



Sustainable Water Services Industry

ANNUAL REPORT

EVERY DROP COUNTS

2025



ANNUAL REPORT 2025

01**ABOUT US**

Background	4
Headquarters & State Offices	4
Vision & Mission	5
Company Secretary & Auditor	5

02**KEY MESSAGE**

Chairman's Statement	7
CEO's Strategic Review	12

03**OUR LEADERSHIP**

Board of Directors	16
Board Committees	23
Leadership Team	24
Corporate Structure	31
Organisation Chart	32

04**OUR GOVERNANCE**

Statement of Risk Management & Internal Control	35
Ethical & Governance Policies	37
Integrity & Governance	38

05**KEY HIGHLIGHTS**

Technical	42
Financial	43
Human Resources	44

06**PROJECT OUTLOOK**

Asset Management Development	46
i-WA Adoption by State Operator and Agencies	47
Building Information Modelling (BIM)	49
Renewable Energy & Energy Efficiency	51
Collaboration with External Organisations for WTP Process Improvement	53
CIDB INFRASTAR Green Recognition PAAB	54
The Langat 2 Phase 2	55
Project Updates	57

07**SUSTAINABILITY STATEMENT**

Building a Resilient and Sustainable Water Future	59
Scope and Boundary of Reporting	59
Sustainability Highlights That Shaped 2025	60
Advancing Our Sustainability Strategy	61
Sustainability Governance	62
Understanding Our Material Priorities	63
Driving Sustainability Forward: PAAB's 5-Year Sustainability Roadmap	64

CONTENTS

08

HAPPENINGS

Technical Site Visits	66
Conference & Events Involvement	72
Knowledge Sharing & Training	84
Stakeholder Engagement	93
Corporate Social Responsibility (CSR)	99
PAAB Sports & Recreation	102

09

NEWS ARTICLES & HIGHLIGHTS

106

10

CALENDAR OF EVENTS 2025

114

11

AWARDS & ACHIEVEMENTS

Langat 2 Receives Recognition	120
EFM's Awards & Appreciation Night	120
IEM Honours PAAB Chairman with Prestigious Fellow Award	121
Another Record Breaking Chapter for Langat 2	121
PAAB's Chairman Awarded with 2 Prestigious Leadership Excellence Awards	122
PAAB Shines with 7 National Records at MBR 30th Anniversary Gala	123
PAAB Recognised for Geospatial Data Excellence at MYGDI 2025	123
PAAB Wins Silver, Sets Benchmark in Integrity and Governance	124
Expanding PAAB's Digital Presence	124
PAAB Awards & Recognition (2023-2025)	125

12

FINANCIAL

Financial Strategy & Management's Discussion and Analysis	127
Financial Management and Strategy	127
Financial Performance Analysis	129
Financial Statements	139

COVER RATIONALE



The cover design for PAAB's Annual Report 2025 reflects the organisation's vital role in strengthening Malaysia's water services industry through sustainability and responsible management. The imagery of water droplets falling into a calm surface symbolises how every action, no matter how small, creates a lasting impact on the nation's water infrastructure.

The green leaf element represents growth, renewal, and environmental stewardship, reinforcing PAAB's commitment to preserving water resources for future generations. The clean, modern composition and bold typography project a strong corporate identity while maintaining a sense of clarity and professionalism.

Anchored by the tagline "Every Drop Counts," the cover communicates the message that each contribution plays an essential part in ensuring reliable, sustainable water services and supporting long-term national development.



ABOUT US

Formed on 5 May 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 and Instagram 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 and Instagram as we embark on this exciting digital journey together!



LinkedIn



Instagram

HEADQUARTERS

Pengurusan Aset Air Berhad (PAAB)

19th Floor, Menara FELDA, Platinum Park
No. 11, Persiaran KLCC
50088 Kuala Lumpur
Direct Line : 03-2614 5555
Fax : 03-2614 5588
Email : comms@paab.my

STATE OFFICES

NEGERI SEMBILAN

Pengurusan Aset Air Berhad

No. 14 (1st Floor), Jalan S2
D38 Magistrate Square Seremban 2
70300 Seremban, Negeri Sembilan
Direct Line : 03-2614 5615
Email : pdd.nsembilan@paab.my

MELAKA

Pengurusan Aset Air Berhad

No. 107-1, Jalan Lagenda 1
Taman 1 Lagenda, 75400 Melaka
Direct Line : 03-2614 5400
Email : pdd.melaka@paab.my

JOHOR

Pengurusan Aset Air Berhad

Unit 05-08 & 05-09
Level 5, Menara Landmark
No. 12, Jalan Ngee Heng
80000 Johor Bahru
Johor Darul Takzim
Direct Line : 03-2614 5481
Email : pdd.johor@paab.my

VISION

Sustainable Water
Services Industry



MISSION

To settle State Government's water loan debts through acquisition of their existing water assets of equivalent value

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

To build, upgrade and rehabilitate the water supply assets through 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.



STATE OFFICES

SELANGOR

Pengurusan Aset Air Berhad

20th Floor, Menara FELDA, Platinum Park

No. 11, Persiaran KLCC

50088 Kuala Lumpur

Direct Line : 03-2614 5475

Email : pdd.selangor@paab.my

KELANTAN

Pengurusan Aset Air Berhad

Lot 1565, Tingkat 1

Jalan Pengkalan Chepa

15400 Kota Bharu, Kelantan

Direct Line : 03-2614 5403

Email : pdd.kelantan@paab.my

PAHANG

Pengurusan Aset Air Berhad

A15 Lorong Jaya Gading 34

Pusat Komersial Batu 9 Jaya Gading

26070 Kuantan, Pahang

Pahang Darul Makmur

Direct Line : 03-2614 5649

Email : pdd.pahang@paab.my

COMPANY SECRETARY

AAJ Management Services Sdn Bhd

Suite C-5-4, Wisma Goshen

Plaza Pantai, Jalan Pantai Baharu

59200 Kuala Lumpur

Tel : 03- 2283 4007

Fax : 03- 2287 7006

AUDITOR

KPMG PLT (LLP00010081-LCA)

10th Floor, KPMG Tower

No. 8, First Avenue, Bandar Utama

47800 Petaling Jaya, Selangor

Tel : 03-7721 3388

Fax : 03-7721 3399

02

KEY MESSAGE



CHAIRMAN'S STATEMENT

“It is both an honour and a privilege to present Pengurusan Aset Air Berhad’s (PAAB) Annual Report for the financial year 2025, a particularly meaningful year as we commemorate our 20th anniversary of service to the nation.

Over two (2) decades, PAAB has evolved into a cornerstone of Malaysia’s water services ecosystem, supporting national development through sustainable infrastructure financing, asset stewardship, and long-term sector reform.”



Chairman

DATO' SERI Ir. JASENI MAIDINSA

Advancing Together: Partnerships and Prestigious Milestones

Established on 5 May 2006 as a wholly owned company of the Minister of Finance (Incorporated), PAAB was mandated to support the Federal Government's restructuring of the national water services industry under the Water Services Industry Act 2006. Our core role is to acquire, finance, develop, upgrade, rehabilitate, and own water infrastructure across Peninsular Malaysia and the Federal Territory of Labuan has remained central to relieving states of federal and commercial loan burdens while ensuring consistent, reliable water services through long-term asset leasing to licensed water operators.

Over the past 20 years, PAAB has delivered extensive water infrastructure nationwide, expanded treatment capacity, upgraded ageing distribution networks, and enhanced financial transparency and sustainability within the

sector. Our journey has been recognised both internationally and locally, including multiple Malaysia Book of Records achievements and prestigious accolades at the Asian Water Awards for collaborative initiatives and water technology excellence.

From early phases of asset migration and debt consolidation, PAAB has transitioned into an organisation focused on infrastructure expansion, innovation, and sustainability—strengthening Malaysia's water security while laying the foundation for long-term sector resilience and efficiency.

Three (3) Functional Pillars Supporting a Sustainable Water Industry

PAAB's responsibilities are anchored by three (3) interrelated functional pillars that guide our operational mandate:

01 Financing Water Supply Assets Sustainably

Through a combination of direct infrastructure funding and strategic loan restructuring, PAAB has become a cornerstone of sustainable water supply financing in Malaysia. PAAB's ability to offer affordable, structured and long-term financial solutions ensures that water operators can continue expanding and upgrading water services without compromising their financial viability.

PAAB's cumulative contribution of RM23,840.2 million for new assets and RM23,039.3 million for the takeover of water loans and debts from the water operators demonstrates a holistic approach that supports both infrastructure development and financial reform. This positions Malaysia's water sector on a stronger, more sustainable trajectory for the future.

02 Reducing Non-Revenue Water (NRW) Losses

Non-Revenue Water (NRW) refers to treated water that is produced but not billed to customers, resulting in losses for water operators. These losses occur through physical losses such as water theft, pipe leaks and water bursts, commercial losses like meter inaccuracies, and unbilled authorised consumption, which includes firefighting, municipal use, and water use in houses of worship. High NRW levels reduce operational efficiency, increase production costs, and limit the availability of treated water for consumers.

Reducing NRW requires a combination of infrastructure improvements and operational controls. PAAB has acquired and invested in approximately 3,263 km of pipe rehabilitation to replace ageing networks. Additionally, water theft prevention measures help safeguard treated water from unauthorised use.

A proper NRW management team by the water operator is the best operational control to curb this issue. Implementing these initiatives collectively supports a lower NRW rate, improving both financial sustainability and service reliability.

03 Sustaining Treated Water Reserve Margins

The National Water Services Commission (SPAN) has set a target to increase Malaysia's average reserve margin from the current level of around

13% to 15%. This upward revision is aimed at ensuring stronger system resilience and better service reliability across all states. This ensures that there is sufficient water to meet unexpected increases in demand or disruptions in supply, such as plant shutdowns, maintenance activities, pollution incidents, or seasonal peak usage.

To support the national target and improve long-term water security, PAAB has made substantial investments in expanding the country's treated water production and storage capabilities. This includes upgrading assets acquired during migration and new assets constructed amounting to approximately 2,085 Million Litres per Day (MLD) of water treatment plant (WTP) capacity and developing about 783 Million Litres (ML) of storage capacity in service reservoirs.

• Treatment of Surface Water

Surface water treatment under PAAB involves providing and maintaining infrastructure that processes raw water through key steps such as coagulation, filtration, and disinfection. These processes are essential to meet national drinking water standards. PAAB's main role is to ensure these facilities are built efficiently, reliable and capable of handling varying water quality.

Maintaining the quantity and quality of surface raw water sources such as rivers, dams, and canals is important to help reduce water treatment costs. Cleaner water requires fewer chemicals, less energy, and simpler treatment processes, improving overall efficiency. This also helps protect treatment infrastructure and supports a more sustainable and reliable dry weather yield.

• Water Treatment Plant (WTP) Residue Management

PAAB supports sustainable water treatment by funding facilities that handle, process, and dispose of by-products generated during treatment, including essential de-watering systems. These investments ensure operators have the infrastructure needed to manage residues safely, efficiently, and in line with environmental requirements.

Water treatment residue must be properly managed to avoid environmental and operational issues. PAAB's funding helps operators handle these materials more effectively, reducing disposal problems, lowering risks, and supporting cleaner, more sustainable treatment processes.

• Recycling Industrial Water

PAAB reinforce its commitment to sustainable water management the exploration of funding initiatives for wastewater treatment facilities. These facilities allow treated wastewater to be reused within operations or for other purposes, reducing dependence on fresh water, lowering discharge, and supporting long-term environmental sustainability.

Industrial wastewater comes from sources such as cooling water, boiler blowdown, process water, and rinse waters, along with sewage effluent. Through its funding, PAAB enables operators to manage and reuse wastewater more efficiently, strengthening overall water resource resilience.

• Desalination of Seawater

PAAB's plan to fund the development of seawater desalination plants is a strategic effort to obtain new sources of water as surface water is optimised. By converting seawater into potable water, desalination offers additional water supply to meet future water demands.

This initiative supports PAAB's vision of a sustainable water services industry by enhancing long-term water security and system resilience. Through the use of advanced and efficient technologies, desalination strengthens infrastructure reliability while contributing to more sustainable and consistent water supply services.

STATUS OF MALAYSIAN WATER SERVICES INDUSTRY RESTRUCTURING : 2025

STATE	MIGRATION YEAR	NOVATED LOANS (RM Million)	PAAB CAPEX FUNDING (RM Million)				SUB-TOTAL	TOTAL PAAB INVESTMENTS (RM Million)
			COMPLETED	OTHER DEVT. COST	CONSTRUCTION	PLANNING		
Melaka	2008	709.97	662.20	57.95	260.41	287.38	1,267.95	1,977.92
Negeri Sembilan	2008	1,178.88	617.32	113.13	379.66	1,639.78	2,749.89	3,928.77
Johor	2009	5,076.63	2,045.86	236.79	617.10	2,600.11	5,499.84	10,578.48
Perlis	2010	45.34	0	0	0	0	0	45.34
Pulau Pinang	2011	655.25	0	0	0	975.98	975.98	1,631.23
Perak	2012	851.94	129.79	7.78	0	0	137.57	989.51
Selangor	2014	12,073.86	2,903.47	1,341.53	68.22	4,243.76	8,556.98	20,630.85
Kelantan	2016	233.05	158.07	16.59	449.67	1,046.86	1,671.19	1,904.24
Pahang	2020	1,091.43	33.88	0.94	67.15	941.65	1,043.62	2,135.05
Kedah	2021	1,122.91	0	0	0	1,937.19	1,937.19	3,060.10
GRAND TOTAL		23,039.26	6,550.58	1,774.71	1,842.21	13,672.71	23,840.21	46,879.47

Strengthening the Sector Through Financial and Structural Reform

PAAB's mandate extends beyond infrastructure delivery to driving systemic financial and structural reform within the national water sector. Since 2006, PAAB has funded approximately RM23.84 billion in cumulative capital expenditure (CAPEX) funding, supporting completed, ongoing and planned water infrastructure projects nationwide.

These initiatives play a critical role in addressing longstanding sector challenges, including RM23.04 billion in state water debts, persistent cashflow constraints among water operators, and total PAAB completed and committed investment of RM46.88 billion up to 2025, largely due to tariffs historically set below cost-recovery levels.

Amid this landscape, PAAB's revenue continued to demonstrate strong growth momentum in FY2025, rising to RM1,298.00 million, representing an increase of approximately 6.4% compared to FY2024. This performance reflects the strength and resilience of the Company's business model, underpinned by long-term lease arrangements for its strategic water infrastructure assets.

Overall, PAAB remains committed to strengthening financial sustainability, enhancing sector resilience, and supporting the long-term viability of Malaysia's water services industry through disciplined investments and continued structural reforms.

Our Transformation is Guided by a Structured 50-year roadmap:

Migration Stage (2008 – 2020) ▶▶

The migration stage marked the start of Malaysia's modern water sector reform following WSIA 2006 and the 2008 restructuring. During this phase, state water assets and operations were transferred into a new federally-regulated framework.

Key institutions like SPAN and PAAB were established to standardise regulation, improve financing, and ease state debt. The focus was on transitioning operators into a centralised system with better governance, licensing, and asset management.

Stabilisation Stage (2021 – 2030) ▶▶

The stabilisation stage focuses on strengthening operations and improving performance after the industry moves under a unified regulatory framework. Key priorities include enhancing service reliability, reducing NRW, improving water quality, and meeting regulatory benchmarks.

States that migrated earlier show better financial and operational stability, while others continue aligning with WSIA standards. This phase also emphasises long-term planning, boosting infrastructure readiness, and preparing operators for performance-based regulation.

Consolidation Stage (2031 – 2040) ▶▶

The consolidation stage aims to achieve consistent nationwide performance by integrating systems, technologies, and best practices across all states. Operators focus on advanced asset management, digitalisation, climate resilience, and optimising demand and supply.

This phase also seeks to reduce reliance on federal support by improving efficiency and profitability, while promoting greater regional cooperation and standardisation in tariffs, service levels, and regulatory compliance.

Full Cost Recovery Stage (2041 – 2050) ▶▶

The final stage targets full cost recovery, where tariffs and revenues cover the true costs of water abstraction, treatment, distribution, and infrastructure renewal without long-term subsidies. By this point, operators are expected to run sustainably with efficient cost structures, optimised processes, and strong regulatory oversight.

Full cost recovery enables continuous reinvestment, long-term financial stability, and environmentally sustainable water management, marking the sector's transition to a modern and commercially sustainable model.

Each phase represents a progressive shift towards financial autonomy, operational excellence and sustainability.

Shared Visions and Earned Accolades

A defining milestone in 2025 was the official launch of the Langat 2 WTP by YAB Prime Minister Datuk Seri Anwar Ibrahim on 20 August 2025. As Malaysia's (second largest) treatment facility with a capacity of 1,130 MLD, the RM4.2 billion project supports Selangor, Kuala Lumpur, and Putrajaya, benefitting approximately 791,000 accounts.

The project also made history by achieving seven (7) Malaysia Book of Records titles, including three (3) national records in 2025 for engineering and sustainability excellence: Malaysia's first pipe conveyor system for water treatment residuals, the longest pipe conveyor system at 1.918 kilometres, and the longest shaftless screw conveyor system at 46 metres.

Langat 2 exemplifies PAAB's capability to deliver complex, high-impact infrastructure aligned with national priorities under the 13th Malaysia Plan, strengthening reserve margins while advancing efficiency, innovation, and long-term resilience in Malaysia's water services sector.

Transparency, Engagement, and Sector Leadership

In 2025, PAAB intensified its media and public engagement to foster transparency and strengthen stakeholder understanding of its national role as Malaysia's "water bank." Leadership participation in forums, talk and media engagements - provide a platform to articulate the national water agenda, operational milestones and asset migration progress.

Collaborative Growth and Benchmarks of Success

PAAB's strategic partnership with Bank Islam Malaysia Berhad, formalised through a Memorandum of Understanding (MoU), will provide RM100 million in Shariah-compliant, ESG-aligned financing in 2026 to strengthen contractor capacity, support project execution, and accelerate national water infrastructure delivery.

PAAB also played an active role in key industry platforms including ThaiWater Expo 2025, Sabah Asia Water 2025, MyWater Forum 2025, Water Malaysia 2025, Osaka Expo 2025, WaterTech Asia 2025 and Malaysia International Water

Convention (MIWC) 2025, reinforcing its commitment to innovation, safety culture, and ESG integration.

Delivering Social Value Beyond Infrastructure

Through its Santuni MADANI Corporate Social Responsibility (CSR) initiative, PAAB continued to deliver tangible community impact in 2025, including water infrastructure support in Kuala Krai, Kelantan, community engagement programmes in Batu Pahat, Johor, and RM100,000 in commitments to upgrade water facilities in schools and promote water conservation and efficient water usage.

Appreciation and Future Commitment

As we reflect on 2025, I am proud of PAAB's progress in strengthening Malaysia's water infrastructure and advancing the national Water Sector Transformation agenda.

These achievements are the result of the unwavering dedication of the Board, management, and staff, as well as the continued support of the Government of Malaysia, Ministry of Finance (MoF), Ministry of Energy Transition and Water Transformation (PETRA), National Water Services Commission (SPAN), state authorities, water operators, financial partners, consultants, contractors, and stakeholders.

Looking ahead, PAAB remains steadfast in its mission to deliver quality, sustainable water infrastructure and to serve the nation with excellence, resilience, and innovation. Together, we will continue building a water-secure Malaysia for generations to come.

Thank you.

CEO'S STRATEGIC REVIEW

Dear Stakeholders,

It is our honour to present PAAB's Annual Report as we commemorate 20 years of service in strengthening Malaysia's water infrastructure. As PAAB commemorates its 20th anniversary, 2025 represents a defining year of both reflection and forward momentum.

From the perspective of management, this milestone reinforces not only how far the organisation has come, but also the scale of responsibility we continue to shoulder in delivering sustainable, reliable, and financially sound water infrastructure for Malaysia.



Chief Executive Officer

Ir. ZULKIFLEE OMAR

Over the past two (2) decades, PAAB has evolved into the central platform for water infrastructure financing and asset ownership, enabling long-term sector stability through disciplined capital deployment and governance. As at the end of December 2025, we have invested more than RM23.84 billion in water treatment plants, reservoirs, and transmission and distribution networks across Peninsular Malaysia and the Federal Territory of Labuan. These investments translate into tangible outcomes on the ground — **21 WTPs delivering 2,085 MLD of supply capacity, 49 reservoirs providing 783 ML of storage, and 3,263 kilometres of pipelines** — forming the backbone of national water supply resilience.

From a financial management standpoint, PAAB remains a strong and credible issuer in the capital market. Through Pengurusan Air SPV Berhad (PASB), we continue to access long-term funding at competitive cost, underpinned by the reaffirmation of our AAA Sukuk rating by RAM Ratings in December 2025. This credit strength enables PAAB to fund Malaysia's long-term water infrastructure pipeline while maintaining prudent financial discipline. The separation of asset ownership from service operations remains fundamental to our model, allowing water operators to focus on operational efficiency while PAAB undertakes the financing of capital-intensive assets.



Langat 2 Phase 1 & 2 Residual Pipe Conveyer System

Operationally, 2025 delivered continued gains in institutional strengthening and sector integration, signalling stronger alignment among stakeholders.

The launch of PAAB's 20th Anniversary identity further symbolises our role as a Strategic Leader in promoting and maintaining a sustainable water services industry. At the same time, climate variability and changing rainfall patterns reinforce the urgency of our focus on resilient infrastructure, including enhanced water treatment plant processes and technology, system redundancy, and adaptive design standards.

Execution Through Collaboration and Capability Building

PAAB continues to operate in close alignment with the policy direction set by the MoF and PETRA. PETRA's emphasis on integrated water management, NRW reduction, and long-term sector resilience aligns directly with PAAB's mandate to deliver sustainable and bankable infrastructure solutions. In 2025, this coordination translated into measurable progress, with PAAB supporting major capacity expansion projects and critical network upgrades nationwide.

