. Income tax expense

22.1 Recognised in profit or loss

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax				
Current financial year	6,229	1,849	5,284	1,259
(Over)/Under provision in prior year	(1,259)	50	(1,259)	80
Total current tax recognised in profit or loss	4,970	1,899	4,025	1,339
Deferred tax				
Origination and reversal of temporary differences	69,143	51,052	69,143	51,052
Over provision in prior year	(900)	(2,660)	(900)	(2,660)
Total deferred tax recognised in profit or loss	68,243	48,392	68,243	48,392
Total tax expense	73,213	50,291	72,268	49,731

22.2 Reconciliation of tax expense

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax		457,137	430,154	454,244	428,708
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)		109,713	103,237	109,019	102,890
Expenses not deductible for tax purposes		199,004	202,271	198,753	202,028
Tax exempt income		(251,289)	(268,968)	(251,289)	(268,968)
Reversal of temporary differences arising from exemption granted by MOF at 0%	22.2.1	17,944	16,360	17,944	16,360
Over provision in prior year		(2,159)	(2,609)	(2,159)	(2,579)
Total tax expenses		73,213	50,291	72,268	49,731

22.2.1 The origination and reversal of temporary differences during the year arose as a result of the exemption granted by MOF on the gross lease income of migration water assets as disclosed in Note 16.1.

23.Dividend

	Sen per share	Total amount RM'000	Date of payment
2024			
Final 2023 ordinary	2.77	20,252	8 August 2024
2023			
Final 2022 ordinary	2.92	21,328	28 November 2023

After the end of the reporting period the following dividend was proposed by the Directors. The dividend will be recognised in subsequent financial period upon approval by the owners of the Company.

	Sen per share	Total amount RM'000
2024		
Final 2024 ordinary	2.74	20,000

24.Financial instruments

24.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Amortised cost ("AC"); and
- (b) Fair value through other comprehensive income ("FVOCI").

Group	Carrying amount RM'000	AC RM'000	FVOCI RM'000
2024			
Financial assets			
Trade receivables	431,467	431,467	-
Finance receivables	17,525	17,525	-
Other receivables (exclude prepayment)	67,085	67,085	-
Other investments	983,625	275,066	708,559
Cash and cash equivalents	537,765	537,765	-
	2,037,467	1,053,482	708,559
Financial liabilities			
Loans and borrowings	(25,202,401)	(25,202,401)	-
Trade and other payables	(1,017,966)	(1,017,966)	-
	(26,220,367)	(26,220,367)	-

24. Financial instruments (continued)

24.1 Categories of financial instruments (continued)

Group	Carrying amount RM'000	AC RM'000	FVOCI RM'000
2023			
Financial assets			
Trade receivables	355,494	355,494	-
Finance receivables	5,995	5,995	-
Other receivables (exclude prepayment)	37,285	37,285	-
Other investments	704,321	72,081	632,240
Cash and cash equivalents	543,895	543,895	-
	<u>1,646,990</u>	<u>942,669</u>	<u>632,240</u>
Financial liabilities			
Loans and borrowings	(24,505,674)	(24,505,674)	-
Trade and other payables	(834,294)	(834,294)	-
	<u>(25,339,968)</u>	<u>(25,339,968)</u>	<u>-</u>
Company			
2024			
Financial assets			
Trade receivables	431,467	431,467	-
Finance receivables	17,525	17,525	-
Other receivables (exclude prepayment)	66,563	66,563	-
Other investments	708,559	-	708,559
Cash and cash equivalents	534,716	534,716	-
	<u>1,758,830</u>	<u>1,050,271</u>	<u>708,559</u>
Financial liabilities			
Loans and borrowings	(4,130,849)	(4,130,849)	-
Trade and other payables	(1,017,402)	(1,017,402)	-
Amount due to subsidiaries	(20,794,749)	(20,794,749)	-
	<u>(25,943,000)</u>	<u>(25,943,000)</u>	<u>-</u>
2023			
Financial assets			
Trade receivables	355,494	355,494	-
Finance receivables	5,995	5,995	-
Other receivables (exclude prepayment)	37,285	37,285	-
Other investments	632,240	-	632,240
Cash and cash equivalents	541,811	541,811	-
	<u>1,572,825</u>	<u>940,585</u>	<u>632,240</u>
Financial liabilities			
Loans and borrowings	(4,263,420)	(4,263,420)	-
Trade and other payables	(834,031)	(834,031)	-
Amount due to subsidiaries	(21,121,394)	(21,121,394)	-
	<u>(26,218,845)</u>	<u>(26,218,845)</u>	<u>-</u>