We also strengthened our organisational capability and industry leadership. The appointment of our Head of Asset Management, Ts. Gs. Adam Budiman Khairuddin, as a Council Member of The Malaysian Asset and Project Management (MAPMA) reflects PAAB's growing contribution to asset and project management practices beyond the water sector. This role enhances knowledge exchange and reinforces our commitment to professional standards and continuous improvement.

Digitalisation and data governance remain key enablers of operational excellence. The onboarding of Syarikat Air Johor Sdn Bhd (SAJSB), Syarikat Air Negeri Sembilan Sdn Bhd (SAINS), and Pengurusan Air Pahang Berhad (PAIP) through adoption of PAAB's i-WA marks a significant step forward in standardising asset data, strengthening performance monitoring, and enabling more informed, data-driven decision-making across the sector.



i-WA Training at PAIP



i-WA Training at SAINS

Innovation, Recognition, and Operational Impact

PAAB's progress in 2025 was recognised both domestically and internationally through several prestigious accolades, including Malaysian Integrity, Governance and Anti Corruption Awards (AIGA) 2025 and the Malaysia Geospatial Data Infrastructure (MyGDI) 2025 Data Sharing Recognition. Notably, PAAB's Chairman Dato' Seri Ir. Jaseni Maidinsa was honoured with the Top Innovative Leader of the Year Award, in recognition of his exemplary leadership, strategic foresight, and strong advocacy for innovation, governance excellence, and sustainable transformation within the national water sector. These achievements were showcased at Expo Osaka 2025, where PAAB represented Malaysia's water industry on the global stage, highlighting its sustainable financing models, advanced asset management practices, and the integration of green technologies into national water infrastructure.



Leadership Excellence Award

Our commitment to innovation, safety & environment was further validated by recognition from the Malaysia Book of Records, including national benchmarks for the First Pipe Conveyor System for Water Treatment Residual in Malaysia, the Longest Pipe Conveyor System for Water Treatment Residual in Malaysia (1.918 kilometres) and the Longest Shaftless Screw Conveyor System in Malaysia (46 metres). These achievements reflect not only engineering excellence, but also PAAB's focus on environmentally responsible design and operational efficiency.

In parallel, we formally implemented Non-Revenue Water (NRW) Reduction Programme, a critical operational priority aimed at preserving water resources, improving network efficiency, and enhancing long-term system sustainability. The programme focuses on targeted pipe replacement, smart network management, and strengthened collaboration with water operators.

Creating Value Beyond Infrastructure

Beyond infrastructure delivery, PAAB remains committed to generating positive social impact. Through the Santuni MADANI CSR initiative, we implemented targeted interventions to address water access, conservation awareness, and community resilience. These included the installation of a 4,500-litre water tank in Kampung Lubok Simpul, Kuala Krai to support 500 residents affected by low pressure, alongside complemented by wider broader initiatives in the surrounding areas of Kota Bharu Timur, Machang dan Tanah Merah, state of Kelantan.

Community engagement efforts continued during Ramadan in Batu Pahat, where PAAB's volunteers distributed nearly 1,000 packs of bubur lambuk, organised an iftar programme incorporating water conservation education, and supported underprivileged students. The initiative concluded with a community carnival attended by over 500 participants, accompanied by PAAB's commitment of RM100,000 towards water infrastructure upgrades at local schools.

Looking Ahead

PAAB's achievements are the result of collective effort. I extend my appreciation to the Board, our dedicated employees, MoF, PETRA, SPAN, state governments and operators, investors, Sukuk holders, financial partners, contractors, academic institutions, and the communities we serve. Your trust and collaboration remain integral to our success.

As we look ahead, PAAB remains firmly guided by our 2050 Full-Cost Recovery Roadmap. Management's focus will remain on disciplined capital deployment, operational excellence, digital enablement, and strategic partnerships to deliver resilient, future-ready water infrastructure.

With continued commitment and collaboration, we are confident in our ability to support a sustainable and water-secure Malaysia for generations to come.

03

OUR LEADERSHIP





BOARD OF DIRECTORS

**DATO' SERI Ir. JASENI
MAIDINSA**

Chairman



**DATO' HAJAH NORISON
RAMLI**

Non-Independent and
Non-Executive Director



**DATO' SRI HAJI MAD
ZAIDI MOHD KARLI**

Non-Independent and
Non-Executive Director
(term ended in April 2026)



**DATO' MOHD RODZWAN
MOHD BABA SAKRI**

Non-Independent and
Non-Executive Director

**DATO' SUZANA ATAN**

Non-Independent and
Non-Executive Director

**TARMIZI TAMBY CHIK**

Non-Independent and
Non-Executive Director

**DATO' Ir. DR. MOHD ASBI
OTHMAN**

Independent and
Non-Executive Director

**DATO' Ir. NOR HISHAM
MOHD GHAZALI**

Independent and
Non-Executive Director

**DATO' ZURAIDAH ATAN**

Independent and
Non-Executive Director

**DATUK RAWISANDRAN
A/L NARAYANAN**

Independent and
Non-Executive Director

PROFILE BOARD OF DIRECTORS



CHAIRMAN
DATO' SERI Ir. JASENI MAIDINSA

Dato' Seri Ir. Jaseni Maidinsa was appointed as Chairman of Pengurusan Aset Air Berhad on 4 April 2023. With an illustrious 37-year 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 (PBAHB) 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 Malaysian Water Association (MWA) and Honorary Fellow of 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 ASEAN Outstanding Engineering Award 2015, the Malaysian Water Association (MWA) Best Management Award 2018, the Institution of Engineers Malaysia (IEM) Distinguished Engineer Award 2018 and the Anugerah Perdana Menteri Tokoh Mahir Award 2019 from the Ministry of Human Resources. These accolades highlight his dedication, expertise and leadership in advancing the nation's water supply management and water asset development.



**NON-INDEPENDENT
AND NON-EXECUTIVE
DIRECTOR**

*Chairperson of
Procurement Board A
Committee*

**DATO' HAJAH
NORISON RAMLI**

Dato' Hajah Norison Ramli joined the Board as a member on 29 April 2026. She currently serves as the National Budget Director at the Ministry of Finance. She holds a Master of Business Administration from Universiti Kebangsaan Malaysia, a Diploma in Public Management from the National Institute of Public Administration (INTAN), and a Bachelor of Economics (Honours) from Universiti Utara Malaysia.

With 30 years of experience in the Malaysian public sector, Dato' Norison has held numerous senior leadership positions across various ministries, including the Ministry of Domestic Trade and Consumer Affairs, Ministry of Agriculture and Food Security, Ministry of Rural Development, Ministry of Human Resources and the Public Service Department (JPA).

Prior to her current appointment, she served as Deputy Secretary-General at the Ministry of Rural Development, Ministry of Human Resources and Director-General of the National Unity and Integration Department. Her experience spans public policy, budget and financial management, procurement governance and rural development. She also serves on several statutory and institutional boards.



**NON-INDEPENDENT
AND NON-EXECUTIVE
DIRECTOR**

*Chairperson of
Sustainability Committee*

**DATO SRI' HAJI MAD
ZAIDI MOHD KARLI**

Dato' Sri Haji Mad Zaidi Mohd Karli was appointed to the Board of Directors on 15 April 2024 and served until the completion of his tenure on 14 April 2026. He currently serves as the Secretary-General of the Ministry of Energy Transition and Water Transformation (PETRA) and brings nearly three decades of experience in the Malaysian Civil Service.

He began his career as an Administrative and Diplomatic Officer in 1995 and has held various senior leadership positions across government ministries. He holds a Master of Science in Environmental Technology Management from the University of London and a Bachelor of Environmental Science (Hons) from Universiti Putra Malaysia, with extensive leadership experience spanning both the public and banking sectors.

(term ended in April 2026)



**NON-INDEPENDENT
AND NON-EXECUTIVE
DIRECTOR**

*Chairperson of
Sustainability Committee*

**DATO' MOHD
RODZWAN
MOHD BABA SAKRI**

Dato' Mohd Rodzwan Mohd Baba Sakri joined the Board as a member on 13 May 2026. He currently serves as the Deputy Secretary-General (Water) at the Ministry of Energy Transition and Water Transformation (PETRA). He holds a Master of Business Administration (MBA) from Ritsumeikan Asia Pacific University, Japan and a Bachelor of Science (Honours) in Applied Chemistry from Universiti Kebangsaan Malaysia.

With over 32 years of experience in the Malaysian public service, Dato' Mohd Rodzwan has held numerous strategic leadership positions across ministries responsible for water resources, environmental management, energy, entrepreneurship development and public administration. Throughout his distinguished career in the Administrative and Diplomatic Service (PTD), he has accumulated extensive expertise in public administration, finance, procurement, human resource management and the development of the national water services sector.



**NON-INDEPENDENT
AND NON-EXECUTIVE
DIRECTOR**

*Chairperson of Integrity &
Compliance Committee*

DATO' SUZANA ATAN

Dato' Suzana Atan joined the Board as a member on 12 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.



**NON-INDEPENDENT
AND NON-EXECUTIVE
DIRECTOR**

TARMIZI TAMBY CHIK

Tarmizi Tamby Chik joined the Board as a member on 13 May 2026. He currently serves as the Director of the Accounting Development and Management Division at the Accountant General's Department of Malaysia. He holds a Bachelor of Accountancy from Institut Teknologi MARA and is a Chartered Accountant as well as a member of the Malaysian Institute of Accountants (MIA).

With more than 30 years of experience in public sector accounting and financial management, he has held various senior leadership positions within the Accountant General's Department and the Ministry of Human Resources. His expertise encompasses accounting standards, financial reporting, budgeting, governance, public sector financial reforms and accounting systems development. Throughout his career, he has driven key government accounting system reforms, contributing to improved financial accountability, transparency and governance across the public sector.



**INDEPENDENT AND
NON-EXECUTIVE
DIRECTOR**

*Chairperson of Project
Delivery Committee*

**DATO' Ir. DR. MOHD
ASBI OTHMAN**

Dato' Ir. Dr. Mohd Asbi Othman joined the Board as a member on 19 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 serves as Managing Director. Throughout his career, he has been appointed as the 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.



**INDEPENDENT AND
NON-EXECUTIVE
DIRECTOR**

*Chairperson of
Nomination &
Remuneration Committee*

**DATO' Ir. NOR HISHAM
MOHD GHAZALI**

Dato' Ir. Nor Hisham Mohd Ghazali joined the Board as a member on 31 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) from 2020 to 2023.

He boasts a remarkable 36-year career in government service, with extensive experience. 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 is currently the fellow for Academy of Science Malaysia and Institution Engineers Malaysia.



**INDEPENDENT AND
NON-EXECUTIVE
DIRECTOR**

*Chairperson of Audit &
Risk Committee*

**DATO' ZURAIDAH
ATAN**

Dato' Zuraidah Atan joined the Board as a member on 11 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 senior positions as Vice President 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 volunteer work in youth capacity building and nation building, Dato' Zuraidah has received the "Anugerah Tokoh Pembina Yayasan Sukarelawan Siswa" award and the BrandLaureate Business Entrepreneur: Brand ICON Leadership Award 2018.



**INDEPENDENT AND
NON-EXECUTIVE
DIRECTOR**

**DATUK
RAWISANDRAN A/L
NARAYANAN**

Datuk Rawisandran Narayanan joined the Board as a member on 1 August 2023 until 31 July 2025 and reappointed on 6 January 2026.

He brings a wealth of experience in business development. 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).

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)

Chairperson

Dato' Ir. Dr. Mohd Asbi Othman

Members

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



Audit & Risk Committee (ARC)

Chairperson

Dato' Zuraidah Atan

Members

- i. Dato' Ir. Dr. Mohd Asbi Othman
- ii. Datuk Rawisandran A/L Narayanan
- iii.. Tarmizi Tamby Chik



Procurement Board A Committee (PBA)

Chairperson

Dato' Hajah Norison Ramli

Members

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



Nomination & Remuneration Committee (NRC)

Chairperson

Dato' Ir. Nor Hisham Mohd Ghazali

Members

- i. Dato' Suzana Atan



Integrity & Compliance Committee (ICC)

Chairperson

Dato' Suzana Atan

Members

- i. Dato' Ir. Nor Hisham Mohd Ghazali
- ii. Datuk Rawisandran A/L Narayanan
- iii. Tarmizi Tamby Chik



Sustainability Committee (SC)

Chairperson

- i. Dato' Mohd Rodzwan Mohd Baba Sakri
- ii. Dato' Sri Hj. Mad Zaidi Mohd Karli
(term ended in April 2026)

Members

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

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



**Ts. MOHAMAD
MOHAMAD NOR**
Head of Asset & Land
Management Division



Ir. ZAINAL NAGIN
Head of Commercial
Division



**ROZAIFEE ABU
ZAHARIM**
Head of Corporate
Services Division



**MOHD FAUZI
OMAR**
Head of Technical &
Engineering Division



HELMY JAMALI
Head of Human Resources
& Administration Division



**Ir. Ts.
SHAMSUNAZARUDDIN
SHAH MOHD SALLEH**
Head of Project Delivery
Division



**Ir. JOHARI SINHAL @
ZAINAL**
Head of Special Projects
Division

LEADERSHIP TEAM PROFILE



**CHIEF EXECUTIVE
OFFICER**
Ir. ZULKIFLEE OMAR

Ir. Zulkiflee Omar was appointed as Chief Executive Officer (CEO) of PAAB on 1 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 more than 35 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' experience in prominent organisations such as MRT Corporation and Petronas Gas Berhad.



**CHIEF FINANCIAL
OFFICER**
**ZALEHA ABDUL
HAMID**

Zaleha Abdul Hamid assumed the position of Chief Financial Officer (CFO) at PAAB on 24 October 2023. With over 26 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 the 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 the implementation of modern ERP systems.

She is a Chartered Accountant and a member of the Malaysian Institute of Accountants (MIA) and a Fellow member of the Association of Chartered Certified Accountants (ACCA). She is 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 a financially driven approach.

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



CHIEF OPERATING OFFICER

**Ir. ABDUL SAMAD
SULAIMAN**

Ir. Abdul Samad Sulaiman was appointed as the Chief Operating Officer (COO) of PAAB on 9 August 2024. He brings over 25 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.



HEAD OF ASSET & LAND MANAGEMENT DIVISION

**Ts. MOHAMAD
MOHAMAD NOR**

Ts. Mohamad Mohamad Nor is an accomplished senior leader with over 21 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 Sdn 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.



**HEAD OF CORPORATE
SERVICES DIVISION
ROZAIFEE ABU
ZAHARIM**

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 rejoining the division in 2024.

A chartered accountant with over 21 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 Chartered Global Management Accountant (CGMA).



**HEAD OF HUMAN
RESOURCES &
ADMINISTRATION
DIVISION
HELMY JAMALI**

Helmy Jamali joined PAAB on 12 June 2025. He is an experienced human resource professional with over 21 years of leadership experience in the full spectrum of human resource management and administration. He has provided both strategic direction and hands-on leadership in aligning human capital initiatives with organisational objectives, contributing to sustainable workforce performance and compliance.

His core areas of expertise include manpower planning, talent acquisition & development, performance management system development, employee welfare and engagement programmes, as well as training and development initiatives. He also possesses strong experience in employee and industrial relations. He holds a Bachelor's Degree in Human Resource Management (Honours) and is also an affiliate member of International Federation on Professional Manager (IFPM) and a registered Certified Human Resource Practitioner (CHRP).

Prior joining PAAB, he was the General Manager, HR & Admin with Puncak Niaga Holdings Berhad, Head of Human Resource & Admin, Drilling Division, at Vantris Energy Berhad and as Fleet Manning Operations with MISC Berhad.

He has served across a diverse range of industries, including Plantation, Wastewater Management Engineering, Facilities and Hospital Management, Procurement, Construction, Installation and Commissioning (E.P.C.I.C), Oil & Gas, Shipping, Logistics, Manufacturing, and Construction and Property Development, equipping him with a broad and adaptable leadership perspective.



**HEAD OF
COMMERCIAL
DIVISION**
Ir. ZAINAL NAGIN

Ir. Zainal Nagin now leads PAAB's Commercial Division, overseeing the strategic development and management of the Company's commercial initiatives. With 30 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 began 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 such as design, tendering, and implementation of water treatment plants and distribution systems nationwide. Notably, he played a pivotal role in the Kepong II WTP project in Kuala Terengganu, covering a 150 MLD treatment plant, intake infrastructure, and distribution networks.

He graduated with a Bachelor Engineering (Mechanical) from the 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).



**HEAD OF TECHNICAL
& ENGINEERING
DIVISION**
MOHD FAUZI OMAR

Mohd Fauzi Omar was appointed Head of Technical & Engineering Division in January 2023, having moved from his previous position as Head of Project Management Division since June 2019. In this role, he leads and oversees the overall technical and engineering aspects of approved projects for migrated states, including new technology and innovation.

With over 21 years of working experience in water-related projects, prior to joining PAAB in August 2007 as a Process Design Manager, Prior to that, he was attached to a consultancy firm specialising 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 has 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.



HEAD OF PROJECT DELIVERY DIVISION

**Ir. Ts.
SHAMSUNAZARUDDIN
SHAH MOHD SALLEH**

Ir. Ts. Shamsunazaruddin Shah Mohd Salleh brings over 25 years of experience in the water and sewerage industry to his role as Head of Project Delivery Division, a role 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. Ts. 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 1,234km 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 of Engineering (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.



HEAD OF SPECIAL PROJECTS DIVISION

**Ir. JOHARI SINAL @
ZAINAL**

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 multi-billion-ringgit projects, developed regional project monitoring systems, and implemented integrated project recording and monitoring systems.

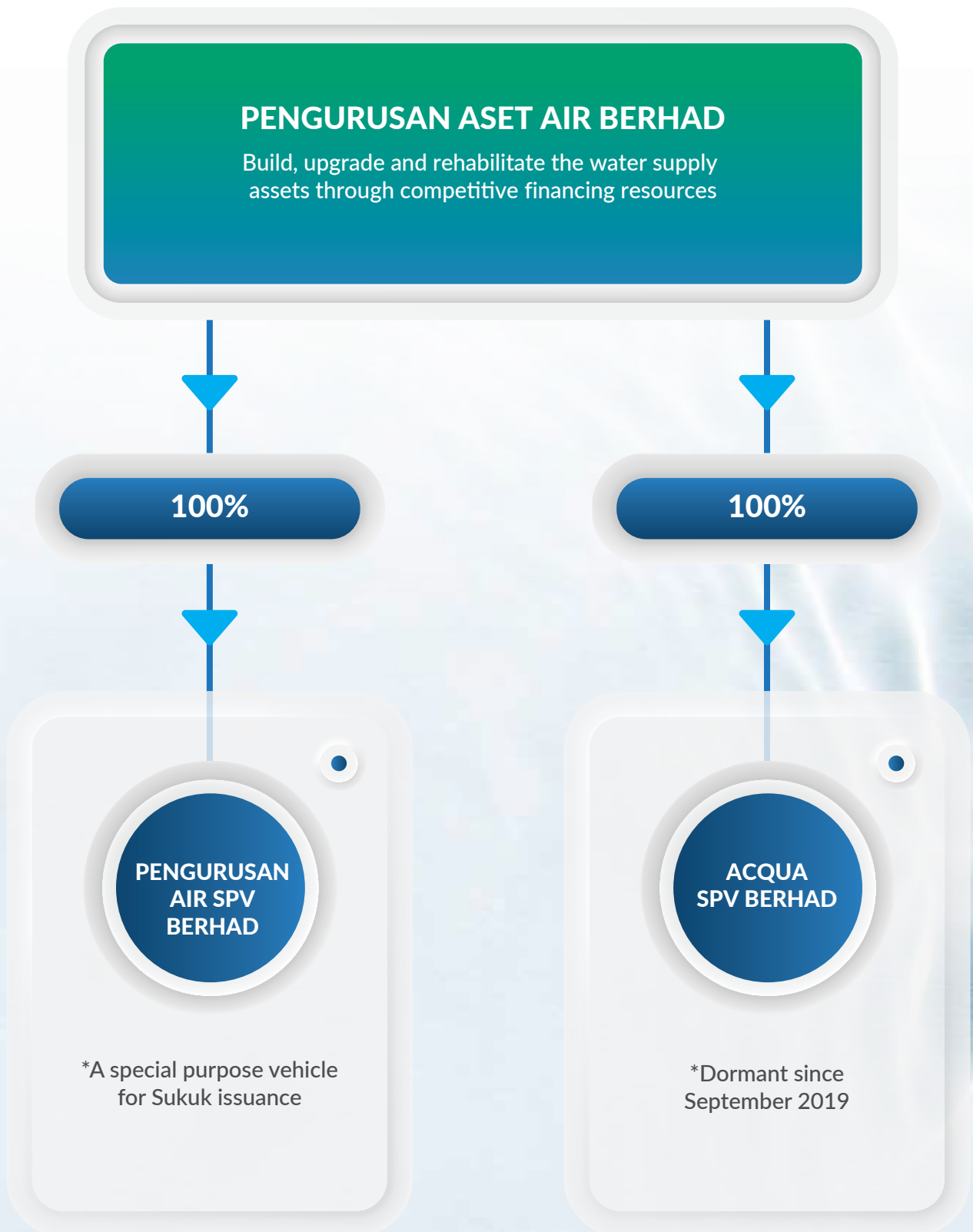
Ir. Johari brings a wealth of experience as a Civil Engineer with a background spanning water engineering, civil & structural engineering, and retail operations in multinational environments. His expertise covers water pipeline design, flood mitigation projects, and involvement in the oil & gas industry,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

With over 31 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.

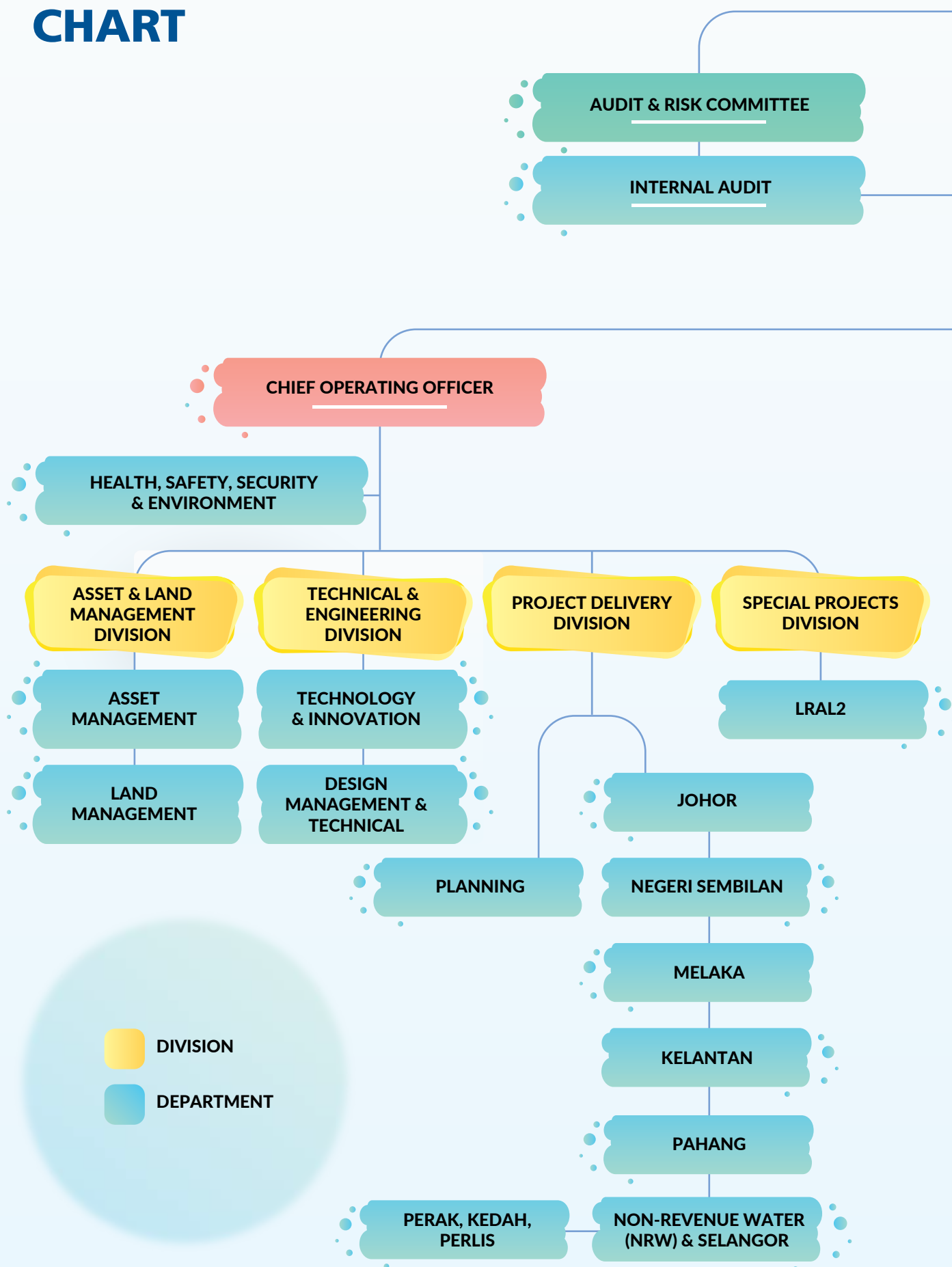
Before joining PAAB in October 2011 as a State Manager, Ir. Johari gained significant exposure in the oil and gas and water industries. His roles encompassed planning, implementing, and executing projects, as well as managing care and maintenance operations.

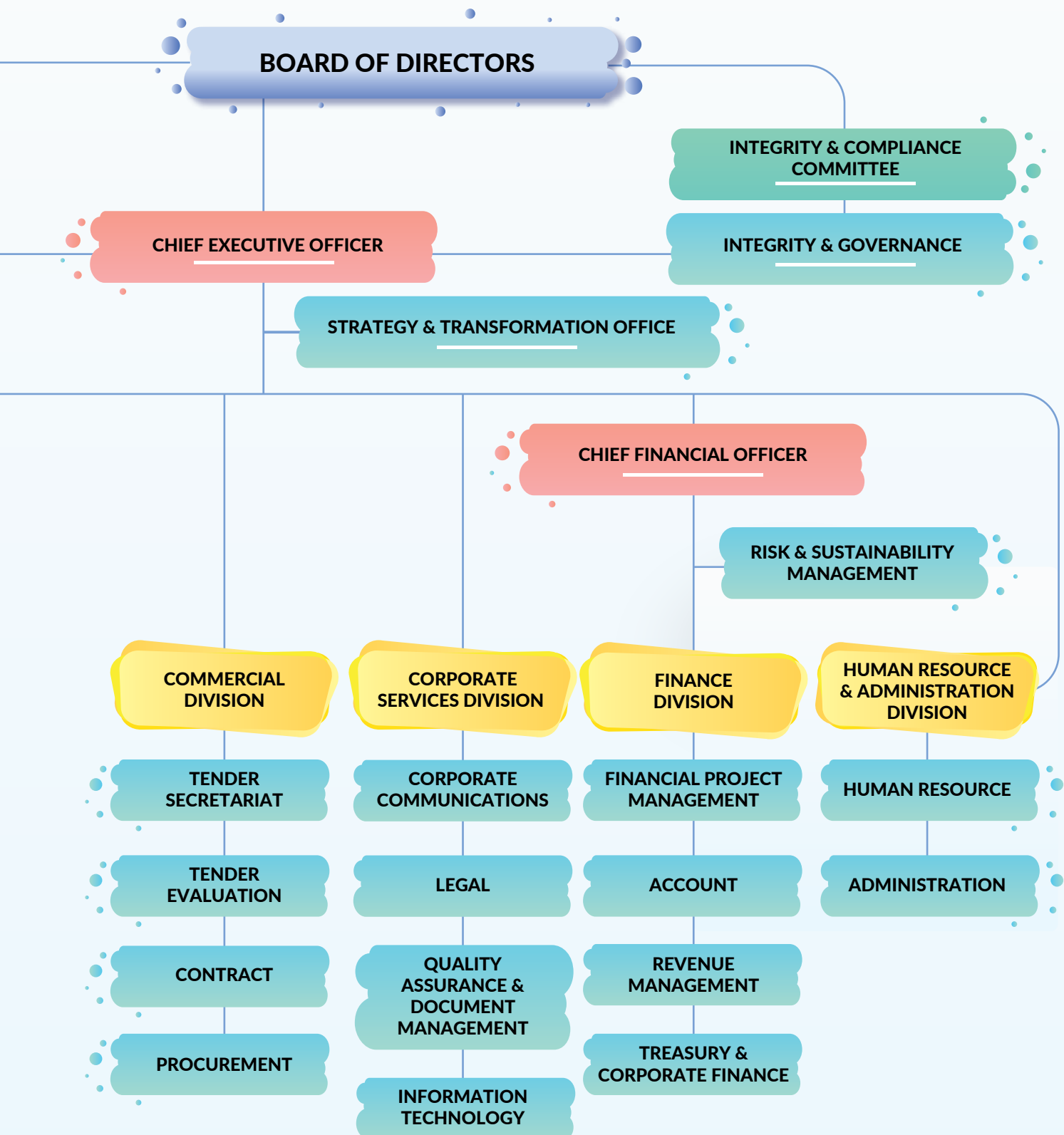
CORPORATE STRUCTURE

PAAB Group of Companies



ORGANISATION CHART







04

OUR GOVERNANCE

STATEMENT OF RISK MANAGEMENT & INTERNAL CONTROL

RISK MANAGEMENT

PAAB is committed to continuously improving its risk oversight capabilities by identifying uncertainties and foreseeing potential risks that could influence the business environment. This ensures excellent risk governance and maximises 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") is a committee comprising top and senior management personnel. Its primary function is to assist the Audit and Risk Committee 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 risks from 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 to the RMC across four (4) RMC meetings held per year, before being tabled to the ARC and the Board regarding:

- 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 to manage risks and reduce the impact on PAAB's business operations.

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. Through this approach, risks are discussed and aggregated from departmental and divisional levels every quarter.

To strengthen the risk identification and assessment process, PAAB conducts Risk Workshops as required, considering changes in the internal and external environment, emerging risks, and organisational priorities. These workshops apply structured tools such as SWOT and PESTLE analysis to identify potential risks and assess factors that may affect the organisation's objectives. This approach supports a proactive, forward-looking risk assessment process, enabling timely identification of risks and the development of appropriate mitigation measures.

Business Continuity Management (BCM)

A crisis can strike at any time; even a short disruption in today's fast-paced technological environment can have a catastrophic impact to

an 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 22301 as a guideline, PAAB manages BCM via an established business continuity plan for key and critical business processes. This ensures minimal disruption and facilitates efficient business resumption. Periodical testing of the plan is conducted to maintain preparedness and awareness.

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 and its commitment to continuous improvement, a holistic BCM Framework Review was planned and initiated in 2025. The review commenced with the Business Impact Analysis (BIA) Workshop, which aimed to reassess and validate Critical Business Functions (CBFs), particularly in light of organisational changes such as company reorganisation. The workshop successfully reaffirmed business priorities and updated impact tolerances.

Additionally, a Business Continuity (BC) Test was successfully conducted on 11 December 2025. For this cycle, the test was conducted remotely and with a scaled-down scope due to the ongoing BCM framework review. Despite the adjusted approach, the exercise demonstrated PAAB's continued commitment to operational resilience, with a focused assessment of critical business functions to ensure the organisation's business continuity preparedness remains effective and relevant.



Discretionary Authority Limits (DAL)

PAAB has DAL protocols established for approval of various operational and corporate matters. The DAL is approved by the Board.

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.

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

To ensure accountability and transparency, 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 Global Internal Audit Standards 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.

Towards this end, 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 seeks the same level of responsibility and adherence from third parties (contractors, consultants, vendors and others) who not only work for or on behalf of the organisation but also who engage with PAAB.

PAAB prohibits all forms of bribery and corruption. Employees and associated persons must not participate in any corrupt practices. PAAB shall identify and analyse the implemented Anti-Bribery Management System (ABMS) in order to satisfy ABMS requirements and objective within time frame. PAAB shall continually improve the suitability, adequacy and effectiveness 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 are able to perform their duties independently and effectively without influence from any internal or external parties.

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:

- 01** Implementing an effective HSSE management system that continually improves performance through monitoring, measuring, auditing, and review.
- 02** Complying with all applicable HSSE legislation and other requirements.
- 03** Consulting, cooperating, and communicating with workers on all HSSE matters to achieve a high level of awareness.
- 04** Encouraging proactive hazard identification and reporting to eliminate potential risks to safety, health, and the environment.
- 05** Providing all necessary information, instruction, training, and supervision to ensure a safe and healthy work environment with minimal environmental impact.
- 06** 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.

Quality Management System (QMS) ISO 9001 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 QMS.

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

In 2025, PAAB continued to strengthen its governance ecosystem and uphold the principles of integrity, transparency and accountability across all levels of the organisation. Through enhanced compliance measures, structured audits and targeted integrity-building programmes, PAAB reaffirmed its commitment to maintaining the highest standards of ethical conduct.

Corporate Integrity System of Malaysia (CISM)

PAAB was selected as a pilot organisation for the Corporate Integrity System Malaysia (CISM) audit, conducted by Institute of Integrity Malaysia (IIM) in April 2025. This positions PAAB at the forefront of Malaysia's corporate integrity transformation.

As a chosen pilot entity, PAAB plays a leading role in shaping and benchmarking national integrity standards. The CISM audit provides a rigorous and independent assessment of governance structures, anti-corruption controls, risk management systems and organisational culture thereby reinforcing PAAB's standing as a model for integrity-driven leadership within the water asset management sector.

Anti-Bribery Management System (ABMS)

PAAB successfully completed the **Surveillance Audit 2** for Anti-Bribery Management System (ABMS), which was carried out by **SIRIM QAS** on **29 – 30 May 2025**. This accomplishment demonstrates PAAB's continued adherence to internationally recognised anti-bribery practices and its commitment to maintaining a robust compliance environment.

In preparation for the transition to **MS ISO 37001:2025 ABMS**, PAAB has initiated a series of structured activities to support the smooth and timely adoption of the updated standard. Led by the Integrity & Governance Department (IGD), these initiatives include:

- Organisation-wide Awareness Programmes (13 – 14 October 2025)
- Corruption Risk Management (CRM) Workshops (4 – 5 November 2025)
- Interpretation and Implementation Workshops (17 – 18 November 2025)
- Documentation Development Workshops (2 – 3 December 2025 & 15 – 16 December 2025)

PAAB is also working to expand the certification scope to align with the requirements of the latest ISO standard. These efforts reflect PAAB's proactive approach to strengthening its anti-bribery governance and ensuring continued compliance with global best practices.

Integrity Strengthening Activities

To further reinforce an ethical and transparent organisational culture, PAAB conducted two (2) major assessments with the **Institute Integrity Malaysia (IIM)**:

Individual Integrity Profiling (IIP)

IIP assesses an individual's tendency to be honest and consistent in their actions, values and principles as well as their ability to regard integrity as an essential part of their life.

The tool provides detailed information on behavioural patterns and personal traits associated with non-compliance and unproductive work practices. The IIP was conducted to managerial level.

Integrity Assessment Tool (IAT)

A total of 198 employees participated as respondents in online survey. The participants represented all levels of the organisation, including Management, Executive and Non-Executive staff. Each participant was allocated 40 minutes to complete the 108-question assessment.

This survey supports PAAB in identifying and thoroughly assessing integrity and ethics policies, organisational culture and risk management practices. It also helps determine the level of implementation for governance, integrity, and anti-corruption initiatives, as well as the organisation's overall direction. Additionally, it aims to guide the organisation toward achieving best practices in corporate integrity management through continuous and improvement.

The outcomes of these assessments provided valuable insights into employee awareness, attitudes and organisational integrity maturity. These findings informed the development of enhanced training plans and targeted initiatives to strengthen PAAB's integrity framework.

In addition to these assessments, several key integrity-enhancement activities were implemented to cultivate stronger ethical values within the organisation, including:

Integrity Talk: *Kunci Keberkatan Rezeki*

The first Ceramah Integriti of 2025, titled *Kunci Keberkatan Rezeki* was delivered by Ustaz Elyas Ismail on 6 March 2025. The session delved into essential aspects of both personal and professional life, highlighting the importance of performing duties with diligence and upholding trust in all responsibilities.

The session was well-received by staff, who actively participated in an interactive quiz designed to reinforce the key concepts discussed. This engaging approach not only deepened employees' understanding of integrity principles but also strengthened their commitment to applying these values in their daily work, fostering a culture of trust and accountability within the organisation.

Photography Competition themed *Cerminan Integriti di Sebalik Lensa*

The Photography Competition themed "*Cerminan Integriti di Sebalik Lensa*" was held from 11 July 2025 to 30 July 2025. The competition aimed to promote and reinforce the value of integrity among employees through a creative and meaningful visual medium. Participants were encouraged to capture

photographs that reflect various interpretations of integrity, including transparency, honesty, trustworthiness, and responsibility in the workplace.

The competition received an encouraging response from staff across the organisations, demonstrating their strong support for initiatives aimed at strengthening integrity within the workplace. The active participation of employees not only showcased their creativity but also reflected their commitment to upholding the core values of the organisation, reinforcing the culture of integrity in daily work practices.



Benchmarking Session

In 2025, PAAB hosted delegates from Indah Water Konsortium Sdn. Bhd. (IWK) and Ranhill SAJ. The objective was to foster collaboration and share best practices in governance and ethical management within the water services sector. These sessions provided a strategic platform for open dialogue, enabling both PAAB and its partner organisation to exchange valuable insights, identify areas for improvement, and strengthen operational practices.

The engagements were met with positive responses, reflecting commitment of all parties to uphold high ethical standards. Through these interactions, PAAB gained practical knowledge and innovative approaches that support continuous improvement, reinforce accountability, and further embed a culture of integrity across the organisation. These sessions also strengthened professional networks, paving the way for future collaborative initiatives that contribute to excellence and sustainable growth in the sector.



A close-up photograph of a hand watering a small green plant. Water is being poured from the fingers, creating several large, clear droplets that are suspended in the air. The plant has several bright green, heart-shaped leaves and is growing out of dark, rich soil. The background is a soft, out-of-focus green, suggesting a natural outdoor setting. The lighting is warm and golden, likely from the sun being low in the sky, creating a strong lens flare effect in the upper left corner.

05

KEY HIGHLIGHTS

TECHNICAL

Project Status for the Year 2025

Design



77 packages in the design stage

RM11,992.1 million

As of 31 December 2025

Tender & Awards



52 packages awarded

RM854.5 million

15 Major packages RM732.0 million

7 Minor packages RM77.3 million

30 Mini packages RM45.2 million

26 packages worth

RM529.2 million

have been tendered

For the year 2025

Construction/ Development



56 packages under construction

RM1,898.8 million

23 Major packages RM1,282.4 million

18 Minor packages RM69.1 million

15 Mini packages RM547.3 million

As of 31 December 2025

Project Completed



53 work packages completed

RM814.2 million

10 Major packages RM312.3 million

11 Minor packages RM220.7 million

30 Mini packages RM53.4 million

2 LRAL2 packages RM227.8 million

For the year 2025

FINANCIAL

Revenue

RM1,298
million

PBT

RM453.4
million

***Excluding exceptional item for
Impairment of Trade and Lease
Receivables*

Total Assets

RM36,291.6
million

Lease Receivables

RM30,836.1
million

Total Collections

RM 1,463.6
million

Lease Income

Compound Annual
Growth Rate
CAGR 6.4%

Return on Assets

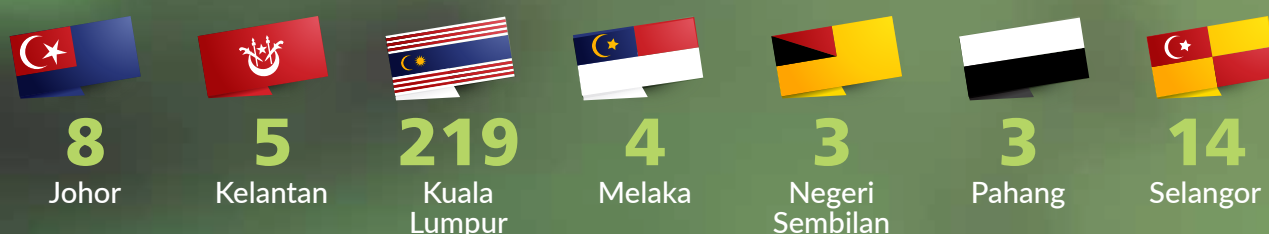
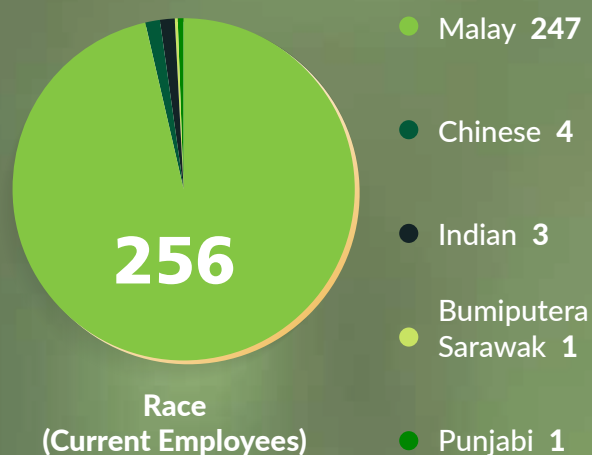
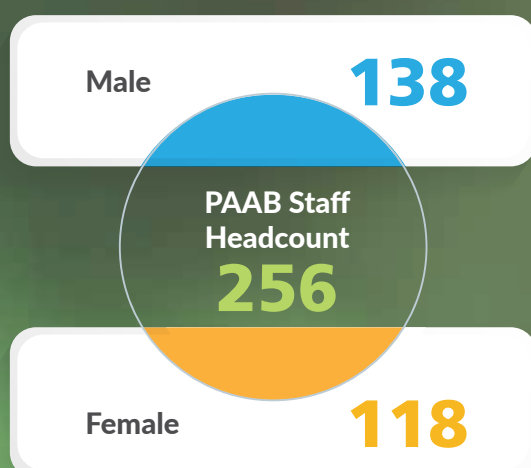
ROA 1.25%

Debt Service Coverage
Ratio

DSCR 1.37 times

2025

HUMAN RESOURCES



Base (Current Employees)

Division	Current Employees
Chairman's Office	2
CEO's Office	22
CFO's Office	9
COO's Office	7
Asset & Land Management Division	24
Commercial Division	35
Corporate Services Division	24
Finance Division	20
Human Resource & Administration Division	20
Project Delivery Division	44
Special Projects Division	14
Technical & Engineering Division	35
Total	256

Staff Category	Current Employees
Top Management	3
Senior Management	7
Management	53
Executive	169
Non Executive	24
Total	256

Age Group	Current Employees
20	20
30	95
40	102
50	37
60	2
Total	256

06

PROJECT OUTLOOK

ASSET MANAGEMENT DEVELOPMENT

ASSET HEALTH AND OPERATIONAL RESILIENCE (AHOR)

Progress on i-WA System Enhancements, Focusing on (AHOR) Stakeholder Management and Other Initiatives.

The development of the AHOR methodology represents a major step forward in enhancing PAAB's asset management capabilities and promoting consistent, data-driven decision-making across all water operators with clearly defined parameters, weightages, and a transparent scoring system, the methodology enables meaningful comparisons of asset performance across different states and asset categories.