24. Financial instruments (continued)

24.2 Net losses arising from financial instruments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net losses on:				
Debt instruments at fair value through other comprehensive income				
- recognised in profit or loss	40,366	28,200	40,366	28,200
- recognised in other comprehensive income	31,218	18,346	31,218	18,346
	71,584	46,546	71,584	46,546
Financial assets at amortised cost	22,598	11,086	18,504	8,481
Financial liabilities at amortised cost	(996,441)	(994,785)	(996,441)	(994,785)
	(902,259)	(937,153)	(906,353)	(939,758)

24.3 Financial risk management

The Group and the Company have exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

24.4 Credit risk

Credit risk is the risk of a financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from trade receivables, lease receivables, finance receivables, other investments and cash and bank balances. There are no significant changes as compared to prior periods.

Trade receivables, lease receivables and finance receivables

Risk management objectives, policies and processes for managing the risk

The Group manages its credit risk by establishing credit controls with the view to ensuring that overdue debts are within an acceptable level.

24. Financial instruments (continued)

24.4 Credit risk (continued)

Trade receivables, lease receivables and finance receivables (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables, lease receivables and finance receivables are represented by the carrying amounts in the statements of financial position. The credit risk of the trade receivables, lease receivables and finance receivables of the Group and the Company are deemed low because these are due from the state water operators who are managing the water supply for the various states in Malaysia. Indication of impairment may arise when there is delay in instalments from the state water operators. The Group and the Company may impose penalty on default payments. It is expected that the Group and the Company may enter into a new payment schedule with state water operators when there is a delay in payment from the state water operators.

Concentration of credit risk

The exposure of credit risk for gross trade receivables, gross lease receivables and gross finance receivables as at the end of the reporting period by geographic region was:

Group and Company	Trade receivables RM'000	Lease receivables RM'000	Finance receivables RM'000	Total RM'000
2024				
Selangor	82,045	16,256,377	-	16,338,422
Johor	135,753	7,934,989	-	8,070,742
Negeri Sembilan	344,422	1,495,212	17,525	1,857,159
Kedah	-	1,177,540	-	1,177,540
Pahang	-	1,115,434	-	1,115,434
Melaka	-	1,068,413	-	1,068,413
Perak	-	714,975	-	714,975
Pulau Pinang	-	465,955	-	465,955
Kelantan	33,388	254,660	-	288,048
Perlis	-	47,544	-	47,544
	595,608	30,531,099	17,525	31,144,232

24. Financial instruments (continued)

24.4 Credit risk (continued)

Trade receivables, lease receivables and finance receivables (continued)

Concentration of credit risk (continued)

Group and Company	Trade receivables RM'000	Lease receivables RM'000	Finance receivables RM'000	Total RM'000
2023				
Selangor	16,030	14,325,334	-	14,341,364
Johor	124,412	7,348,824	-	7,473,236
Negeri Sembilan	349,377	1,495,658	5,995	1,851,030
Kedah	-	1,159,397	-	1,159,397
Pahang	-	1,107,374	-	1,107,374
Melaka	251	1,058,190	-	1,058,441
Perak	-	733,238	-	733,238
Pulau Pinang	-	480,516	-	480,516
Kelantan	34,852	247,074	-	281,926
Perlis	-	46,812	-	46,812
	524,922	28,002,417	5,959	28,533,334

Recognition and measurement of impairment loss

The Group and the Company assess the risk of loss of each state water operator individually based on their financial information and past trend of payment where applicable. The Group and the Company consider the expected timing of cash flows to be received by the Group and the Company to recover the receivables in determining the allowance for impairment loss.