AHOR methodology supports PAAB's digital transformation agenda. Its integration with the Information of Water Assets (i-WA) Monitoring Module and the use of GIS-based visualisation. Dashboards for AHOR scoring can support rapid decision-making by enabling PAAB and water operators to track conditions and identify emerging issues.

This AHOR module is expected to be fully available in i-WA by 2026 and a showcase session will be conducted with all water operators once the required data has been fully populated in i-WA. Dashboards for AHOR scoring can facilitate rapid decision-making by enabling PAAB and water operators to track conditions and identify emerging issues.

This initiative will support capacity building, promote the adoption of digital tools, and strengthen the use of standardised frameworks to harmonise asset management maturity across the water infrastructure sector.

DEVELOPMENT OF NEW MODULE PRODUCTS AND IMPLEMENTATION OF THE DIGITAL AUDIT SYSTEM ARE ALSO UNDERWAY

The Digital Audit initiative modernises PAAB's audit process through i-WA, enabling timely, accurate, and harmonised audits supported by real-time data, enhanced coordination, and alignment with asset management principles.

Implementation of System Based Digital Audit for PAAB's Assets

A key milestone in PAAB's digitalisation journey, the Asset Management Department (AMD), with

support from IT Department, has successfully implemented the digital process through the i-WA system across five (5) states: Pulau Pinang, Kelantan, Melaka, Perlis and Negeri Sembilan for this recent audit cycle.

The initiative marks PAAB's transition from manual, paper-based auditing to a fully digital platform, enabling real-time data entry, paperless asset assessments, and easy access to asset details, maintenance history and navigation to asset locations, improving accuracy, consistency and responsiveness.

Efficient, Transparent and Fully Digital

The digital audit initiative has significantly reduced audit turnaround time, improved coordination between PAAB and the respective water operators and enhanced transparency in reporting. Continuous user feedback has also contributed to ongoing system refinements and smoother mobile usability. Introducing digital field audits marks a significant milestone in advancing digital transformation efforts, in line with Malaysia's Water Sector Transformation 2040 (AIR2040).



PAAB NOW SERVE AS A COUNCIL MEMBER OF MALAYSIA ASSET AND PROJECT MANAGEMENT ASSOCIATION

Congratulations to Ts. Gs. Adam Budiman on His Election as a MAPMA Council Member

We are pleased to announce that our Head of Asset Management, Ts. Gs. Adam Budiman Khairuddin has been appointed as a Council Member of the Malaysia Asset and Project Management Association (MAPMA) for the 2025–2027 term.

Appointed during the Annual General Meeting on 18 July 2025, Ts. Gs. Adam Budiman's inclusion in the council marks a proud moment for PAAB and reaffirms our commitment to industry leadership and professional excellence.

As a corporate member of MAPMA, PAAB is honoured to support these efforts and we are confident that Ts. Gs. Adam Budiman will bring great value, fresh perspectives to this important role, while contributing meaningfully towards knowledge transfer, professional development, and the advancement of industry best practices.

Backed by JKR Malaysia, MAPMA plays a vital role in advancing asset and project management practices across sectors through collaboration, knowledge sharing, and capacity building.

All the best, Ts. Gs. Adam Budiman. Your leadership continues to make us proud!



i-WA ADOPTION BY STATE WATER OPERATOR AND AGENCIES

PAAB Pioneers Digital Transformation in Malaysia's Water Sector

PAAB is aggressively driving the digitalisation of Malaysia's water industry through the successful rollout of its i-WA, a cutting-edge digital asset management solution. This initiative underscores PAAB's commitment to sector transformation and its leadership role in aligning with the nation's Water Sector Transformation 2040 (AIR2040) blueprint.

The implementation journey is shaped by a sequence of adoptions across three (3) key water operators and agencies: SAJSB, SAINS, and PAIP.

SAJSB – Setting the Benchmark in Johor

SAJSB, a Johor state government-linked company responsible for managing water services and assets in Johor, was the first to adopt the i-WA. To ensure smooth integration, PAAB conducted a comprehensive two-day Technology Transfer session at the Kahang WTP and Intake in Kluang, Johor.

The training covered crucial technical areas, including water asset data models, practical data collection, and system registration, firmly establishing PAAB's leadership in water asset management and strengthening the link between federal and state government objectives in Johor.



SAINS – Expanding Digital Reach

SAINS became the first state water operator to successfully adopt the innovative i-WA, a move that solidified PAAB's commitment to support state operators with digital solutions. A comprehensive training session was conducted at the Ngoi-Ngoi WTP in Seremban, Negeri Sembilan with a focus on enhancing data accuracy, operational transparency, and long-term asset planning.

Key training modules reinforced the use of structured hierarchy and standardised data models for water asset management, alongside on-site document reviews, data collection, and the efficient use of system navigation and reporting tools for asset monitoring. The integration provided SAINS with a centralised, digital platform for managing its entire water infrastructure.



PAIP – Attained as the Third Adoption in the Sequence

The adoption of i-WA by PAIP marked the third successful implementation, following SAJSB and SAINS. A two-day training session was held in Kuala Terla WTP, Cameron Highlands in Pahang on 1-2 October 2025, involving PAIP's representatives from a department of Strategic Services Department and Information Technology Department.



The training agenda mirrored the standardisation goal, focusing on:

- Implementing structured hierarchies and standardised data models.
- Hands-on data collection and system registration.
- Mastering system navigation, modules, and reporting tools to enhance asset monitoring.

The core objectives driving this adoption were multifaceted:

- Standardising asset management practices to promote best practices and industry collaboration.
- Standardising water asset terminology for consistency and cohesion in data structures nationwide.
- Implementing a cost-efficient, ready-to-use platform for optimised resource management.
- Advancing technology through digitalisation to improve operational processes and support green initiatives.

The successful adoption of the i-WA across these three (3) operators or agencies clearly demonstrates PAAB's role as the pioneer and driving force behind the digital transformation of Malaysia's water sector. By providing a standardised, centralised, and technologically advanced platform, PAAB is significantly contributing to the national goals of digitalisation and sector transformation as outlined in AIR2040, paving the way for a more efficient, transparent, and resilient water industry.

PAAB DRIVES MALAYSIA'S NATIONAL UTILITY MAPPING FORWARD WITH JUPEM

PAAB recently participated in the *Mesyyarat Jawatankuasa Teknikal Pemetaan Utiliti (JTUPU) 2025*, held at JUPEM, Wisma JUPEM, Kuala Lumpur.

Chaired by the Director of the Survey, Policy and Mapping Coordination Division at JUPEM, Sr. Saiful Wazlan Wahab, the meeting focused on establishing and reviewing policies for programmes and activities related to the mapping of public utility infrastructure, ensuring efficient and effective coordination and implementation by all relevant agencies.

Our Head of Asset Management, Ts. Gs. Adam Budiman Khairuddin, along with his team, joined other key industry players and stakeholders in this important gathering.

The JTPU serves as a critical platform for developing and refining policies around public utility infrastructure mapping, fostering collaboration to enhance nationwide coordination across agencies.

This annual meeting also showcased ongoing utility data-sharing initiatives and highlighted JUPEM's role as the national utility data repository, a mandate that has been in place since 1994.

PAAB, as a strong advocate for Malaysia's national utility data-sharing policy, was honoured alongside other contributing agencies for its active role in supplying national utility data.

Through continued engagement, PAAB reaffirms its commitment to supporting national geospatial development, enabling more effective infrastructure planning, coordination, and progress throughout Malaysia.



BUILDING INFORMATION MODELLING (BIM)

In 2025, PAAB continued to drive its digital project delivery ecosystem through the progressive implementation of BIM across its water infrastructure projects. This initiative strengthens project delivery by enhancing design accuracy, information consistency, and coordination transparency through model-based collaboration.

A key focus during the year was the adoption of a Common Data Environment (CDE) as the foundation for structured information management. The CDE enables a centralised source of project information, promoting data consistency, improved design coordination, and traceable governance across multidisciplinary stakeholders. Through centralised information, project teams are able to monitor submissions, control revisions, and collaborate more effectively in real time.

As part of this initiative, PAAB adopted the Autodesk Construction Cloud (ACC) as the official CDE platform for all BIM-related projects. ACC enables cloud-based model coordination, controlled access to documentation, and streamlined communication between consultants, internal teams, and authorities. This supports greater accountability in design decisions and improves coordination outcomes throughout the project lifecycle.

To reinforce value-based project planning, PAAB implemented Value Management (VM) using BIM as a collaborative medium during workshops for three (3) WTP projects — J128 Batu Pahat WTP, K001 Sg Karangan Fasa 1 WTP, and K002 Sg Sidam Kiri WTP. BIM models were utilised during the Preliminary Engineering Design (PED) stage, allowing stakeholders to review design options, assess constructability, and provide informed input more effectively compared to conventional 2D methods. This enhanced clarity and stakeholder engagement, leading to stronger justification of design decisions.

BIM implementation currently spans six (6) WTP projects with a total development value of RM2.6 billion, primarily involving new plant construction. Moving forward, BIM will continue to be applied as a strategic tool to support design evaluation, digital coordination, and structured project review processes.

To support this transition, a focused group from the Operations team attended BIM competency programmes, including practical training on CDE implementation with RSAJ for the J128 Batu Pahat WTP project. Several participants were also certified in recognised BIM competency standards by the CIDB MyBIM Centre, reflecting PAAB's commitment to strengthening internal capability.

In alignment with national direction, PAAB participated in the *Sesi Libat Urus Pekeliling Perbendaharaan PK 1.15 – BIM* hosted by the Ministry of Works (KKR) and led by JKR on 10 November 2025, focusing on nationwide BIM implementation strategy to ensure uniform adoption across government projects.

Moving forward, PAAB will continue to strengthen its BIM Governance, enhance digital competency, and support effective and sustainable project delivery for Malaysia's water infrastructure.

Building on this national alignment, PAAB also participated in the Executive Talk: Introduction to BIM organised by the Department of Civil Engineering, Politeknik Ungku Omar (PUO), Perak on 16 December 2025. The session engaged final-year Bachelor's Degree students in Architectural Technology and academic staff, providing industry perspectives on structured BIM implementation, digital coordination, and life cycle based project delivery within infrastructure development.

This engagement complements PAAB's BIM governance framework and reinforces its commitment to fostering a digitally aligned and future-ready infrastructure ecosystem. Moving forward, PAAB will continue to strengthen its BIM Governance, enhance digital competency, and support effective and sustainable project delivery for Malaysia's water infrastructure.



BIM Application Upskilling Programme

An HR-led upskilling programme focusing on BIM applications, featuring a four (4) day training session on BIM software tools.



J128 Batu Pahat WTP ACC Training Session – CDE

Participants from various divisions, together with RSAJ representatives, attended a hands-on BIM training session focusing on the use of the ACC platform as the CDE.



PAAB's BIM Journey Showcase at the 6th JKR BIM Day 2025

PAAB presenting its BIM Journey at the 6th JKR BIM Day 2025, held on 30th September 2025 at PICC, highlighting the organisation's digital transformation initiatives through BIM.



K001 Sg. Karangan Phase 1 WTP Value Management Workshop
Incorporating BIM as the medium for design evaluation and discussion.



Sesi Libat Urus Pekeliling Perbendaharaan PK 1.15 – BIM

A key agenda item presented during the session held on 10 November 2025 at the KKR Headquarters. The initiative, led by the Public Works Department (JKR), outlined BIM implementation guidelines for government projects and asset management with participation from various government sectors and agencies.



BIM Executive Talk – Politeknik Ungku Omar

PAAB participated as an invited speaker at the BIM Executive Talk organised by Politeknik Ungku Omar (PUO) on 16 December 2025. The session concluded with the presentation of a token of appreciation to PAAB in recognition of its contribution to BIM talent development and industry engagement.



BIM Executive Talk – Politeknik Ungku Omar

The engagement involved lecturers and final-year Architectural Technology degree students at Politeknik Ungku Omar (PUO), promoting industry-academia collaboration.

RENEWABLE ENERGY AND ENERGY EFFICIENCY

In alignment with the National Energy Transition Roadmap (NETR) launched by the Government of Malaysia in August 2023, PAAB remains committed to supporting the government's initiatives to achieve **net - zero carbon emissions by 2050**.

As part of this commitment, PAAB initiated the exploration of mini-hydropower potential at WTPs in 2024 to utilise excess hydraulic energy available within the water distribution system. Preliminary studies were conducted at the Sungai Terip WTP to convert the excess pressure in the raw water supply pipelines into electricity for the facility's own consumption, thereby contributing to operational cost savings and environmental sustainability.

In 2025, the proposed mini-hydro installation project progressed into its design finalisation phase. Upon commissioning, the mini-hydro system is expected to generate approximately **350 kW of clean energy**.

In addition, PAAB is collaborating with Ranhill SAJ (RSAJ) and AFC Valves Malaysia to implement a pico-hydropower system as a proof of concept at Kolam Sungai Mas, Bandar Penawar, Johor. This initiative aims to harness residual hydraulic energy within the distribution system to power an automated control valve, addressing pressure fluctuation issues commonly experienced during peak demand periods. The project is currently underway and is targeted for completion by **June 2026**.



Collaboration with Universiti Malaya (UM) and Syarikat Air Negeri Sembilan (SAINS) - Mini Hydro at Sungai Terip WTP, Negeri Sembilan.



Visit to Mempaga, Pahang WTP to asses site suitability for Power Shaver



Visit to Lesong Batu, Melaka Booster Pump Station to asses site suitability for Power Shaver

PAAB is collaborating with SAMB and PAIP to introduce a promising technology known as **Power Shaver**, which has the potential to benefit water operators particularly through reductions in electricity costs. The Power Shaver technology, developed by US Tech Consult, may also indirectly contribute to lowering carbon emissions, thereby reinforcing broader environmental sustainability efforts. PAAB is currently preparing a technical proposal and expects to present it to SAMB and PAIP.

COLLABORATION WITH EXTERNAL ORGANISATIONS FOR WTP PROCESS IMPROVEMENT

PAAB has collaborated with the National Water Research Institute of Malaysia (NAHRIM) to implement its innovative products namely Nahrim Odour Monitoring Environmental (NOME) System, an odour monitoring sensors and non-reagent-based water quality sensors for WTPs. These technologies are designed to provide real-time data insights, enable early anomaly detection, and improve operational responsiveness without reliance on chemical reagents.

Initial laboratory and pilot-scale assessments conducted by NAHRIM have demonstrated strong reliability, operational practicality, and cost-effectiveness, indicating significant potential for wider deployment across the national water supply infrastructure. Building on these positive outcomes, PAAB is progressing towards a larger-scale proof of concept implementation in collaboration with SAINS at the Sungai Linggi WTP.

Furthermore, PAAB is collaborating with Sepakat Setia Perunding and Dazztech Solutions to evaluate the application of Computational Fluid Dynamics (CFD) in the design of WTP components. The initiative aims to utilise simulation-based modelling to analyse hydraulic behaviour, flow dynamics, and process efficiency under varying operational conditions, providing a more accurate and predictive approach compared with traditional design methodologies. A pilot project is currently in progress to assess the practicality, performance gains, and capability of CFD integration within PAAB's design and engineering workflow.

In addition, PAAB has also successfully completed a Proof-of-Concept (PoC) deployment of Unmanned Underwater Vehicle (UUV) technology in collaboration with SAINS and Terra Energy for water tank inspection at Kolam Imbangan Batu 5, Sungai Terip WTP.

This initiative evaluated the UUV's capability to conduct high-resolution underwater visual inspections, sediment profiling, and structural anomaly detection without the need for full tank shutdowns or human entry. The successful completion of the PoC provides valuable insights into the potential adoption of autonomous inspection technologies to enhance safety, operational continuity, and asset management efficiency.



Site visit with SAINS and NAHRIM to assess site suitability for NOME pilot implementation



Potential location for NOME pilot project installation



CFD Pilot Project kick-off



CFD Pilot Project kick-off

CIDB INFRASTAR GREEN RECOGNITION PAAB

PAAB continued to strengthen its commitment to sustainability, innovation, and operational excellence across the national water infrastructure landscape.

A key milestone for the year was PAAB's strategic move toward CIDB Sustainable INFRASTAR certification, marking its first step into a recognised sustainability-led framework for infrastructure development. This initiative supports PAAB's long-term environmental, social, and governance (ESG) goals, aligning with national climate aspirations and the sustainability direction of the water sector.

Meanwhile in 2025, PAAB achieved significant progress, successfully completing the INFRASTAR certification process for three major projects under M036: *Cadangan Pembinaan Loji Rawatan Air Jernih (LRA) dan Sistem Agihan (Packages 1, 2, and 3)*. These achievements demonstrate its ongoing commitment to raising construction sustainability standards and enhancing asset value.

Package 1: Cadangan Pembinaan LRA Jernih Berkapasiti 90 MLD serta kerja-kerja berkaitan di Daerah Alor Gajah – Awarded a 4-Star Certification

Package 2: Cadangan Membina Tangki Air Imbangan Berkapasiti 10 ML serta kerja-kerja berkaitan di Daerah Alor Gajah – Awarded a 4-Star Certification

Package 3: Cadangan Membina Tangki Air Terminal Berkapasiti 10 ML serta kerja-kerja berkaitan di Daerah Alor Gajah – Awarded a 3-Star Certification

These recognitions reflect strong collaboration between project teams, contractors, and stakeholders in embedding sustainability principles across planning, implementation, and operational phases.



THE LANGAT 2 PHASE 2

Project Progress

Since the commencement of the Langat 2 Phase 2 (L2P2) project in September 2024, the project has completed the conceptual design stage, finalised the pre-qualification document and the pre-bid document for Package 1 and Package 2. The tender for Packages 1 and 2 is expected to be initiated in Quarter 3, 2026, while Package 5 is expected to commence in Quarter 4, 2026.

The implementation of the L2P2 project within the stipulated timeline, together with full cooperation and commitment from all relevant stakeholders, is crucial to avoid unforeseen delays that may impact the overall treated water supply reserve margin for Selangor, Kuala Lumpur, and Putrajaya.

Existing
Langat 2 WTP
Phase 1



Proposed
Langat 2 WTP
Phase 2

Proposed location of Langat 2 WTP Phase 2



Semantan Raw Water Intake



Meeting with Majlis Perbandaran Kajang (MPKj)

Value Management (VM) Workshop

The Langat 2 Phase 2 Value Management (VM) Workshop was conducted from 8 to 10 April 2025 at Hotel Dorsett Putrajaya. The three-day workshop involved representatives from PAAB, Air Selangor, consultants, local authorities, and subject matter experts with the objective of optimising the overall project design and enhancing value across civil and structural, mechanical and electrical, SCADA disciplines, while complying with sustainability requirements.

The VM Workshop objective successfully achieved its objective of identifying cost-effectiveness, operational reliability, safety and sustainability. Feasible and proposals were incorporated into the conceptual design stage leading to optimised cost estimates and enhanced overall water distribution system and improved operational resilience.



Stakeholder Engagement Activities

Since September 2024, PAAB organised and conducted over 15 engagement sessions with key stakeholders including SPAN, PETRA, Air Selangor, Majlis Perbandaran Ampang Jaya (MPAJ), Majlis Perbandaran Kajang (MPKj), Dewan Bandaraya Kuala Lumpur (DBKL) and other relevant agencies. The purpose of these engagements was to align technical requirements, regulatory compliance, land acquisition strategies, and digital system integration across all project components. These sessions have significantly benefited the project by ensuring coordinated planning, and early resolution of land and regulatory issues.



BIM Workshop



Final Tender Review

PROJECT UPDATES



Kelantan

Two (2) major projects were completed in Kelantan in 2025. The completion of Bukit Chupak WTP (10 MLD) will significantly improve the water reserve margin in Gua Musang and surrounding districts, enhancing supply reliability and meeting future demand growth. Meanwhile, the completion of two (2) replacement of old pipes projects around Kota Bharu involving replacement of 217 kilometres pipes help to reduce NRW particularly in Kota Bharu and surrounding area.

PAAB had also awarded a contract for a design and build project for the Tok Bali WTP (50 MLD) in early 2025. The project is targeted for completion by end 2027.



Pahang

Three (3) major projects began on-site works in 2025 involving pipe replacement projects worth approximately RM47.6 million at various locations i.e. Maran, Rompin and Jerantut. These projects involved replacement of old pipes approximately 80 kilometres long which are expected to be completed by 2027.

As part of PAAB's commitment to strengthening project oversight and coordination, PAAB has established a dedicated Regional Office in Pahang located in Kuantan. This office serves as the focal point for project implementation, stakeholder engagement and progress monitoring as well as ensuring effective communication with headquarters.



Melaka

A contract valued at RM167 million has been awarded for the construction of Jernih WTP. The scope of works includes the construction of a 90 MLD WTP and the laying of 1,200mm diameter raw water pipeline. The project is expected to significantly enhance treated water supply and distribution within Alor Gajah district and the surrounding areas, supporting new industrial developments and meeting future population growth. The overall packages for this project are expected to be completed in 2028.

Several packages of pipe replacement works in Jasin and Melaka Tengah worth RM10.3 million are currently in progress and scheduled for completion in 2026.



Pulau Pinang

The study and design by consultants for Sungai Muda WTP (114 MLD) and Sungai Perai WTP (136 MLD) commenced in March 2025 and May 2025 respectively.

Currently the projects are at the conceptual design stage. Value Management (VM) for Sungai Muda WTP is anticipated to be conducted in June 2026 and July 2026 for Sungai Perai WTP.



Johor

Three (3) major projects worth RM92 million were completed in 2025. These include improvements to the distribution network at Kg. Maju Jaya and Tebrau/Tg. Puteri in Johor Bahru as well as the development of residual treatment facilities for Sembrong Timur WTP, Kluang and Kg. Tengah 1 & 2 WTP, Segamat.

After the completion of Sultan Iskandar Phase 1 WTP 160 MLD in 2024, another phase of Sultan Iskandar Phase 2 WTP 160 MLD commenced in January 2025. The key objectives of expanding the capacity of this WTP is to ensure continuous water supply and to meet the requirement operational needs of Data Centres in Johor Bahru. The project is targeted for completion in 2027.

To support Johor's NRW reduction efforts, multiple pipe replacement projects worth RM337 million are being implemented across the state i.e Kulai, Pontian, Kota Tinggi, Mersing, Muar, Segamat and Johor Bahru.



Negeri Sembilan

With the near completion of construction work for intake and Ngoi-Ngoi Phase 2 WTP (150 MLD) in 2025, it helps to support consumer accounts in the Seremban, Nilai and Sendayan area domestic and industries. Since the new distribution system (pipeline and reservoir) is only targeted for completion in 2026 and 2027, treated water from Ngoi-Ngoi Phase 2 WTP will be supplied to the existing supply areas through the current distribution network. This interim arrangement ensures continuity of supply until the new system is fully completed and commissioned.

The proposed Kg. Barisan WTP (150 MLD) is also in progress. The project aligns with the increasing demand for treated water in the Seremban and Port Dickson districts, as the Langat Vision Valley development area, which falls under PETRA's purview. Currently the project is at the design stage and anticipated to be completed in 2031. Upon completion, the project is expected to meet water demand in Seremban 2, Port Dickson and Malay Vision Valley (MVV).



07

SUSTAINABILITY STATEMENT.

BUILDING A RESILIENT AND SUSTAINABLE WATER FUTURE

PAAB is Malaysia's national water asset holding company, established under the Water Services Industry Act 2006 to finance, develop and manage the nation's water infrastructure through a centralised asset management model. As a wholly owned entity under the Minister of Finance (Incorporated) (MoF Inc), PAAB plays a strategic role in advancing national water resilience, improving service reliability and enabling the long-term sustainability of Malaysia's water sector.

Leveraging innovative and sustainable financing mechanisms, PAAB continues to facilitate the development, upgrading and rehabilitation of critical water infrastructure assets across Peninsular Malaysia and Labuan. In FY2025, the Group managed approximately RM2.4 billion in ongoing large-scale projects that include water treatment plant construction and upgrades, as well as the replacement of aging pipelines.

Concurrently, initiatives to reduce non-revenue water (NRW), strengthen climate resilience and enhance operational efficiency through digitalisation and engineering innovation are being implemented in alignment with the objectives of the Water Sector Transformation Agenda (WST 2040).

During the year, PAAB further strengthened sustainability foundations through the development of a Five-Year Sustainability Roadmap and integration of sustainability considerations into enterprise risk management and operational decision-making. These priorities were reflected across initiatives that reinforce economic growth, ethical governance, environmental stewardship and social responsibility.

Guided by strong governance, strategic partnerships and responsible financing, PAAB remains focused on building a resilient, sustainable and future-ready water services industry that contributes to national socio-economic development and community well-being.

SCOPE AND BOUNDARY OF REPORTING

Covering the period from 1 January 2025 to 31 December 2025 (FY2025 or the year under review), this Sustainability Statement (the Statement) includes sustainability developments across PAAB¹ and the subsidiaries listed below. The scope of this year's report excludes quantitative information related to construction activities undertaken at project sites.

Pengurusan Aset Air Berhad (PAAB)

Business Activity

Construct, refurbish, improve, upgrade, maintain and repair water infrastructure and associated assets within the national water supply system.

Pengurusan Air SPV Berhad (PASB)

Business Activity

A special purpose entity established to undertake Sukuk financing activities.

¹ ACQUA SPV Berhad (ASPV) has been a dormant entity since 2019.

Locations

Corporate Office (Headquarters) Kuala Lumpur

State Offices

- Negeri Sembilan
- Melaka
- Johor
- Kelantan
- Selangor
- Pahang

SUSTAINABILITY HIGHLIGHTS THAT SHAPED 2025

Economic Advancement

Recorded **RM1,298 billion** in economic value generated, reflecting **6.4% growth** compared to 2024



Strengthened digital asset management through enhancements to the **i-WA asset management system**



Advanced **innovative water infrastructure solutions**, including renewable energy, smart monitoring and advanced treatment technologies



Implemented the **Vendor Development Coaching** and **Vendor Financing Programme** to strengthen vendor capability



Environmental Stewardship

Established an **Energy Management** Policy to strengthen energy efficiency across existing assets and future development



Assessed **2,227** water assets for **climated-related vulnerabilities** in collaboration with NAHRIM



Initiated a **biodiversity risk assessment** to manage environmental impacts and support responsible asset planning



Replaced more than **3,126 km** of pipelines as of 2025 across seven states to reduce NRW and strengthen national water infrastructure



Social Accountability

Recorded **zero work-related injuries and fatalities** across 472,490 man-hours



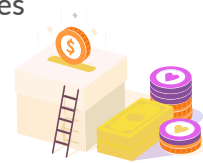
Invested over **23,000 training hours** across more than **250 capacity-building programmes**



Launched the **Women in Water initiative** to promote leadership, inclusion and diversity



Invested over **RM180,000** in **community engagement initiatives**



Ethical Governance

Developed the **Anti-Corruption Strategy (ACS) 2025-2027** aligned with national integrity priorities



Maintained **ISO 9001:2015** and **ISO 37001:2016** certifications to strengthen quality and anti-corruption practices



Maintained **zero data breach** while strengthening cybersecurity resilience across the Group



Conducted the **inaugural Board Retreat 2025** to align strategic priorities and guide long-term planning for sustainable water services



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.

PAAB Sustainability Framework

Aspiration

Catalysing development in the water sector development 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

- Investor Relations
- Economic Contribution
- Supply Chain Management and Procurement Practices
- Business Optimisation and Digitalisation
- Product Quality and Engineering Innovation
- Sustainable Financing

Environmental Stewardship

- Energy, Emissions and Climate Action
- Waste, Effluents and Circular Economy
- Water Consumption
- Biodiversity

Social Accountability

- Human Rights and Labour Practices
- Occupational Health, Safety and Well-being
- Talent Management
- Diversity, Equity and Inclusivity Opportunity
- Business Service Excellence
- Community Engagement

Ethical Governance

- Corporate Governance, Business Ethics and Anti-Corruption
- 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 Vendors



Employees



Communities, NGOs
and Public



Media

SUSTAINABILITY GOVERNANCE

Sustainability governance at PAAB is led by the Board of Directors (the Board), which provides oversight and ensures sustainability priorities remain aligned with the Group's long-term direction. Supporting this, the Sustainability Committee (SC), together with the Sustainability Steering Committee (SSC), oversees the implementation of sustainability initiatives across the organisation.

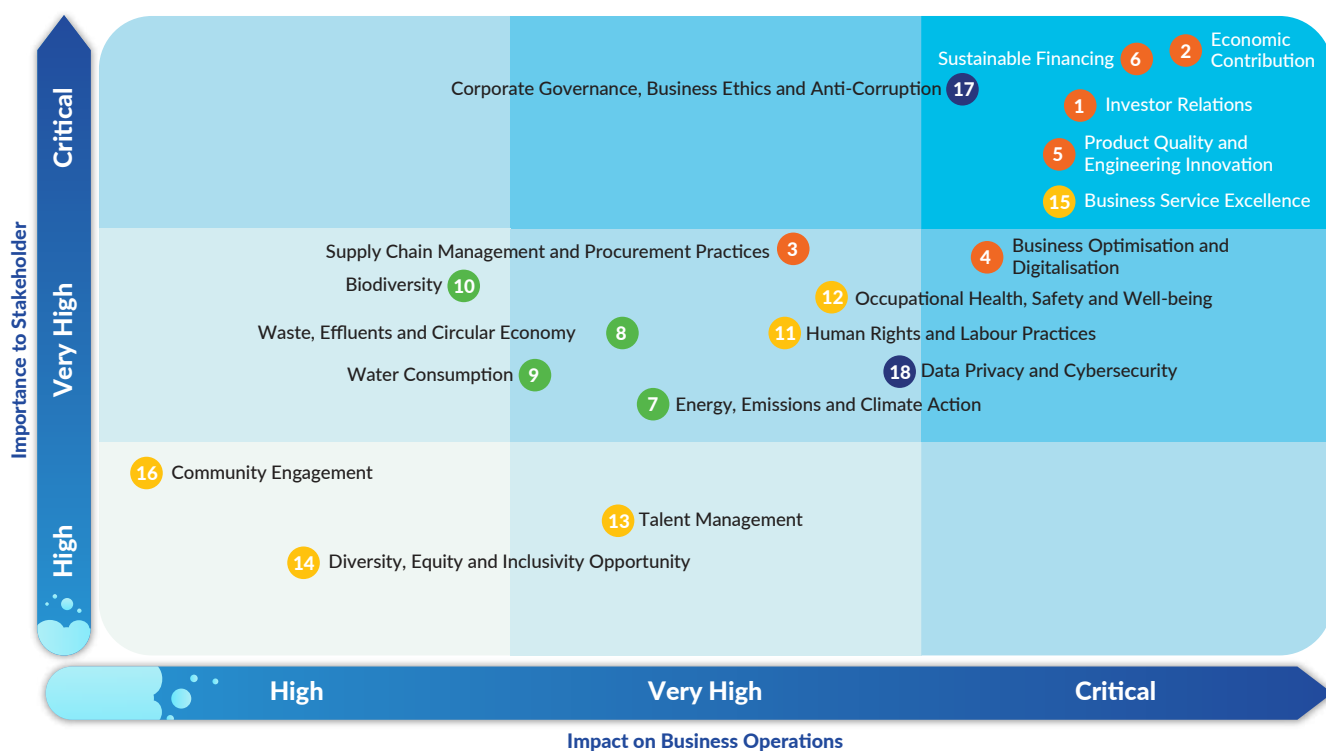
The SC meets quarterly to review progress and monitor sustainability implementation across the organisation. The SSC is responsible for developing and implementing sustainability-related policies, frameworks and targets aligned with the United Nations Sustainable Development Goals (UN SDGs).



UNDERSTANDING OUR MATERIAL PRIORITIES

In 2024, we conducted a materiality assessment to identify and prioritise the sustainability matters most relevant to PAAB's operations, long-term strategy and stakeholders. A total of 18 material matters were identified and mapped within a materiality matrix to guide the Group's sustainability focus and strategic decision-making. For 2025, the matrix remains unchanged as these issues remain relevant to the Group's operations and stakeholders.

PAAB's Materiality Matrix



EESG Pillars	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

DRIVING SUSTAINABILITY FORWARD: PAAB'S 5-YEAR SUSTAINABILITY ROADMAP

Developed in 2025, PAAB's 5-year sustainability roadmap translates strategic priorities into priorities into focused initiatives across four key areas. The roadmap outlines objectives and implementation priorities to strengthen operational resilience, integrate sustainability considerations into business operations and align long-term development with national priorities and stakeholder expectations.

Economic Advancement

14 Objectives | 98 Initiatives

Sustainable Financing & Transparency

- Enhance financing frameworks, Sustainability Sukuk alignment and sustainability disclosures.

Investor & Stakeholder Engagement

- Strengthen communication with investors and stakeholders, including water operators.

Water Innovation & Resource Efficiency

- Drive in-pipe hydropower, water reclamation and green technology adoption initiatives.

Asset Management & Digitalisation

- Advance water asset management practices, digital systems integration and workflow automation.

Sustainable Supply Chain Practices

- Refine supplier management and green procurement initiatives.

Alignment with UN SDGs:



Social Accountability

8 Objectives | 54 Initiatives

Quality & Compliance Management

- Maintain ISO 9001 certification and strengthen quality systems through audits and continuous improvement.

Health, Safety & HSSE Performance

- Achieve and maintain ISO 45001 compliance and strengthen HSSE practices, risk management and awareness.

Talent Development & Capacity Building

- Advance workforce skills through training, job rotation and professional certification.

Workforce Engagement & Continuity

- Strengthen succession planning, employee engagement and inclusive workforce practices

Community Investment & Partnerships

- Establish impactful community programmes and expand reach through strategic collaborations.

Alignment with UN SDGs:



Environmental Stewardship

7 Objectives | 43 Initiatives

Environmental Management Systems

- Achieve and maintain ISO 14001 certification with robust governance and continuous improvement.

Energy & Decarbonisation

- Strengthen energy management and advance emissions reduction through policies, tracking and green initiatives.

GHG Management & Reporting

- Improve emissions inventory, baseline setting and transparent disclosures with data verification.

Climate Risk & Resilience

- Integrate climate risk assessments and strengthen monitoring and adaptation planning.

Waste & Biodiversity Management

- Advance waste management and biodiversity conservation through reduction and restoration initiatives.

Alignment with UN SDGs:



Ethical Governance

8 Objectives | 49 Initiatives

Corporate Governance & Board Effectiveness

- Reinforce governance practices through MCCG alignment.

Compliance, Integrity & Anti-Corruption Management

- Enhance compliance and integrity via assessments, integrity surveys, policy improvements, awareness programmes and ABMS certification.

Sustainability Governance & Risk Integration

- Integrate sustainability and climate risks into ERM, leadership training and governance framework.

Information Security & Cybersecurity

- Maintain ISO/IEC 27001 certification and strengthen cybersecurity through audits, risk assessments and reporting.

Alignment with UN SDGs:



Scan the QR code for our full Sustainability Report 2025 or download from www.paab.my/sustainability/

08

HAPPENINGS

TECHNICAL SITE VISITS



Next-Gen Screening Tech for Smarter Water Intake

25 April 2025 | Padang Rengas, Perak

PAAB has introduced the Coanda solution aimed at resolving recurring operational challenges at the Padang Rengas intake station, located in the Ulu Kangsar Forest Reserve, Perak.

To assess the performance of this new system, PAAB conducted a site visit with Lembaga Air Perak (LAP) and Startech Control, the company responsible for its installation.

Previously, the Padang Rengas WTP used a conventional screen to block dry leaves and sand. However, the system frequently failed.

According to Head of LAP's Production Unit, Ts. Mohd Afiff Ahmad Ariff Shah, leaves often clogged the screen and sand infiltrated the intake up to 3–4 times daily, disrupting raw water flow and requiring constant manual cleaning.

These issues also caused periodic interruptions in water supply to surrounding communities. To overcome this, the Coanda Screen was installed and began operating in September 2024.

Designed to filter out silt and debris larger than 1mm, the system ensures a steady and clean inflow of raw water to the WTP, significantly boosting operational efficiency.

Since its commissioning, the Coanda Screen has required only minimal maintenance, limited to occasional manual sand removal, leaf clearing, and algae cleaning from the screen surface.

This low-maintenance, high performance solution supports PAAB's broader commitment to:

- Reducing water supply disruptions,
- Improving infrastructure resilience, and
- Promoting sustainable water resource management.

By embracing forward-looking technologies like the Coanda Screen, PAAB continues to reinforce Malaysia's water infrastructure and deliver reliable, uninterrupted service to the community.



PAAB Explores Inpipe Hydropower Solution

9 May 2025 | Seremban, Negeri Sembilan

PAAB is exploring a renewable energy technology called the In-Pipe Hydro Power Station (IHPS), developed by Universiti Malaya (UM).

This innovative system generates electricity from water flowing through pipes, aiming to reduce electricity costs in the water industry while supporting research and technology developed by a local academic institution.

A site visit took place at the Sungai Terip WTP in Seremban, attended by the General Manager of Finance & Corporate Services of SAINS, Khairilnaim Osman, our Head of Technology and Innovation, Chandra Sekaran Ramasamy and Head of Xcess Pressure from UM, Dr. Iswadi Jauhari, along with their teams.

Since the Sungai Terip WTP in Seremban has the potential to generate electricity from the excess water pressure released from the Sungai Terip Dam, a special project briefing was held to discuss the possible implementation of a pilot IHPS system at the facility.

SAINS also facilitated the proposed installation and provided insights into the operational importance of the Pressure Relief Valve (PRV) section.

The team assessed the technical feasibility, possible installation methods, and operational factors while emphasising the importance of a thorough risk assessment to identify and mitigate potential challenges.

This initiative supports the government's renewable energy agenda and commitment to achieving net zero carbon emissions, demonstrating PAAB's dedication to advancing sustainable and innovative water infrastructure.

PAAB Explores BIM Innovation with JKR

26 June 2025 | JKR HQ Kuala Lumpur

PAAB conducted a site visit to the BIM Lab at the Jabatan Kerja Raya (JKR) headquarters in Menara PJD, Kuala Lumpur.

Led by Project Director of Langat 2 Project, Ir. Johari Sinal@Zainal, the visit was part of PAAB's ongoing efforts to explore advanced digital tools, particularly BIM technologies, for enhanced infrastructure development and delivery.

PAAB delegation was warmly welcomed by BIM Unit of JKR team members, Ir. Ahmad Ridzuan Abu Bakar and Ir. Ts. Mohd Faiz Shapiai, who shared their in-depth experience in implementing BIM, including its application across planning, design, and construction processes.

The aim was to gain practical insights that will support PAAB's own adoption of BIM across all upcoming projects, especially the upcoming Phase 2 of Langat 2 Project.

During the session, JKR presented their BIM Execution Plan (BEP), offering a detailed look into BIM workflows, processes, and digital solutions. A tour of the BIM Lab allowed PAAB delegates to see modelling in action, alongside the

challenges and opportunities JKR encountered in implementing BIM across their projects.

They also shared real-world case studies that demonstrated how BIM improves efficiency, reduces errors, and strengthens overall project outcomes.

The visit marks an important step in PAAB's digital transformation, moving towards more efficient and transparent project execution.



PAAB Hosts Courtesy Visit from SPAN to Boost Collaboration

8 July 2025 | PAAB Head Office

PAAB was honoured to host a courtesy visit from the newly appointed Chairman of SPAN, Datuk Ir. Abdul Kadir Mohd Din.

Our Chairman, Dato' Seri Ir. Jaseni Maidinsa, warmly welcomed the delegation, which included SPAN's CEO, Datuk Ahmad Faizal Abdul Rahman, and their senior leadership team, reaffirming PAAB's commitment to strengthening collaboration with SPAN to advance Malaysia's water industry.

The meeting commenced with our CEO Ir. Zulkiflee Omar, presenting the company's 5-year Strategic Business Plan, focused on maintaining momentum in the water restructuring efforts.

Dato' Seri Ir. Jaseni highlighted the importance of revisiting restructuring agreements, implementing robust mitigation strategies, and embracing innovative technologies to develop more efficient and sustainable water infrastructure.

This valuable engagement provided a platform for both parties to exchange ideas, share insights, and reinforce their shared commitment to building a future-ready water sector through ongoing partnership and collaboration.



PAAB Team Gains Valuable Experience during MACC Visit

15 July 2025 | SPRM Selangor

A group of 36 PAAB employees visited the Malaysian Anti-Corruption Commission (MACC) Selangor Office, organised by our Integrity & Governance Department as part of ongoing efforts to foster interagency cooperation.



The delegation was warmly welcomed by *Penolong Kanan Penguasa* Redzuan Mohamad, whose support helped ensure the visit's success.

During the visit, MACC officers, including *Penolong Kanan Penguasa* Redzuan, *Timbalan Ketua Cawangan Pendidikan Masyarakat Penguasa* Mohammad Izzat Mohd Noor, and *Penolong Kanan Penguasa* Siti Mastura Zakaria, led an engaging dialogue on corruption case studies, intelligence gathering, and the modern challenges faced in fighting corruption.

PAAB participants engaged actively in the discussion, posing insightful questions and

receiving clear and informative responses from the panel.

The team also took the opportunity to tour the facilities, including the Identity Parade Room, Video Interview Room, Pre-Detention Briefing Room, and Suspect Holding Cell, gaining a deeper understanding of MACC's operational procedures and investigation processes.

This visit was an important step in promoting ethical values, reinforcing good governance, and raising awareness about anti-corruption initiatives.

Risk and Sustainability Exchange with FGV Holdings

12 August 2025 | Wisma FGV, Kuala Lumpur

The Risk and Sustainability Management team visits FGV Holdings Berhad for a knowledge-sharing session, warmly hosted by Chief Governance & Risk Officer Suzari Said, focusing on best practices and innovative approaches in risk management.



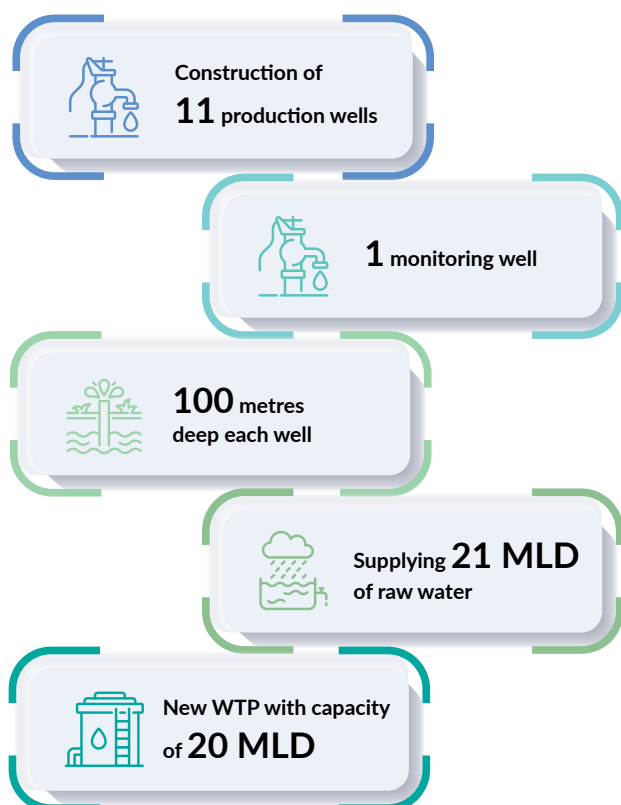
Deputy Minister Reviews Progress of Chicha Project

2 October 2025 | Kota Bharu, Kelantan

The Chicha WTP project continues to make steady progress as Deputy Minister of PETRA, YB Tuan Akmal Nasrullah Mohd Nasir, conducted a site visit to assess ongoing construction works and project delivery.