The expected credit loss has been measured based on differences between the discounted expected cash flow to be received from the state water operators and carrying amount of the trade receivables, lease receivables and finance receivables at the end of the reporting period. Similar expected credit loss measurement approach is applied for lease receivables.

The following table provides information about the exposure to credit risk and ECLs for trade receivables, lease receivables and finance receivables which are grouped together as they are deemed to have similar risk profile.

24. Financial instruments (continued)

24.4 Credit risk (continued)

Trade receivables, lease receivables and finance receivables (continued)

Recognition and measurement of impairment loss (continued)

Group and Company	Note	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2024				
Current not past due		30,561,399	-	30,561,399
Past due 61-120 days		27,089	-	27,089
Past due 121-180 days		32,022	-	32,022
Past due more than 180 days	24.4.1	523,722	(165,351)	358,371
		31,144,232	(165,351)	30,978,881
Lease receivables		30,531,099	(1,210)	30,529,889
Trade receivables		595,608	(164,141)	431,467
Finance receivables		17,525	-	17,525
		31,144,232	(165,351)	30,978,881
2023				
Current not past due		28,061,699	-	28,061,699
Past due 61-120 days		13,871	-	13,871
Past due 121-180 days		9,905	-	9,905
Past due more than 180 days	24.4.1	447,859	(170,365)	277,494
		28,533,334	(170,365)	28,362,969
Lease receivables		28,002,417	(937)	28,001,480
Trade receivables		524,922	(169,428)	355,494
Finance receivables		5,995	-	5,995
		28,533,334	(170,365)	28,362,969

24.4.1 Amounts past due more than 180 days mainly comprise of trade receivables from Syarikat Air Negeri Sembilan Sdn. Bhd. ("SAINS"), Ranhill SAJ Sdn. Bhd. ("RSAJ") and Air Kelantan Sdn. Bhd. ("AKSB"). SAINS, RSAJ and AKSB have restructured the outstanding amount to be repaid over remaining 30 years, 15 months and 18 years respectively (2023: 31 years, 60 months and 19 years respectively).

24. Financial instruments (continued)

24.4 Credit risk (continued)

Trade receivables, lease receivables and finance receivables (continued)

Recognition and measurement of impairment loss (continued)

The movements in the allowance for impairment in respect of trade receivables and lease receivables for the year are shown below:

Group and Company	Lifetime ECL		
	Trade receivables RM'000	Lease receivables RM'000	Total RM'000
Balance as at 1 January 2023	167,334	992	168,326
Net remeasurement of loss allowance	2,094	(55)	2,039
Balance at 31 December 2023/1 January 2024	169,428	937	170,365
Net remeasurement of loss allowance	(5,287)	273	(5,014)
Balance at 31 December 2024	164,141	1,210	165,351

Other investments

Risk management objectives, policies and processes for managing the risk

Investments are allowed in liquid securities and only with counterparties that have an investment grade credit rating.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the Group or the Company has mainly invested in debt securities. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

The investments are unsecured.

The Group and the Company are of the view that the loss allowance is not material and did not recognise any allowance for impairment as at the end of the reporting period.

24. Financial instruments (continued)

24.4 Credit risk (continued)

Other investments (continued)

Exposure to credit risk, credit quality and collateral (continued)

The following table presents an analysis of the credit quality of debt securities at FVOCI:

Group and Company	<-----FVOCI----->	
	2024 RM'000	2023 RM'000
Debt securities		
A to AAA	664,717	570,930
Government Guaranteed	43,842	61,310
Total debt securities	708,559	632,240

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions which are regulated. As at the end of the reporting period, the maximum exposure to credit risk of the Group and the Company are represented by the carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. Consequently, the Group and Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from projects deposits paid to local authorities for construction activities.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The Group and the Company consider deposits placed with the local authorities have low credit risk as these authorities are backed by respective state governments. As at the end of the reporting period, the Group and the Company did not recognise any allowance for impairment losses.

24.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arise principally from various payables, loans and borrowings. Additionally, the Company's exposure to liquidity risk arise from amount due to subsidiaries.