Welcomed by our COO Ir. Abdul Samad Sulaiman and Kelantan State Manager Abdul Karim Mohd Zain, the Deputy Minister was briefed on the project's development, which is designed to strengthen water supply reliability for communities in Kota Bharu and surrounding areas.

Chicha WTP



The project involves the construction of a new water treatment facility equipped with aeration and filtration systems, clear water storage, pumping infrastructure, and supporting chemical and control facilities.

Drawing from ground water sources, the WTP will have the capacity to treat up to 20 MLD, with supply channels extending to Tangki Kota Seribong and Pasir Hor.

As at December 2025, this project has reached 67.92 per cent completion, progressing ahead of schedule.

Once completed, Chicha WTP is expected to significantly enhance water supply capacity and service reliability, supporting long-term water sustainability for Kelantan.

Also in attendance were Deputy General Manager of AKSB, Azlee Aladin and his technical team, along with representatives from PETRA, SPAN, our consultant as well as appointed contractor.



PAAB Welcomes Visit from Menteri Besar of Johor

4 November 2025 | PAAB Head Office

PAAB was honoured to receive a visit from the Menteri Besar of Johor, YAB Datuk Onn Hafiz Ghazi, at our Head Office in Menara Felda, Platinum Park, Kuala Lumpur.

The delegation was warmly welcomed by our CEO, Ir. Zulkiflee Omar.

Accompanying YAB Datuk Onn Hafiz Ghazi were Johor Exco Member, YB Tuan Ir. Ts. Mohamad Fazli Mohamad Salleh, Ranhill SAJ CEO Anuar Abdul Ghani, together with representatives from Johor State Government.

During the visit, discussions centred around upcoming water infrastructure particularly those supporting high-impact development areas in Johor.



Also in attendance from the Federal Government were representatives from the MoF, PETRA, and our CFO Zaleha Abdul Hamid.

PAAB remains committed to strengthening collaboration with the Johor State Government and relevant stakeholders to support the effective delivery of the project while ensuring sustainable and efficient water management for the state's continued growth.

PAAB Welcomes Penang Development Corporation (PDC) for Insightful Exchange

5 November 2025 | PAAB Head Office

PAAB had the privilege of hosting a courtesy visit from PDC, the state agency tasked with driving socio-economic growth, creating employment opportunities, and enhancing the quality of life for the people of Penang.

Our CEO, Ir. Zulkiflee Omar, warmly welcomed the delegation led by PDC Senior Deputy CEO (Technical & Project Management), Dato' Mohamad Azhar Hamdan, alongside his team members.

During the engagement, Ir. Zulkiflee shared insights into PAAB's mandate, innovative business model, and strategic role in advancing Malaysia's water services transformation.

The discussion also highlighted opportunities for collaboration and knowledge sharing aimed at enhancing operational efficiency and supporting effective project delivery and execution.

The session concluded on a positive note, reflecting a shared vision between PAAB and PDC for leveraging expertise, innovation, and best practices to benefit communities and the nation at large.



PAAB Explores Innovations at Rasau Water Supply Scheme

12 November 2025 | Teluk Panglima Garang, Selangor

PAAB conducted an in-depth technical site visit to Rasau WTP Project, considered to be the biggest Off-River Storage Facility project in Malaysia.

The visit was led by our COO, Ir. Abdul Samad Sulaiman, alongside the Special Project Division team, with partners from Air Selangor, Gamuda Berhad, and HLA Associates in attendance.

Rasau Project Director, Ir. Zainal Abidin Sa'idun, showcased several standout technical solutions designed to optimise performance and constructability.

Delegates explored Malaysia's first pipeline bridge, innovative counterweight systems to manage high groundwater conditions, and meticulously aligned pipelines engineered for long-term maintainability.

The tour also highlighted the project's embrace of cutting edge digital tools and specialised site techniques, including advanced ground improvement measures, BIM, and Augmented Reality (AR), all enhancing project coordination, monitoring, and operational efficiency.

Once completed, Rasau Water Supply Scheme is set to significantly strengthen the water reserve margin, supplying up to 700 MLD to Kuala Lumpur, Selangor, and Putrajaya, securing reliable water access for millions.



Maran Project Set to Complete Ahead of Schedule – MB Pahang

19 November 2025 | Maran, Pahang

Menteri Besar of Pahang, YAB Datuk Seri Wan Rosdy Wan Ismail, visited Phase 1 of the Maran Upgrading Water Supply System project, accompanied by CEO of PAIP, Datuk Saiful Zaini Mohd Bokhari and our COO Ir. Abdul Samad Sulaiman.

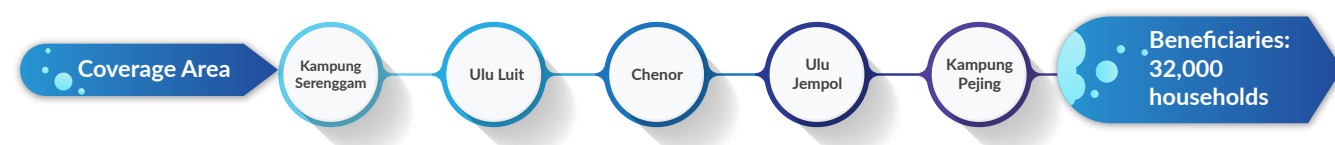
During the briefing, Ir. Abdul Samad shared that the pipe replacement project has already surpassed 40% completion (November 2025) and is expected to finish by April 2026, three (3) months ahead of schedule.

The project is set to significantly improve daily life for residents in Maran, resolving up to 90% of water supply issues.

YAB Datuk Seri Wan Rosdy praised the efforts of PAAB, PAIP, and all partners involved, noting their dedication in tackling the district's longstanding water challenges.

The visit brought together representatives from Pahang State Government, PAIP, PAAB, consultants and contractor.

Residents can look forward to more reliable water supply and improved service, reflecting the positive difference such infrastructure projects can make in everyday life.



PAAB Strengthens Industry Collaboration with Syarikat Air Darul Aman (SADA)

20 November 2025 | Alor Setar, Kedah

As part of its efforts to strengthen collaboration with water operators nationwide, PAAB visited SADA in Alor Setar, Kedah.

The delegation, led by Head of Corporate Services Division Rozaifee Abu Zaharim and Head of Commercial Division Zainal Nagin, included representatives from IT, Legal, and Quality Assurance & Document Management Teams, were warmly welcomed by SADA CEO Radzuan Osman.



During this engagement, SADA shared updates on main projects and future plans for water asset development in Kedah, highlighting areas where PAAB's expertise can support these initiatives.

A focused discussion between SADA's General Manager of Technical & Operations, Ir. Saiful Azlan Mat Radhi, and the PAAB team covered national water services industry restructuring, evolving responsibilities, and best practices.

PAAB also provided updates on corporate services initiatives and upcoming plans. The visit concluded with a tour of Kulim Hi-Tech WTP in Pinang Tunggal, a 300 MLD facility serving over 80,000 accounts.

CONFERENCE AND EVENTS INVOLVEMENT

Sharing Expertise on Sustainable Water Management at UPM Colloquium

17 February 2025 | UPM, Serdang

PAAB was invited to contribute to the 13th Colloquium of the Master in Environmental Engineering programme, hosted by Universiti Putra Malaysia's Department of Chemical & Environmental Engineering.

Our Head of Asset Management Department, Ts. Adam Budiman Khairuddin, was the invited speaker for the event and presented on Water Supply Systems: Overview and Challenges.

In his presentation, Ts. Adam provided an in-depth analysis of the current state of water supply systems, discussed their operational challenges, and offered potential solutions for sustainable management.

He also highlighted our role as a leading reformist in the water sector, sharing valuable insights and experiences with the next generation of environmental engineers.

The event provided participants with a comprehensive understanding of the water supply industry, and collaboration between academia, industry professionals, and emerging talents, with a focus on Water Sector Transformation 2040



initiative and the importance of innovation and sustainable management.

The interactive Q&A session provided an opportunity for participants to engage in thought provoking discussions, sharing ideas and addressing concerns related to challenges in the water sector.

PAAB remains committed to strengthening collaborations between academia and industry, working together to develop resilient and sustainable water supply systems.

Kempen Bijak Air Madani: Ensuring Water Security

8 May 2025 | Hulu Langat, Selangor

SPAN launched the *Kempen Bijak Air MADANI*, officially inaugurated by Deputy Prime Minister, YAB Datuk Seri Fadillah Yusof.

Also present at the launch were the Deputy Minister of Energy Transition and Water Transformation, Tuan Akmal Nasrullah Mohd Nasir, along with chairpersons and CEOs from SPAN, PAAB, including our Chairman, Dato' Sri Ir. Jaseni Maidinsa and CEO, Ir. Zulkiflee Omar as well as representatives from State Water Operator companies.

Aligned with the ambitious goals of the National Water Sector Transformation Plan 2040 (AIR2040), this national initiative seeks to foster a culture of water conservation, ensuring long-term sustainability of Malaysia's water resources for generations to come.

In his address at the Langat 2 WTP in Hulu Langat, Selangor, Datuk Seri Fadillah raised alarms about the growing threats to Malaysia's water security, particularly due to the adverse impacts of climate change.

He highlighted that the country's water resources are under increasing pressure from industrial waste pollution, chemical disposal, unchecked development, and escalating demand driven by population growth and urbanisation.

Datuk Seri Fadillah emphasised that water security must be a national priority, as outlined in AIR2040, including modernising infrastructure and technologies, addressing pollution, and promoting partnerships to protect water resources in the country.

During the event, Ir. Zulkiflee briefed the Deputy Prime Minister on the operations of Langat 2 and led a tour of the WTP, one of the largest water infrastructure projects in the region, funded and developed by PAAB to meet the increasing water demand from the rapid growth of the Klang Valley.



PAAB Committed to Safe and Sustainable Project Execution

24 June 2025 | Kuala Lumpur

PAAB successfully held its inaugural Safety and Sustainability Day 2025, themed Protect, Preserve, Prosper, showcasing its strong commitment to fostering a safe, healthy, and secure environment at all offices and project sites.

During the event, CEO Ir. Zulkiflee Omar stressed that safety is a top priority at PAAB, not only for its employees but also for contractors and consultants involved in project delivery.

He explained that this focus on safety is especially crucial, as PAAB is currently managing large-scale water infrastructure projects worth RM2.4 billion (as of 31 March 2025) across Kelantan, Johor, Negeri Sembilan, Selangor, Melaka, and Pahang, including the construction and upgrading of WTPs, as well as the replacement of ageing pipelines.

Ir. Zulkiflee also pointed out that accidents or unsafe practices could delay progress on these critical developments and disrupt water supply improvements, so it is vital to protect workers, prevent costly delays, and ensure projects are completed safely and efficiently for the benefit of all Malaysians.



To prevent this, PAAB has strengthened its Zero-Accident Culture, a company-wide commitment to ensuring all work is carried out safely and completed on time.

This initiative is led by PAAB's Health, Safety, Security, and Environment (HSSE) Department, which works closely with contractors and consultants at each construction site to ensure safety rules are followed through proper training, emergency planning, and steps to manage risks and reduce on-site hazards.

It follows all current regulations, including full compliance with the Occupational Safety and Health (Amendment) Act 2022 and guidelines set by the Department of Occupational Safety and Health (DOSH).

The event was attended by over 250 participants, including key stakeholders from water operators, consultants, contractors, and financial partners, who took part in talk sessions by guest speakers from various industries covering a wide range of safety and sustainability topics.

As part of PAAB's ongoing commitment to sustainability, Women In Water of PAAB took the opportunity at the event to officially launch their initiative by unveiling its logo to stakeholders for the first time.

This inclusive initiative is dedicated to inspiring and empowering women from all backgrounds, across every level, department, and role, by providing leadership opportunities, strong support, and the resources needed to help them lead and make meaningful contributions to sustainable development.



PAAB Participates in ThaiWater Expo 2025

2 - 4 July 2025 | Bangkok, Thailand



PAAB proudly took part in the ThaiWater Expo 2025, held from 2 to 4 July at the Queen Sirikit National Convention Centre in Bangkok, Thailand.

Our delegation was led by Head of Corporate Services Division Rozaifee Abu Zaharim, and included representatives from the Risk and Sustainability, Information Technology, and Technical & Engineering Division.

We were joined by industry partners from PETRA, Malaysian Water Association (MWA), Air Selangor, Malaysian Water Partnership, Informa Markets Malaysia, and other stakeholders.

The event's theme, Paving the Way to a Sustainable and Climate-Resilient Future Through Smart Water, underscored the vital role of innovation in promoting sustainable water management.

With over 200 global brands and international pavilions from countries such as China, Korea, Taiwan, and Singapore, the expo showcased state-of-the-art water and wastewater technologies, provided great opportunities for networking and learning.

Our team gained useful insights on the latest trends, best practices, new technologies, and important policy updates in the water sector.

ThaiWater Expo 2025 ended successfully, setting new standards and confirming its role as a platform for a sustainable water future.

PAAB Celebrates World Water Day 2025

4 - 5 July 2025 | Kuantan, Pahang

PAAB proudly participated in the *Sambutan Hari Air Sedunia 2025*, held from 4 to 5 July at Dataran Sayangi Kuantan, Pahang.

The event was officiated by Pahang EXCO YB Datuk Mohd Nizar Najib, under the theme - *Air Untuk Kehidupan: AirKu, HidupKu, DuniaKu*.

Our CEO, Ir. Zulkiflee Omar, joined the two-day event, which brought together key stakeholders from Malaysia's water sector, including PETRA, SPAN, IWK, NAHRIM, PAAB, Pahang state agencies, and private companies.

The gathering aimed to raise awareness about the critical role of water in our lives and the importance of sustainable water management.

At our exhibition booth, Ir. Zulkiflee presented the Pahang EXCO with an overview of upcoming water infrastructure projects designed to increase water supply capacity across the state over the next two (2) years.

Our dedicated volunteers actively engaged visitors, sharing updates on PAAB's ongoing projects in Pahang and providing informative briefings to local communities.

Attendees also enjoyed interactive Kahoot! quizzes and received exclusive PAAB-branded merchandise as tokens of appreciation.



PAAB's Sustainable Financing Stands Out at Sabah Asiawater 2025

6 - 7 August 2025 | SICC, Kota Kinabalu, Sabah

Our CFO Zaleha Abdul Hamid, took centre stage at ASIAWATER Versi Sabah 2025, delivering a talk titled *Sustainable Financing Models for Water: Lessons from PAAB's National Asset Ownership Strategy*.

Her presentation attracted strong interest, particularly from regional stakeholders from Indonesia, the Philippines, Brunei, and Cambodia keen to learn more about PAAB's business model.

The two-day conference, themed *Transformative Water Ecosystem for Sustainability*, was held at the Sabah International Convention Centre, Kota Kinabalu, in collaboration with the Sabah State Government and PETRA.

The event was graced by the Chief Minister of Sabah, YAB Datuk Seri Haji Hajiji Noor, and featured over 50 regional vendors and exhibitors, strengthening PAAB's corporate presence.

Zaleha highlighted how PAAB leverages long-term financing mechanisms to fund water infrastructure while ensuring affordability and reinforcing the importance of sustainable financing in the water sector.

The conference also featured sessions from industry experts, including Director of the Sabah Water Department Chee Chun Chieh, and CEO of Air Selangor, Adam Saffian Ghazali.

Through active participation in platforms like Sabah ASIAWATER, PAAB continues to demonstrate its expertise and commitment to sustainable financing and water sector development across Malaysia and the wider region.



PAAB Joins Talks at MyWater Forum 2025

22 - 23 July 2025 | Dewan Seri Siantan, Putrajaya

PAAB proudly participated in the Malaysia Water Forum 2025 (MyWater Forum) held at Dewan Seri Siantan, Putrajaya.

Organised by the Jabatan Pengairan dan Saliran (JPS) and the Malaysian Water Partnership (MyWP), the forum provided a vital platform for advancing integrated water management towards a sustainable future.

The event was officiated by Deputy Prime Minister YAB Dato' Seri Fadillah and attended by leaders from PETRA, PAAB, SPAN, IWK, water operators, and other key stakeholders. PAAB's delegation included Chairman Dato' Seri Ir. Jaseni Maidinsa, our Director Dato' Ir. Nor Hisham Mohd Ghazali, CFO Zaleha Abdul Hamid, and 25 staff members.

On day one, Dato' Ir. Nor Hisham moderated a session on Integrated Water Resources Management (IWRM), featuring Dr Zelina Zaiton Ibrahim (MyWP) and Ir. Dr Salmah Zakaria (Academy of Sciences Malaysia). The discussion centred on accelerating IWRM adoption through collaboration and innovation.

On day two, Dato' Seri Ir. Jaseni joined as a panellist for the "Money for Water" session, moderated by SPAN Chairman Dato' Ir. Abdul Kadir Mohd Din. The panel included groundwater expert Ir. Dr Azuhan Mohamed and Azlan Afandi from Badan Kawal Selia Air Negeri Johor.

Key issues discussed were:

- 01 NRW losses exceeding 50% in Perlis and Kelantan
- 02 Uneven tariff reforms and cost-recovery challenges
- 03 Rising climate pressures
- 04 Growing water demand



The forum reinforced the urgent need for modernising infrastructure, tariff restructuring, and NRW reduction to build resilience and secure Malaysia's water future.

PAAB Navigates Water Infrastructure at Water Malaysia 2025

19 - 20 August 2025 | Wyndham Grand Bangsar, Kuala Lumpur

PAAB proudly participated in Water Malaysia 2025 at Wyndham Grand Bangsar, Kuala Lumpur, focusing on pipeline materials, design, and maintenance for water and sewerage systems.

The event, officiated by Deputy Prime Minister YAB Datuk Seri Fadillah Yusof, highlighted green investments like bonds to fund sustainable infrastructure and plans to redesign utility financing to encourage efficiency.

He also announced the standardisation of pipeline materials and the creation of water knowledge hubs to enhance repair, innovation, and emergency response capabilities.

The main session featured our Chairman, Dato' Seri Ir. Jaseni Maidinsa, who spoke on Evaluating Regulatory Frameworks for Pipeline Construction. He discussed the current regulatory landscape and its impact on construction practices.

In a separate session, Langat 2 Project Director Ir. Johari Sinal, shared insights on Large-Scale Pipeline Infrastructure. His presentation covered conflict resolution strategies used during the implementation of the Langat 2 Water Distribution System.

Our CEO Ir. Zulkiflee Omar and COO Ir. Abdul Samad Sulaiman, along with other PAAB team members, were also in attendance, contributing to discussions and networking with industry stakeholders.

PAAB's participation included an exhibition, showcasing our ongoing contributions to Malaysia's water asset development.



Prime Minister Officially Inaugurates Langat 2 WTP

20 August 2025 | Langat 2 WTP, Hulu Langat

A State-of-The-Art Mega Water Infrastructure Achievement

As PAAB approaches its 20th anniversary in May 2026, the completion of Langat 2 WTP stands as a testament to the organisation's engineering excellence, innovation, and commitment to sustainability.

From humble beginnings and through numerous challenges, PAAB has delivered one of Malaysia's largest and most advanced water treatment facilities.

Marking a historic milestone in the nation's water sector, Prime Minister YAB Datuk Seri Anwar Ibrahim officially inaugurated the Langat 2 WTP, celebrating the grand finale of a remarkable journey and PAAB's enduring legacy.



In his speech, the Prime Minister commended the RM4.2 billion Langat 2 project, highlighting its status as a fully local endeavour, executed entirely by Malaysian companies and expertise.

He emphasised that the involvement of local professionals in overseeing this high-tech mega project demonstrates Malaysia's capability to manage and maintain large-scale infrastructure to international standard.

The ceremony was attended by Deputy Prime Minister YAB Datuk Seri Fadillah Yusof, Selangor State EXCO YB Dato' Ir. Izham Hashim, and distinguished guests from the federal government, PETRA, the Selangor state government, Air Selangor, SPAN, local authorities, consultants, contractors, and industry stakeholders.



Langat 2 Technology Earns Seven (7) National Records

The Langat 2 WTP has set an impressive benchmark in the industry, earning seven (7) national records in the prestigious Malaysia Book of Records throughout its construction.

During his welcome address, our Chairman Dato’ Seri Ir. Jaseni Maidinsa proudly shared that these records were achieved over a three (3) year period from 2023 to 2025.

The recognition reflects the project’s engineering and technological excellence.

2023 -
Package
11

- Longest Microtunneling Internal Diameter 2500mm Water Pipeline **(331.50 metres)**
- Deepest Microtunneling Internal Diameter 2500mm Twin Parallel Water Pipeline **(depth 25.23 metres)**

2024 -
Package
6A

- Longest twin parallel treated water tunnel in Malaysia
- Longest parallel dual treated water tunnel in Malaysia **(3.2-metre diameter, 2.2-kilometre length)**

May
2025 -
Package
3

- First Pipe Conveyor System for Water Treatment Residual
- Longest Pipe Conveyor System for Water Treatment Residual **(1.92 kilometres)**
- Longest shaftless screw conveyor system **(46 metres)**

Langat 2 Project Briefing

Prior to the official opening, CEO Ir. Zulkiflee Omar provided a detailed briefing to the Prime Minister and Deputy Prime Minister.