The Group manages liquidity risk by establishing plan with the view to ensure sufficient bank balances to meet the obligations.

24. Financial instruments (continued)

24.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual interest rate/ coupon/ discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1-5 years RM'000	More than 5 years RM'000
2024						
Financial liabilities						
Loans from the Government of Malaysia	3,752,542	2.63% - 4.64%	7,289,499	148,188	936,598	6,204,713
Islamic Medium-Term Notes	20,360,472	1.00% - 4.63%	24,274,996	3,168,198	11,040,111	10,066,687
Islamic Commercial Papers	711,080	3.80%	728,995	728,995	-	-
Put option on RPS	378,307	4.06%	385,890	192,915	192,975	-
Trade and other payables	1,017,966	-	1,017,966	932,735	85,231	-
Lease liabilities	3,566	5.60%	3,910	1,226	2,684	-
	26,223,933		33,701,256	5,172,257	12,257,599	16,271,400
2023						
Financial liabilities						
Loans from the Government of Malaysia	3,709,478	2.63% - 4.64%	7,397,616	107,970	880,886	6,408,760
Islamic Medium-Term Notes	20,242,254	1.00% - 4.63%	23,881,258	3,328,995	12,067,339	8,484,924
Put option on RPS	553,942	4.06%	576,392	190,502	385,890	-
Trade and other payables	834,294	-	834,294	753,746	80,548	-
Lease liabilities	3,198	5.60%	3,535	841	2,694	-
	25,343,166		32,693,095	4,382,054	13,417,357	14,893,684

24. Financial instruments (continued)

24.5 Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM'000	Contractual interest rate/ coupon/ discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1-5 years RM'000	More than 5 years RM'000
2024						
Financial liabilities						
Loans from the Government of Malaysia	3,752,542	2.63% - 4.64%	7,289,499	148,188	936,598	6,204,713
Put option on RPS	378,307	4.06%	385,890	192,915	192,975	-
Trade and other payables	1,017,402	-	1,017,402	932,171	85,231	-
Amount due to subsidiaries	20,794,749	1.00% - 4.63%	24,727,188	3,620,390	11,040,111	10,066,687
Lease liabilities	3,566	5.60%	3,910	1,226	2,684	-
	25,946,566		33,423,889	4,894,890	12,257,599	16,271,400
2023						
Financial liabilities						
Loans from the Government of Malaysia	3,709,478	2.63% - 4.64%	7,397,616	107,970	880,886	6,408,760
Put option on RPS	553,942	4.06%	576,392	190,502	385,890	-
Trade and other payables	834,031	-	834,031	753,483	80,548	-
Amount due to subsidiaries	21,121,394	1.00% - 4.63%	24,592,167	4,139,751	11,511,737	8,940,679
Lease liabilities	3,198	5.60%	3,535	841	2,694	-
	26,222,043		33,403,741	5,192,547	12,861,755	15,349,439

24. Financial instruments (continued)

24.6 Market risk

Market risk is the risk that changes in market prices, such as interest rates that will affect the Group's financial position or cash flows.

24.6.1 Interest rate risk

The Group's investments in fixed rate debt securities and its fixed rate Islamic Medium-Term Notes are exposed to a risk of change in their fair value due to changes in interest rates. Short-term deposits, short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's policy are to manage interest cost using a various fixed rate debts. The Group and the Company place their surplus fund in long term debt securities and short-term deposits that carry fixed-rated interests.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed rate instruments				
Other investments	983,625	704,321	708,559	632,240
Lease receivables	30,529,889	28,001,480	30,529,889	28,001,480
Finance receivables	17,525	5,995	17,525	5,995
Short-term deposit	513,660	516,692	513,660	516,692
Loans and borrowings	(25,202,401)	(24,505,674)	(4,130,849)	(4,263,420)
Amount due to subsidiaries	-	-	(20,794,749)	(21,121,394)
Lease liabilities	(3,566)	(3,198)	(3,566)	(3,198)
	6,838,732	4,719,616	6,840,469	3,768,395

24. Financial instruments (continued)

24.6 Market risk (continued)

24.6.1 Interest rate risk (continued)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

A change of 100 basis point in interest rates would have increased or decreased equity arising from interest bearing instruments designated as fair value through other comprehensive income.

	Equity		Profit or loss	
	100 bp increase RM'000	100 bp decrease RM'000	100 bp increase RM'000	100 bp decrease RM'000
Group and Company				
2024				
Fixed rate instruments				
Debt securities	(42,338)	41,125	-	-
2023				
Fixed rate instruments				
Debt securities	(31,676)	18,794	-	-

24. Financial instruments (continued)

24.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments. The carrying value of trade receivables less provision for impairment approximates the fair value of the assets.

The tables below analyses other financial instruments at fair value:

Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2024										
Financial assets										
Lease receivables	-	-	-	-	-	-	30,694,567	30,694,567	30,694,567	30,529,889
Finance receivables	-	-	-	-	-	-	15,786	15,786	15,786	17,525
Other investments- Debt securities	-	708,559	-	708,559	-	-	-	-	708,559	708,559
	-	708,559	-	708,559	-	-	30,710,353	30,710,353	31,418,912	31,255,973
Financial liabilities										
Loan from the Government of Malaysia	-	-	-	-	-	-	(3,545,591)	(3,545,591)	(3,545,591)	(3,752,542)
Put option on RPS	-	-	-	-	-	-	(378,148)	(378,148)	(378,148)	(378,307)
Islamic Medium-Term Notes	-	-	-	-	-	(20,281,329)	-	(20,281,329)	(20,281,329)	(20,360,472)
	-	-	-	-	-	(20,281,329)	(3,923,739)	(24,205,068)	(24,205,068)	(24,491,321)

24. Financial instruments (continued)

24.7 Fair value information (continued)

Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2023										
Financial assets										
Lease receivables	-	-	-	-	-	-	28,365,878	28,365,878	28,365,878	28,001,480
Finance receivables	-	-	-	-	-	-	5,217	5,217	5,217	5,995
Other investments- Debt securities	-	632,240	-	632,240	-	-	-	-	632,240	632,240
	-	632,240	-	632,240	-	-	28,371,095	28,371,095	29,003,335	28,639,715
Financial liabilities										
Loan from the Government of Malaysia	-	-	-	-	-	-	(3,403,319)	(3,403,319)	(3,403,319)	(3,709,478)
Put option on RPS	-	-	-	-	-	-	(427,154)	(427,154)	(427,154)	(553,942)
Islamic Medium- Term Notes	-	-	-	-	-	(20,149,642)	-	(20,149,642)	(20,149,642)	(20,242,254)
	-	-	-	-	-	(20,149,642)	(3,830,473)	(23,980,115)	(23,980,115)	(24,505,674)

24. Financial instruments (continued)

24.7 Fair value information (continued)

Company	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2024										
Financial assets										
Lease receivables	-	-	-	-	-	-	30,694,567	30,694,567	30,694,567	30,529,889
Finance receivables	-	-	-	-	-	-	15,786	15,786	15,786	17,525
Other investments- Debt securities	-	708,559	-	708,559	-	-	-	-	708,559	708,559
	-	708,559	-	708,559	-	-	30,710,353	30,710,353	31,418,912	31,255,973
Financial liabilities										
Loan from the Government of Malaysia	-	-	-	-	-	-	(3,545,591)	(3,545,591)	(3,545,591)	(3,752,542)
Put option on RPS	-	-	-	-	-	-	(378,148)	(378,148)	(378,148)	(378,307)
Amount due to subsidiaries – non-current	-	-	-	-	-	(17,806,989)	-	(17,806,989)	(17,806,989)	(17,722,152)
	-	-	-	-	-	(17,806,989)	(3,923,739)	(21,730,728)	(21,730,728)	(21,853,001)