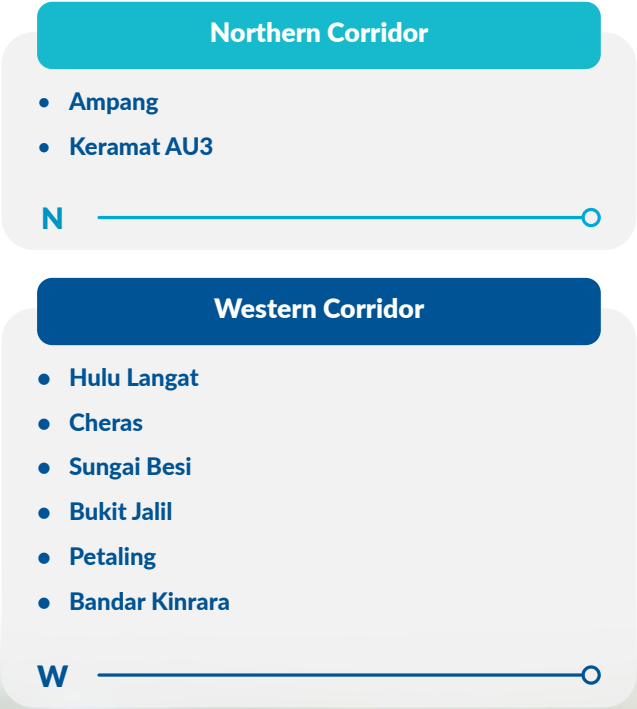
The Langat 2 project involves transferring raw water from Kelau Dam via the Semantan River Intake in Pahang to the Langat 2 WTP in Hulu Langat, Selangor, through a 5.2-metre diameter, 44.6-kilometre long tunnel, crossing the Titiwangsa Range.

Designed to meet growing water demand, the plant significantly increases treated water supply for Selangor, Kuala Lumpur, and Putrajaya, supporting rapid population growth and industrial expansion.

The distribution network serves two (2) main corridors–the Northern Corridor and the Western Corridor.

Equipped with state-of-the-art, eco-friendly treatment and waste disposal technologies, Langat 2 has a capacity of 1,130 MLD, reinforcing Malaysia’s leadership in water infrastructure innovation.

The Water Distribution Network



PAAB at EXPO 2025 OSAKA Bringing Malaysia's Colours to the World

8 - 12 September 2025 | Expo 2025 Osaka, Japan

PAAB had the honour of joining Week 22 of Expo 2025 Osaka in Japan as part of the official delegation from the PETRA.

Since its opening in April, the Malaysia Pavilion attracted more than 2.8 million visitors, providing a global platform to showcase the nation's culture, innovation and key industries.

Our CEO, Ir. Zulkiflee Omar, participated as a panellist at the Malaysia Business Forum, contributing to a key discussion on AIR2040 held at the Pavilion's Business Hall. This was followed by an insightful presentation by the Head of Corporate Services Division, Rozaifee Abu Zaharim, on "Circular Economy in the Water Industry: Creating a Sustainable Business Model", where he highlighted innovative and forward-looking approaches to sustainability within the sector.

The celebration included a 30-minute cultural showcase at National Day Hall, bringing a strong sense of Malaysian pride to the event.

Visitors enjoyed a colourful mix of performances, including *silat*, traditional percussion and multicultural dances.

Featured segments such as Sound of Malaysia, Jiwa Bangsa and Saya Anak Malaysia highlighted the beauty of Malaysia's traditions and identity.

The showcase received warm interest from international guests, who were able to experience Malaysia's unity, diversity and rich cultural heritage in a lively and meaningful way.



Addressing NRW Challenges at Water Conference

26 September 2025 | The Everly Putrajaya

PAAB participated in the 6th International Conference on Water Resources 2025, organised by the Department of Irrigation and Drainage (JPS) in collaboration with Universiti Teknologi Malaysia (UTM).



The event was held at The Everly Putrajaya and officiated by Deputy Minister of PETRA, YB Tuan Haji Akmal Nasrullah Mohd Nasir.

Representing PAAB from the Technical & Engineering Division, Ir. Dr. Mohd Saufi Mohd Redzuan and Ts. Abdul Halim bin Abd Latif presented a paper titled 'Factors and Strategies on NRW in Malaysia: A Water Operator's Perspective.'

Their presentation highlighted PAAB's commitment to sustainable water management, enhancing the resilience of Malaysia's water industry, and strategic approaches to addressing NRW challenges.

The session was attended by a distinguished audience including industry experts, PETRA agencies, academics, and industry partners from across the water sector.

Global Conference on Business and Economic Research 2025 (GCBER2025)

29 September 2025, The Everly Putrajaya Hotel

The CEO was invited by the School of Business and Economics (SBE), Universiti Putra Malaysia (UPM) to speak at the Global Conference on Business and Economics Research (GCBER) 2025.

At an Industry Talk Session, Ir. Zulkiflee delivered powerful insights on the future of sustainable water services in Malaysia, addressing a distinguished audience of academicians, researchers, and industry leaders.

He emphasised PAAB's vital role in ensuring equitable and continuous access to clean water for both present and future generations. He also highlighted the importance of ongoing investment in the development of Malaysia's water industry to strengthen sustainable and resilient water services nationwide.



PAAB Joins ESG Dialogue at Asset Project Management Conference 2025

30 September 2025 | The Everly Hotel, Putrajaya

Our CEO, Ir. Zulkiflee Omar, was honoured to be invited as one of the distinguished panellists at the 3rd Asset Project Management Conference, themed Sustainable Asset Management: Environmental, Social and Governance (ESG) in Highways, Buildings, Water and Energy Industries, held at The Everly Hotel, Putrajaya.

The conference featured Ir. Zulkiflee in a forum session titled ESG – Policy Framework for Future Asset Management Sustainability.

He shared the stage with Director General of LLM, Dato' Ir. Sazali Harun, and Deputy Vice-Chancellor of Universiti Malaysia Pahang Al-Sultan Abdullah, Prof. Dato' Ir. Ts. Dr. Ahmad Ziad Sulaiman. The session was moderated by President of MWA, Mohamad Hairi Basri.

During the forum, Ir. Zulkiflee highlighted that the integration of ESG technologies in PAAB's treatment plant upgrades and pipe replacement projects is not merely a trend, but a necessary step towards securing the long-term sustainability of Malaysia's water services.

He also emphasised PAAB's commitment to embedding green practices within its CSR initiatives nationwide ensuring that sustainability remains at the core of our engagement with communities and stakeholders.

The two-day conference gathered project and asset management professionals from Malaysia and beyond, providing a platform to exchange insights and advance ESG-driven practices for a more sustainable future.



Hari Transformasi Pengurusan Aset PAAB 2025

9 October 2025 | Imperial Lexis Kuala Lumpur

PAAB marked a significant milestone in advancing Malaysia's water asset management with *Hari Transformasi Pengurusan Aset PAAB 2025*, held at Imperial Lexis Kuala Lumpur.

The conference, themed "From Policy to Technology" brought together over 100 participants from the water industry and government agencies.

In his opening remarks, CEO Ir. Zulkiflee Omar highlighted the need for an integrated approach to digitalising water asset management across national water operators.

He emphasised that leveraging platforms such as i-WA and GIS can greatly enhance operational efficiency and support data-driven decision-making across the sector.

The conference featured sessions on emerging technologies, best practices in asset management, and experience sharing from industry leaders including JKR, PBAPP, Air Selangor, Ranhill SAJ and Echelon Advisory & Consulting.

An exhibition allowed participants to connect directly with technology providers, showcasing solutions that support smart, sustainable water infrastructure.

The event also celebrated collaboration with SAINS, SAJSB, and PAIP in adopting the i-WA digital solution, reinforcing PAAB's commitment to governance, efficiency, and sustainability in building resilient, technology-driven water asset management systems.





PAAB Showcases ESG Leadership at MIWC 2025

14 - 16 October 2025 | World Trade Centre Kuala Lumpur

PAAB proudly participated in Malaysia International Water Convention (MIWC) 2025, held from 14-16 October at the World Trade Centre Kuala Lumpur.

PAAB took centre stage through a fireside chat on Embedding ESG Excellence for a Resilient and Sustainable Water Sector.

Our CEO Ir. Zulkiflee Omar shared insights on the evolving ESG landscape, highlighting the water sector's role in tackling climate challenges and advancing national sustainability objectives.

Discussions included sustainable financing, carbon credits from NRW initiatives, and practical approaches to measuring and reporting sustainability. Meanwhile, our booth at exhibition attracted strong interest, providing visitors with an opportunity to learn more about our initiatives in sustainable water infrastructure.



The convention, Malaysia's premier platform for water sector transformation, brought together over 3,000 professionals from more than 30 countries to explore innovative and sustainable water solutions under the Water Sector Transformation 2040 (AIR 2040) agenda.

PAAB, Bank Islam Sign RM100 Million Financing MOU

6 November 2025 | Pullman Kuala Lumpur City Centre

PAAB has signed a memorandum of understanding (MoU) with Bank Islam Malaysia Berhad to provide up to RM100 million in financing for PAAB contractors in 2026, strengthening financial access to support the delivery of national water infrastructure projects.

In a joint statement, both parties said the collaboration aims to expand access to tailored financing and banking solutions, enabling contractors to execute awarded works more efficiently while supporting their long-term growth and sustainability.

The partnership is expected to facilitate the financing and implementation of water

asset development and rehabilitation works, contributing to the accelerated reduction of NRW and supporting the rollout of water-related initiatives under the 13th Malaysia Plan and Budget 2026.

The MoU was signed by Bank Islam Group CEO, Dato' Mohd Muazzam Mohamed, and our CEO, Ir. Zulkiflee Omar, and the ceremony was witnessed by Deputy Minister of Energy Transition and Water Transformation, YB Tuan Akmal Nasrullah Mohd Nasir.



PAAB Showcases Water Initiatives at WaterTech Asia 2025

2 - 4 December 2025 | Penang Waterfront Convention Centre

PAAB participated in WaterTech Asia 2025, held from 2–4 December at Penang Waterfront Convention Centre (PWCC), George Town. The event featured 45 exhibitors from seven (7) countries, including Malaysia, Spain, Indonesia, Canada, Germany, China, and Tajikistan, showcasing innovative solutions, technologies, and services under one roof.

The exhibition and conference provided an ideal platform to highlight PAAB's ongoing initiatives in developing water infrastructure across Penang and Malaysia, reflecting the company's commitment to providing clean, safe water while supporting environmental sustainability.

On the second day, our Chairman Dato' Seri Ir. Jaseni Maidinsa delivered an insightful presentation titled Resolving Inter- Basin Water Issues and Conflicts: Learning from Worldwide Experiences and Suggestions for the Way Forward. Drawing on his extensive experience, he emphasised the importance of safeguarding water catchment areas to ensure a sustainable and sufficient raw water supply for treatment plants nationwide.

Using the Ulu Muda Forest Reserve as a case study, Dato' Seri Ir. Jaseni highlighted its strategic role in supplying water to Penang, Kedah, Langkawi, and Perlis.

The reserve supports 14 WTPs and six (6) irrigation schemes in Kedah, as well as one (1) WTPs and two (2) irrigation schemes in Penang, meeting a combined daily water demand of 4,377 MLD.

In line with the theme of WaterTech Asia 2025, he called on stakeholders to prioritise catchment protection and adopt collaborative solutions. He also proposed that the Federal Government establish the Ulu Muda Basin Authority to address inter-basin water challenges effectively.



Penang Chief Minister YAB Tuan Chow Kon Yeow at PAAB exhibition booth, receiving updates on project progress from senior management.

KNOWLEDGE SHARING AND TRAINING

Workshop: Refining Construction Contract Work Change Procedures

26 February 2025 | Putrajaya

PAAB successfully hosted a highly impactful workshop on the Refinement of the Construction Contract Work Change Procedure, organised by the Contract Department in collaboration with the Human Resources Department's Training & Development Unit.

The workshop was attended by key management figures, including our CEO, Head of the Commercial Division, Ir. Zainal Nagin, and Head of the Asset and Land Management Division, Mohamad Mohd Nor, alongside 40 selected staff members from various departments involved in the process.

Led by BQSM, RISM, Certified Adjudicator from AIAC, Sr. Hashimah Harun, the workshop covered essential topics such as work change definitions, implications, contract price adjustments, and issuing change orders.

The session fostered active collaboration between management and staff, encouraging discussions to refine work change procedures and address challenges.

This reinforced PAAB's ongoing commitment to excellence, innovation, and continuous improvement, positioning the company for greater success in managing water infrastructure projects.



Ensuring Quality and Integrity

17 – 24 March 2025 | PAAB HQ

To enhance its Quality Management System (ISO 9001:2015) and Anti-Bribery Management System (ISO 37001:2016), PAAB conducted an Internal Audit Exercise.

This audit, led by Quality Assurance and Document Management Department (QADM) and Integrity and Governance Department (IGD), aimed to evaluate and improve internal processes, ensure compliance with ISO standards, and uphold efficiency and integrity.

The Quality Management System (QMS) audit was led by Harvinderjit Kaur Sandhu with the support of six (6) internal auditors, while the Anti-Bribery Management System (ABMS) audit was led by Nurafifah Islahiyah Mohd Fazil, assisted by seven (7) internal auditors.

The objectives of the audits were to ensure compliance with ISO 9001:2015 standards, confirm effective system implementation, align the system with PAAB's goals, and identify areas for continuous improvement.

The ABMS audit focused on assessing its effectiveness, ensuring proper maintenance in line with standards, and evaluating corrective actions taken for any nonconformities.

This year's internal audit covered all aspects of the QMS framework, reinforcing PAAB's continued compliance with ISO 9001:2015 certification, achieved during the 7th Annual Quality Audit for 2024/2025.

Since receiving ISO certification from BSI Services Malaysia in July 2020, PAAB has demonstrated continuous development, maturity, and improvement in its Quality Management System.

The audit confirms that PAAB is successfully meeting the required standards, reflecting its commitment to excellence.

Finance Division's Engagement with PBAPP

12 - 13 June 2025 | Penang

The Revenue Management Department organised a two-day engagement and knowledge-sharing session with Perbadanan Bekalan Air Pulau Pinang (PBAPP).

Led by our CFO, Zaleha Abd Hamid, the delegation comprised 16 staff members from the Finance Division.

The group was warmly welcomed at PBAPP Headquarters in KOMTAR, Penang, by PBAPP's CFO Dr. Mary Ann along with their COO Ir. Rosyidi Lat and Head of Finance Division, Abdullah Tajuddin. The session aimed to foster collaboration and camaraderie between the Finance Divisions of both organisations, while providing valuable exposure to PBAPP's organisational and financial structures.

Our delegation aimed to gain a deeper understanding of the water supply value chain and its link to financial strategies by observing water treatment processes and plant operations on-site, enabling them to identify best practices that could be applied to improve PAAB's financial operations.

Highlights of the visit included tours of PBAPP's water infrastructure, including the Sungai Dua WTP, the new WTP project site at Sungai Muda, and the Ayer Itam Dam.

This visit was part of our Finance Division's ongoing efforts to build stronger relationships and improve understanding with water operators, focusing on financial structure, governance, and operations.



PAAB's Journey in BIM and Digitalisation - Enhancing Design Efficiency in Water Infrastructure Development

PAAB has progressively adopted BIM as part of its digitalisation strategy to enhance efficiency, transparency, and sustainability in water infrastructure development. This initiative aligns with national BIM mandates and supports PAAB's role in delivering reliable and future-ready water assets.

PAAB's BIM journey began in late 2023, guided by close collaboration with JKR and supported through internal capacity building, pilot projects, and stakeholder engagement. To date, six (6) WTP projects valued at approximately RM2.5 billion have adopted BIM at the design stage, enabling improved coordination, greater design accuracy, clearer project visualisation, and more effective decision-making.

The use of data-rich 3D models and digital collaboration platforms has strengthened multidisciplinary coordination and significantly enhanced stakeholder engagement, particularly during Value Management Workshops. These improvements have contributed more streamlined workflows and better-aligned project outcomes.

PAAB has also established a dedicated BIM Unit and developed a phased implementation roadmap, with full BIM adoption targeted across all capital projects by 2030. While challenges remain, including regulatory considerations, cost implications, limited industry capacity, and the absence of standards for BIM fee structures—PAAB continues to address these through leadership commitment, capacity building, and industry collaboration.

Overall, BIM has become a key enabler in PAAB's transformation, supporting more efficient project delivery and laying the foundation for sustainable, resilient water infrastructure development in Malaysia.

Value Management Workshops for Kedah Water Projects

16 July 2025 | Alor Setar, Kedah

PAAB has launched its inaugural project in Kedah with a Value Management (VM) Workshop held at RAlA Hotel & Convention Centre, Alor Setar. The workshop centred on the upcoming Phase 1 development of the Sungai K arangan WTP in Kulim.

Led by COO Ir. Abdul Samad Sulaiman and Project Division Heads Mohd Fauzi Omar, Ir. Shamsunazaruddin Shah Mohd Salleh, En. Mohamad Mohamad Nor, and Ir. Zainal Nagin, the workshop focused on ensuring a reliable and sustainable water supply for Kulim, with a 10% reserve margin planned to meet future needs.

The event brought together over 100 participants, including representatives from PAAB, SADA, SMHB Sdn. Bhd. and experts from various sectors.



4 - 6 August 2025 | Premiera Hotel, Kuala Lumpur

Following that, PAAB continued its commitment to project excellence by conducting another VM Workshop, for Sidam Kiri WTP.

The session was led by Ir. Abdul Samad, alongside Project Division Heads, Mohd Fauzi Omar and Ts. Mohamad Mohamad Nor.

The Sidam Kiri WTP, designed with a planned capacity of 200 MLD, will play a key role in ensuring a sustainable and reliable water supply for Kuala Muda.

The plant also includes a 10% reserve margin to accommodate future demand, supporting Kedah's longterm water security and economic growth.



Capacity
150 ML



Treated Water Pipeline To
Balancing Reservoirs
15.7km x 1.4m dia. MS Pipe



Distribution Pipeline
70km x 0.3 - 1m dia. MS Pipe



Capacity
200 ML



Treated Water Pipeline To
Balancing Reservoirs
6.5km x 1.5m dia. MS Pipe



Distribution Pipeline
70km x 0.6 m - 1.2m dia. MS Pipe



PAAB Goes Digital Document Management with EDMS Launch

21 July 2025 | PAAB Head Office

PAAB has achieved a significant milestone with the successful rollout of its Electronic Document Management System (EDMS), powered by EZOFIS.

Our CEO, Ir. Zulkiflee Omar, witnessed the launch and described the EDMS as more than just a system, it represents a strategic shift in how PAAB manages information and enabling the organisation to become more agile, connected, as well as future-ready.

He emphasised that this is only the beginning and encouraged all staff to embrace the change and help shape a smarter collaborative way of working.

At the session, Head of Quality Assurance & Document Management (QADM), Harvinderjit Kaur Sandhu, highlighted that this achievement is a clear reflection of PAAB's dedication to innovation, operational efficiency, and cross-departmental teamwork.

Extensive user training, updated standard operating procedures, and organisation-wide readiness paved the way for a seamless and successful transition.

The EZOFIS platform is set to revolutionise PAAB's document management processes by delivering smarter, faster, and more efficient workflows.

The launch was also attended by senior management from PAAB, alongside representatives from Glosev Sdn. Bhd., including Director Mohammad Akhir Ghazali, Project Manager Kenneth Wong, and Account Manager Adiena Alieyah.

"The journey began in December 2024 as a QADM-led initiative and has since blossomed into a company-wide effort."

Every division played a crucial role, and this collective collaboration truly embodies our united vision for progress."

- Harvinderjit Kaur Sandhu



Strategic Milestone for Machang WTP Project

21 - 25 July 2025 | Tenera Hotel & Suites, Bandar Baru Bangi, Selangor

PAAB initiated a Value Engineering (VE) Laboratory session, marking a key milestone in the strategic development of the Package 1A Machang WTP project.

This exercise aims to address the growing demand for clean water and support Kelantan's long-term water supply needs.

During the session, COO Ir. Abdul Samad Sulaiman, emphasised that the Machang WTP project is currently in its early design stage, with a planned capacity of 50 MLD.

Machang WTP Fact Box



Capacity:
50 MLD



Benefits:
110,000 Residents

He explained that the five-day VE session focuses on reviewing, optimising, and refining the plant's design to ensure cost efficiency, timely delivery, and high performance.

The session was held in collaboration with PETRA, Air Kelantan Sdn. Bhd. (AKSB), Jabatan Bekalan Air (JBA), and other key stakeholders. Participants from PETRA, JBA, PAAB, AKSB, SPAN, JKR, UPEN Kelantan, JPS, JMG, DOE, and Majlis Daerah Machang took part in a comprehensive process that included information gathering, functional analysis, creative ideation, evaluation, and solution development.

The workshop, facilitated by Integrated Asset Planning Division of JKR, incorporated international best practices in engineering and value analysis, with support from Angkasa Consulting Services Sdn. Bhd. which provided vital engineering expertise and guidance.



WiW@PAAB Holds Second Engagement Session

24 July 2025 | The Majestic Hotel, Kuala Lumpur

Women in Water @ PAAB (WiW@PAAB) kept the momentum going with its second Engagement Series at the Majestic Hotel Kuala Lumpur.

CFO of Bank Simpanan Nasional (BSN), Norhafizah Md Shariff, shared her personal leadership journey in the banking industry and her experience heading women at BSN.

Drawing from years of expertise in finance, she offered valuable insights into overcoming challenges and emphasised the importance of determination, self-belief, and community support for women aspiring to grow in their careers.



15 women leaders from PAAB took part in the interactive session, which went beyond leadership talks to spark a shared belief in the power of women rising together.

Women Ignite Progress is more than a theme, it's a call to action inspiring real, lasting change.



Legal Pillars Empower Ethical Leadership

28 August 2025 | PAAB Head Office

The Legal & Compliance team hosted a compelling Legal Briefing Session titled “Corporate Leadership and Industrial Relations: Insights and Lessons for PAAB from Recent Cases.”

Our CEO, Ir. Zulkiflee Omar, actively participated in the session, highlighting the company’s unwavering commitment to fostering a top-down culture of legal awareness and responsibility. Along with him, 20 senior management members attended, reinforcing our dedication to understanding and addressing legal risks related to leadership and industrial relations.

The session was expertly led by Ms. Rajeswari Karupiah, a partner at the prestigious law firm Rosli Dahlan Saravana & Partnership. Drawing from her extensive legal expertise, she underscored the crucial role corporate leadership plays in shaping organisational culture and addressing complex industrial relations issues.