24. Financial instruments (continued)

24.7 Fair value information (continued)

Company	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2023										
Financial assets										
Lease receivables	-	-	-	-	-	-	28,365,878	28,365,878	28,365,878	28,001,480
Finance receivables	-	-	-	-	-	-	5,217	5,217	5,217	5,995
Other investments- Debt securities	-	632,240	-	632,240	-	-	-	-	632,240	632,240
	-	632,240	-	632,240	-	-	28,371,095	28,371,095	29,003,335	28,639,715
Financial liabilities										
Loan from the Government of Malaysia	-	-	-	-	-	-	(3,403,319)	(3,403,319)	(3,403,319)	(3,709,478)
Put option on RPS	-	-	-	-	-	-	(427,154)	(427,154)	(427,154)	(553,942)
Amount due to subsidiaries	-	-	-	-	-	-	-	-	-	-
- non-current	-	-	-	-	-	(17,544,106)	-	(17,544,106)	(17,544,106)	(17,470,145)
	-	-	-	-	-	(17,544,106)	(3,830,473)	(21,374,579)	(21,374,579)	(21,733,565)

24. Financial instruments (continued)

24.7 Fair value information (continued)

Level 2 fair value

Other investments

The fair values of debt securities and money market were obtained from financial institutions and are determined based on market observable inputs at reporting date.

Islamic Medium-Term Notes

The fair value for IMTN, which is determined for disclosure purposes, was derived based on market observable inputs at reporting date.

Amount due to subsidiaries

The non-current amount due to subsidiaries are in relation to the proceeds from issuance of IMTN owing to a subsidiary upon maturity date of the IMTN. Hence, the fair value of non-current amount due to subsidiaries follow the fair value of the IMTN that will be maturing after 12 months.

Level 3 fair value

Financial instruments not carried at fair value

Lease receivables

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future lease payment to be received by the Group and the Company, discounted using the average borrowings rate to finance the construction of the water assets.

Finance receivables

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal to be received by the Group and the Company, discounted using the average borrowings rate to finance the operating and internal capital expenditure ("OPEX") other than pipe works incurred by state water operators under NRW Financing Scheme.

Loans from the Government of Malaysia

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the Malaysia Government Securities ("MGS") 10 years coupon rate at the end of the reporting period.

24. Financial instruments (continued)

24.7 Fair value information (continued)

Level 3 fair value (continued)

Financial instruments not carried at fair value (continued)

Valuation process applied by the Group for Level 3 fair value

The Group and the Company have an established control framework in respect to the measurement of fair values of financial instruments. This includes the regular monitoring by the Treasury Team on the fair value of the instruments.

25. Capital management

The primary objective of the Group's capital management is to have sufficient capital to finance and develop new water infrastructure. The water infrastructures will be leasing to the state water operators for operation and maintenance. The Group and the Company obtained interest-free Federal Government loans, issued ICP and IMTN as part of their capital management strategy.

A subsidiary of the Company, Pengurusan Air SPV Berhad, is required to maintain a Shariah-compliant Finance Service Reserve Account ("FSRA") with an external fund manager appointed by the Company which is acceptable to CIMB Investment Bank Berhad (the "Lead Manager" and "Shariah Adviser"). The FSRA shall be solely operated by the subsidiary. The subsidiary shall make the following deposits into the FSRA (collectively, the "Minimum Required Balances"):

- (i) a deposit equivalent to the first fifty percent (50%) of the amount payable in respect of any profit payment of the Sukuk six (6) months prior to the due date of such profit payment; and
- (ii) a deposit equivalent to the remaining fifty percent (50%) of the amount payable in respect of any profit payment of the Sukuk three (3) months prior to the due date of such profit payment.

The subsidiary shall at all times throughout the tenure of the Sukuk maintain the minimum required balance in respect of any profit payment of the Sukuk save and except during the build-up of the FSRA.

	Group	
	2024 RM'000	2023 RM'000
Bank balances and short term deposits (Note 10)	3,049	70,508
Other investments (Note 9)	275,066	209,039
FSRA	278,115	279,547
Minimum Required Balances	229,723	228,246

25.Capital management (continued)

In the previous financial year, in addition to the bank balances and other investments, the carrying amount of investments amounting to RM205,383,000 held by the Company have been committed in order to meet the Minimum Required Balances. The Company had entered into a Management Agreement with the subsidiary to authorise the subsidiary to utilise the fund which was placed in the FSRA to maintain the Minimum Required Balance. At any instance where the amount is lesser than the Minimum Required Balance in the FSRA, the subsidiary shall notify the Company in 6 months before coupon payment due.

26.Capital and other commitments

Capital and other commitments as at the reporting date is as follows:

	Group and Company	
	2024 RM'000	2023 RM'000
Assets under construction		
Contracted but not provided for	915,621	1,297,350

27.Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

Government-related entities

The Group's or the Company's related parties also include the Government of Malaysia ("GoM") and its related entities as the Company is a wholly owned entity of Minister of Finance ("MOF") Incorporated which is in turn owned by the MOF. The entities directly controlled by the GoM are collectively referred to as government-related entities to the Group and the Company.

The Group and the Company have applied the exemption under MFRS 124.18 for the disclosure requirement of the related party transactions and outstanding balances with certain government-related entities.

Apart from the individually significant transactions and balances as disclosed in this note and elsewhere in the financial statements, the Group and Company have collectively, but not individually significant transactions with related parties. Such disclosed transactions include but not limited to interest income placed with financial institutions that are government-related entities.

27. Related parties (continued)

Government-related entities (continued)

The Group and the Company have transactions with State-Owned Enterprise including but not limited to lease interest income and rental income. These transactions are conducted in the ordinary course of business comparable to other entities that are not State-Owned Enterprise.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below. The balances related to material transactions appended below are shown in Notes 7, 8, 9, 10, 11, 13, and 14.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
A. Government of Malaysia:				
Repayment of federal loan	(107,966)	(126,753)	(107,966)	(126,753)
Dividend paid	(20,252)	(21,328)	(20,252)	(21,328)
B. Government-related entities:				
Lease income from state water operators	1,219,633	1,098,968	1,219,633	1,098,968
Non-revenue water financing income	465	36	465	36
Interest income from government-related financial institution	33,254	20,290	29,160	18,226
C. Subsidiaries:				
Management fees	-	-	599	575
Advance to subsidiary	-	-	(200,000)	(40,000)
Waiver on amount due to subsidiary	-	-	953,480	-
Finance cost	-	-	(830,454)	(802,654)
D. Key management personnel:				
Directors				
- Fees	(407)	(352)	(407)	(352)
- Remuneration	(251)	(185)	(251)	(185)
- Estimated money value of any other benefit	(9)	(2)	(9)	(2)
	(667)	(539)	(667)	(539)
Other key management personnel				
- Remuneration	(920)	(1,134)	(920)	(1,134)
	(1,587)	(1,673)	(1,587)	(1,673)

28. Subsequent event

Pursuant to a resolution passed by the Board of Directors on 26 March 2025, the subsidiary, Acqua SPV Berhad intends to apply to the Registrar of Companies for strikeoff under Section 550 of the Companies Act 2016, subject to the approval from the Minister of Finance (Incorporated) ("MOF Inc.").

Pengurusan Aset Air Berhad

(Registration No. 200601012793 (732544-D))

(Incorporated in Malaysia)

and its subsidiaries

Statement by Directors pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 110 to 162 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Boards, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



Dato' Zuraidah binti Atan
Director



Dato' Ir Jauhari bin Hamidi
Director

Kuala Lumpur

Date: 29 May 2025

Pengurusan Aset Air Berhad

(Registration No. 200601012793 (732544-D))

(Incorporated in Malaysia)

and its subsidiaries

Statutory declaration pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Zaleha binti Abdul Hamid** (MIA membership number: CA25715), the officer primarily responsible for the financial management of Pengurusan Aset Air Berhad, do solemnly and sincerely declare that the financial statements set out on pages 110 to 162 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Zaleha binti Abdul Hamid, NRIC: 720522-10-5500, at Kuala Lumpur in the Federal Territory on 29 May 2025.



Zaleha binti Abdul Hamid

Before me:



Lot 6.16D, Level 6,
Wisma Central, Jalan Ampang
50450 Kuala Lumpur

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF PENGURUSAN ASET AIR BERHAD

(Registration No. 200601012793 (732544-D))

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pengurusan Aset Air Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information set out on pages 110 to 162.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"). IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

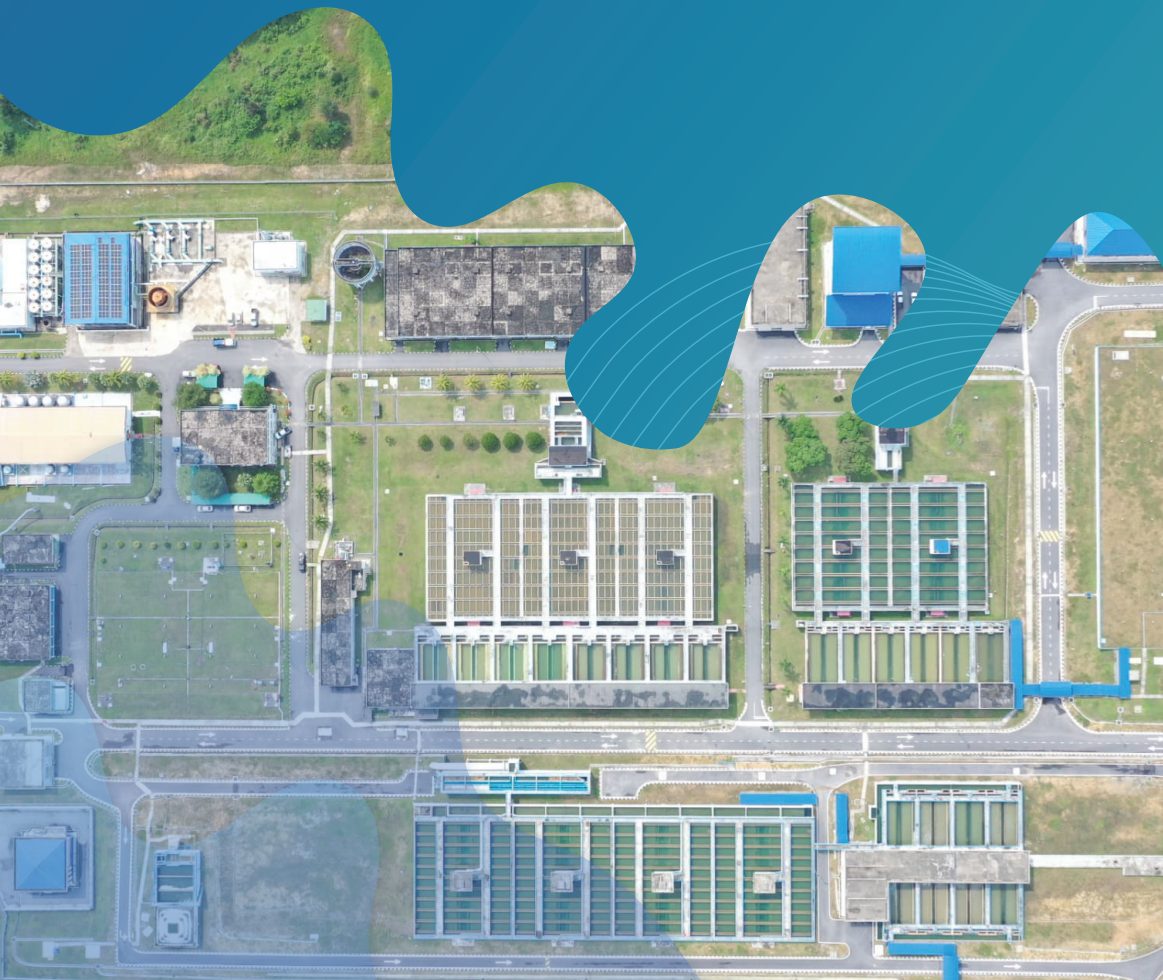
Petaling Jaya

Date: 29 May 2025

Lee Eng Teen
Approval Number: 03842/07/2026 J
Chartered Accountant

SUSTAINABLE WATER SERVICES INDUSTRY

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