Ms. Rajeswari stressed that leadership with integrity is crucial, with corporate leaders needing to act in good faith and prioritise long-term interests of the company, stakeholders, and society.

She emphasised that leadership goes beyond profits, focusing on responsibility, ethical decision-making, and strong governance.

She also highlighted the importance of avoiding conflicts of interest, maintaining effective risk management, and ensuring compliance.

This session was a strong reminder that ethical leadership and good governance are key to the organisation’s strength, long-term growth, and future success.



New Faces Drive HSSE Accountability at PAAB

11 September 2025 | PAAB Head Office



The committee session, chaired by COO Ir. Abdul Samad Sulaiman, brought together Heads of Divisions under Operations, State Managers, and HSSE Department to reinforce collective responsibility for safe and compliant project environments.

PAAB Board Embraces Sustainability as Strategic Compass

7 October 2025 | The Westin Kuala Lumpur



PAAB hosted a Board-Level Sustainability Training titled Towards a Sustainable Water Services Industry.

The session brought together our Chairman, Dato' Seri Ir. Jaseni Maidinsa, representatives from the Board of Directors and senior management to reinforce sustainability, resilience, and good governance as core elements of leadership.

In his opening remarks, Dato' Seri Ir. Jaseni urged the Board to adopt sustainability as a strategic compass for addressing urgent climate challenges, including increasing flood and drought risks and shifting water quality patterns.

He emphasised that all projects must be designed with long-term climate resilience and financial integrity in mind, guided by PAAB's newly endorsed 5-Year Sustainability Roadmap.

The session included an in-depth training by CEO of JRC Communications, Joshua Rayan, to enhance the Board's understanding of sustainability trends, risks, and opportunities.

A presentation by Director General of NAHRIM, Dato' Ir. Mohd Zaki Mat Amin, highlighted climate change adaptation strategies and potential collaboration to develop climate-resilient water assets, supporting PAAB's ESG commitments.

PAAB Shares Expertise with Future Engineers at UTM

14 October 2025 | UTM Skudai Campus, Johor

Ir. Dr. Mohd Saufi Mohd Redzuan from Technical & Engineering Division was invited as an industry speaker at the 3rd Industry-Community Engagement Day (FKA ICE Day 2025), hosted by Faculty of Civil Engineering, Universiti Teknologi Malaysia (UTM) in Skudai Campus, Johor.

Addressing over 200 participants, including students, academics, professionals, and 13 industry partners, Ir. Dr. Mohd Saufi delivered an insightful presentation on the water treatment process, emphasising its crucial role in providing safe and clean water for all.

FKA ICE Day 2025 offered a vibrant platform for knowledge sharing, research exhibitions, guided lab tours, career interview sessions, and networking opportunities, fostering collaboration between academia and industry.

This engagement reflects PAAB's ongoing commitment to bridging industry and education, promoting innovation, and nurturing the next generation of water professionals.

PAAB extends its gratitude to UTM for hosting this impactful event.



PAAB Inspires Next Generation in Water Systems and Innovation

21 October 2025 | Universiti Malaya, Kuala Lumpur

PAAB engaged with 50 students from Quantity Surveying Programme at the Faculty of Built Environment, Universiti Malaya, offering them a glimpse into the inner workings of Malaysia's water infrastructure.

Represented by Head of Asset Management, Ts. Gs. Adam Budiman Khairuddin, the session explored the complexities of water supply systems, covering everything from raw water intake and treatment to storage and distribution to consumers.

Students were also introduced to PAAB's digital transformation efforts and sustainable asset management practices, highlighting the strategies that safeguard Malaysia's water security.

A key highlight was the discussion on cutting-edge technologies transforming the water sector. Ts. Gs. Adam showcased how BIM, Geographic Information System (GIS), and Augmented Reality (AR) are reshaping infrastructure planning, design,



and operational management, offering students a forward-looking perspective on modern water engineering.

The session provided valuable platform for future industry leaders to connect theory with real-world applications, while also emphasising the importance of innovation, sustainability, and digital competency in shaping Malaysia's water future.

PAAB expresses its sincere appreciation to Universiti Malaya for the invitation and the opportunity to equip the next generation of professionals with practical insights and inspiration.

PAAB Board Sets Benchmark In Governance

11 December 2025 | The Westin Kuala Lumpur

PAAB's Board of Directors completed a one-day Best Practice Governance for Government-Owned Boards training, organised by Human Resource & Administration Division to further strengthen governance capability.



Held at The Westin Kuala Lumpur, the session was attended by our Chairman Dato' Seri Ir. Jaseni Maidinsa and four (4) esteemed Board Directors.

It was conducted by Julie Garland-McLellan, a leading Australian governance expert recognised for advising government-linked and regulated organisations worldwide.

The training explored proven governance frameworks, real-world case studies from Malaysian GLCs, and regional corporate practices to enhance strategic decision-making.

It also addressed governance matters specific to PAAB, including the management of national water assets and long-term infrastructure.

Directors engaged in discussions on emerging topics, including AI governance, sharing insights and experiences to strengthen collective oversight.

The session equipped the Board with practical principles to guide PAAB with confidence, accountability, and forwardthinking leadership.



Asset Innovation Day Sparks Ideas for Future Practices

17 December 2025 | PAAB Head Office

Asset Management Department organised Asset Innovation Day 2025, an internal initiative aimed at fostering creative thinking, continuous improvement, and innovative practices in asset management.

Themed Innovate, Integrate, Inspire: For the Future of Asset Management, the session involved 16 staff members presenting innovative and future-focused ideas in a collaborative setting.

The session was assessed by an invited judging panel comprising Head of Technology &



Innovation, Chandra Sekaran Ramasamy; Project Coordinator, Ir. Ts. Gs. Adam Afiq Irwan; and Risk & Sustainability Management representative, Farah Qistina Abdullah.

Their perspectives provided valuable insights and constructive feedback throughout the presentations.

At the conclusion of this session, Tc. Muamar Shakir Shafuridin received the Best Idea Award, while Mohd Firdaus Mohamad Isa was named Best Presenter, recognising their outstanding contributions to the programme.



STAKEHOLDER ENGAGEMENT

Human Rights for Water

18 February 2025 | TAMU Hotel Kuala Lumpur

Our Legal Department hosted a workshop titled Human Rights for Water, bringing together 30 staff members to explore the essential principle that access to clean and safe water is a fundamental human right.

The event featured an insightful session by Ahmad Afiifi Ramli from the Human Rights Commission of Malaysia (SUHAKAM), who shared valuable perspectives on policy advocacy and corporate responsibility in ensuring water accessibility.

Discussions covered both global and local perspectives on water rights, the challenges surrounding water accessibility, and PAAB's vital role in water management.

Participants actively engaged in group exercises, interactive activities, and Q&A session, all of which enhanced their understanding of water-related issues and PAAB's strategies to address them.

The workshop concluded with positive feedback from participants, who appreciated the knowledge shared during the session.

They expressed their support for PAAB's ongoing mission to advance sustainable water management and human rights, ensuring that all Malaysians have access to clean and safe water.



PAAB Townhall 2025: Shaping the Future with Sustainability

19 February 2025 | Kuala Lumpur

PAAB concluded a highly engaging PAAB Townhall 2025 session, led by our CEO, Ir. Zulkiflee Omar, with the theme Sustainability.

The session was divided into three (3) segments. First, during The Recap, our CEO reflected on the achievements of 2024, recognising the contributions of both operational and non-operational teams.

Next, in The Future segment, exciting new initiatives were unveiled, including operational expansions, digital advancements, and leadership training opportunities, all aimed at empowering employees and fostering career growth.

The session concluded with a lively Q&A, where staff shared their ideas and concerns, which were thoughtfully addressed by the CEO, including feedback submitted through online platform prior to the event.

PAAB Townhall 2025 reaffirmed that sustainability is not just an idea but a collective action.

Through innovation, collaboration, and commitment, we are dedicated to building a brighter, more sustainable future for the company.

This is only the beginning, and as one united team, we are excited to turn our shared vision into reality.



PAAB and Prasarana Exchange Risk Management Insights

29 May 2025 | Prasarana HQ, Petaling Jaya

Our Risk and Sustainability Management Department held a knowledge-sharing session with Prasarana Malaysia Berhad, focusing on risk and business continuity management.

Led by Head of Department Kumaresan Muthusamy, the PAAB team was warmly welcomed by Head of Risk, Governance and

Compliance (RGC), Noraina Mustapha, at Prasarana's headquarters in Ara Damansara, Petaling Jaya, Selangor.

The session served as a valuable platform for both organisations to exchange ideas, share best practices, and explore ways to strengthen risk frameworks and governance standards through cross-industry collaboration.

As part of the visit, our delegation toured the Engineering Bays for the KLAV CapEx Project and the Operations Control Centre (OCC) for the Kelana Jaya LRT Line, gaining first-hand insights into the systems, coordination, and operational precision that power Prasarana's rail services.

The visit offered a deeper appreciation of the high

level of technical expertise and discipline required to deliver safe and seamless public transport to millions.

This engagement marks part of PAAB's broader efforts to benchmark against industry leaders and build organisational resilience. More cross-learning visits are planned in the months ahead as PAAB continues to advance its risk and sustainability strategies.



Farewell and Happy Retirement, Puan Zulhayati Yahya

11 June 2025 | Kuala Lumpur

Head of Human Resources and Administration Division, Zulhayati Yahya, officially concluded her distinguished career as Assistant General Manager on 31 March 2025.

Her retirement marked a bittersweet moment for PAAB, as we bid farewell, to a valued leader whose service spanned over 17 years.

Throughout her time with us, Zulhayati led the division with passion and integrity, spearheading a variety of innovative initiatives that enhanced employee development, benefits, growth opportunities, and administrative excellence.

To honour her remarkable contributions, PAAB hosted a heartfelt Farewell Luncheon as a gesture of appreciation and celebration.

Joining the occasion were our Chairman Dato' Seri Ir. Jaseni Maidinsa, CFO Zaleha Abdul Hamid, COO Ir. Abdul Samad Sulaiman, members of senior management team and her dedicated team from the Human Resources and Administration Division.

In his speech, Dato' Seri Ir. Jaseni expressed his deepest gratitude for Zulhayati's unwavering commitment and invaluable contributions to PAAB in managing people, praising her professionalism in creating career pathways, facilitating promotions,

and attracting top-tier talent to the organisation.

In her heartfelt remarks, Zulhayati thanked the senior management team for their continuous support over the years.

With humility, she reflected on her journey, acknowledging that while she may not have been perfect, she gave her all in driving the division forward and implementing meaningful changes.

Zulhayati began her journey with PAAB on 1 July 2008, and her legacy of leadership, empathy, and innovation will continue to inspire us for years to come.

We thank you, Zulhayati Yahya, for your outstanding service, and we wish you a joyful, fulfilling retirement.

Happy Retirement!



PAAB & MoF Discuss Financing Roadmap

17 June 2025 | PAAB HQ

PAAB held an engagement session with the Ministry of Finance (MoF), chaired by our CEO, Ir. Zulkiflee Omar, to discuss key financial and project related developments.

Also in attendance were CFO Zaleha Abdul Hamid and the Financial Project Management team. The meeting was joined by nine (9) representatives from the MoF, led by Undersecretary, Razali Othman from Strategic Investment Division (SID).

In his opening remarks, Ir. Zulkiflee addressed several financial and strategic matters involving PAAB and MoF, including the proposed revision of dividend payment structure and loan agreement process for a special financing project involving water operators.

He also highlighted the need to resolve outstanding issues related to the innovation of

additional loans for several migrated states.

Supporting this, the CFO provided a briefing on recent developments surrounding the Government - Guaranteed Sukuk programme.

This engagement marked an important step in fostering continued collaboration and ensuring alignment on critical financial matters.

The visit concluded with a tour of PAAB's newly refurbished headquarters and a luncheon were held in appreciation of the MoF for its continued and valued partnership to develop sustainable water infrastructure nationwide.



Inside the PAAB Board Retreat 2025

27 - 30 June 2025 | Penang

PAAB successfully held its inaugural Board Retreat 2025 in Penang, bringing together the Board of Directors and Management team for a focused four-day gathering.

We were honoured to have SPAN Commissioner Member, Dr. Chin Yoong Kheong open the session with timely insights into Malaysia's water services restructuring, reinforcing the national agenda we proudly support.



At the heart of the retreat was a full-day strategic workshop, which provided a platform for Board members and the Management team to engage in open dialogue, fostering alignment and idea-sharing toward positioning PAAB as a leading developer of sustainable and resilient water infrastructure.

Andrea Minelli facilitated the session, guiding productive and creative discussions as we set the tone to revisit PAAB's 10-Year Business Plan (2024-2033), renewed our commitment, evaluated our current position, and envisioned the path forward.

During the workshop, our Chairman, Dato' Seri Ir. Jaseni Maidinsa, reinforced our shared commitment to ensuring a sustainable and secure water future for the nation.

He outlined five strategic objectives that will guide our direction:

- 01 Sustainable financing for water supply infrastructure**
- 02 Sustain Treated Water Reserve Margin**
- 03 Reducing NRW**
- 04 Managing WTP residues**
- 05 Promoting industrial water recycling**

The retreat also offered delegates the opportunity to visit several strategic water assets managed by PBAPP, including Mengkuang Dam, Sg. Dua WTP, Air Itam Dam, and Waterfall WTP.

As we look ahead, Board Retreat 2025 reaffirmed our collective purpose, to lead with integrity, act with responsibility, and continue building a water services industry that is sustainable, innovative, and future-ready.

Promoting Transparency and Integrity in PAAB Procurement

18 December 2025 | Hotel Maya Kuala Lumpur

PAAB successfully conducted the *Taklimat Pengenalan Perolehan* as part of its ongoing vendor engagement initiatives, providing early insights for potential vendors participating in upcoming water infrastructure projects.

Organised by Vendor Development Section under Strategy and Transformation Office, the briefing was held at Hotel Maya Kuala Lumpur, in collaboration with teams from Tender Secretariat, Tender Evaluation, IGD and HSSE.

The session provided an overview of PAAB's

procurement framework, covering tender eligibility requirements, evaluation processes and procedures.

It also aimed to strengthen vendors' understanding of our procurement practices to ensure a transparent and competitive tendering environment.

In addition, emphasis was placed on PAAB's Anti-Bribery Policy, Anti-Bribery Management System and HSSE requirements, reinforcing the organisation's zero-tolerance stance towards bribery and its commitment to ethical business conduct.

An interactive discussion and Q&A session further enhanced participants' understanding, reflecting PAAB's continued commitment to transparency, integrity and best practices in procurement.



Fostering Inter-Agency Synergy in Asset and Land Management: Focus Group Discussion (FGD) between PAAB and Tenaga Nasional Berhad (TNB)

On 10 December 2025, Pengurusan Aset Air Berhad (PAAB) held a FGD with TNB at Hotel Perdana KLCC to address land and asset management issues involving overlapping sites between water supply system sites and electrical substations. The session facilitated constructive dialogue on operational challenges, technical considerations, and coordination opportunities. The engagement strengthened inter-agency collaboration and reaffirmed both organisations commitment to integrated and effective infrastructure and asset management.



United Nations - Habitat Boosts Sustainable Water Initiatives with PAAB

15 July 2025 | PAAB Head Office



PAAB welcomed visitors from the United Nations Human Settlements Programme team, Riccardo Zennaro from the UN Environment Programme in Kenya and Sarifah Yaacob from UN-Habitat Malaysia. Riccardo shared some of UN-Habitat's key focus areas, such as wastewater treatment, capacity building, and supporting the Sustainable Development Goals.

A Step Forward in Penang Water Services Restructuring

14 August 2025 | Penang

PAAB successfully conducted a productive engagement session with *Bahagian Kawal Selia Air* (BKSA) of the Penang State Government, focusing on the coordination and progress of the Water Services Restructuring Agreement for Penang.



Representing PAAB during the session were Senior Management members, Head of the Corporate Services Division, Rozaifee Abu Zaharim and Head of the Asset and Land Management Division, Ts. Mohamad Mohamad Nor alongside team members from the Land & Asset Management Division and the Legal Department.

Ahead of the formal session, PAAB had the opportunity to engage in a constructive discussion with Pengarah Tanah dan Galian Pulau Pinang, Dato' Dr. Faizal Kamarudin. This preliminary discussion set the stage for more focused deliberations during the main session.

The session with BKSA, chaired by their Division Secretary, Najwa Juani Azmi, concentrated on critical aspects of asset and land ownership, particularly with respect to the transition of Penang's Migration Plan.

The meeting was further enriched by active participation from various stakeholders, including representatives from *Bahagian Perancang Ekonomi Negeri* (BPEN), *Pejabat Tanah & Galian* (PTG) Pulau Pinang, PBAPP, and other relevant State agencies.

The discussions revolved around alignment of land ownership status between the State Government and PAAB, ensuring a smooth transition that is in line with the long-term objectives of the restructuring plan.



PAAB Forges Ties with Taiwan's ITRI

10 September 2025 | PAAB Head Office

COO Ir. Abdul Samad Sulaiman hosted delegates from Taiwan's Industrial Technology Research Institute and MWA at PAAB's Head Office, for discussions on knowledge-sharing and collaboration in future-ready water management. The meeting strengthened Malaysia-Taiwan cooperation in smart, sustainable, and technology-driven water infrastructure.



Stronger Partnerships with PTG Negeri Sembilan for Faster Land Processes

6 October 2025 | Seremban, Negeri Sembilan

To speed up water supply projects in Negeri Sembilan, our COO, Ir. Abdul Samad Sulaiman, met with the State's Pengarah Tanah dan Galian, Mohd Faizal Abdul Manap, and other senior officials from Pejabat Tanah dan Galian (PTG) of Negeri Sembilan.

The session aimed to simplify land lease procedures and strengthen collaboration between the PTG, District Land Offices, and SAINS.

Also attending were SAINS CEO Dato' Mohd Yazid Ahmad, district officers, and our senior management, including Ts. Mohamad Mohamad Nor, Rozaiffee Abu Zaharim, and Zolkarnain Aman.

Discussions focused on following state land regulations while making the process more efficient, transparent, and consistent for water projects.

Several outstanding land-related issues were also resolved during the session, helping projects move forward more smoothly.

The engagement reinforced PAAB's commitment to delivering safe, reliable, and sustainable water infrastructure in Negeri Sembilan, while strengthening partnerships with government and utility stakeholders.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

PAAB Shares Ramadan Blessings with Kampung Parit Haji Bajuri Community

13 March 2025 | Batu Pahat, Johor

In conjunction with Ramadan, PAAB participated in Santuni MADANI initiative, to share kindness and care with the community in Kampung Parit Haji Bajuri, Batu Pahat, Johor.

The day began with the cooking and distribution of *bubur lambuk*, organised by Sekolah Agama Gambut, one (1) of the schools supported under this programme.

PAAB volunteers and school representatives worked side by side to cook two (2) large pots of *bubur lambuk*.

Nearly 1,000 packs were prepared and delivered to nearby mosques, *surau*, and health clinics, spreading kindness and warmth to many during Ramadan.

After the *bubur lambuk* cooking session, PAAB hosted a simple yet meaningful iftar gathering, brought together more than 100 people including students, parents, and community leaders.



Among those present were our CEO Ir. Zulkiflee Omar together with Head of Corporate Services Rozaifee Abu Zaharim. They were welcomed by *Guru Besar* of Sekolah Agama Gambut, Nor Hayati Sukardis, and Kampung Gambut community leader, Sharif Ahmad.

Leading up to the iftar, 50 students gathered for a vibrant *Majlis Selawat and Qasidah* session. The students joined in rhythmic *selawat* recitations, listened to inspiring stories about Prophet Muhammad SAW and his companions, and participated in interactive activities focused on the importance of water conservation in their daily lives.

PAAB also extended *Prihatin* contributions to 10 underprivileged students, and presented donations to local schools and the mosque to support their Ramadan activities.

The evening ended with a warm *Majlis Berbuka Puasa*, where everyone gathered to break their fast and share a meal in the true spirit of Ramadan.

Ir. Zulkiflee and En. Rozaifee Abu Zaharim added a personal touch by giving out *duit raya* to the children, spreading smiles and happiness all around.

This event shows PAAB's continued efforts to stay close to the community, and share the values of #PAAB *Prihatin* and especially during Ramadan.



PAAB Installs New Water Tank Benefiting 500 Residents in Kuala Krai

29 September 2025 | Kampung Lubok Simpul, Kuala Krai, Kelantan

As part of the Santuni MADANI CSR initiative, our Chairman, Dato' Seri Ir. Jaseni Maidinsa, led the first community engagement at Kampung Lubok Simpul, Kuala Krai, Kelantan.

During the Majlis Ramah Mesra Santuni MADANI, Dato' Seri Ir. Jaseni launched a new 4,500-litre water tank installed in July 2025, to provide an alternative water source benefitting 500 residents in the village.

Kampung Lubok Simpul was selected after recognising that residents often face water supply disruptions due to low pressure and ageing infrastructure, as the village is located at the end of the pipeline.

Therefore, the new HDPE water tank serves as a central access point to clean water, particularly during shutdowns at the Pahi WTP.

In addition, pipe replacement projects in Kuala Krai, covering the township and Damar, have improved water pressure in the village.

These efforts form part of a broader infrastructure upgrade across Kota Bharu Timur, Machang, and Tanah Merah, replacing 23.2 km of old asbestos cement pipes at a total cost of RM23.67 million.

The event was also attended by our COO Ir. Abdul Samad Sulaiman, community leader *Tuan* Mohd Khairul Anuar Mohd Nor, and 50 local residents, whose support continues to inspire PAAB's commitment to sustainable water infrastructure.



PAAB Brings Sustainability through Awareness Campaign

20 November 2025 | Batu Pahat, Johor

The Santuni MADANI CSR initiative reached a spectacular grand finale at Kampung Haji Bajuri in Batu Pahat, Johor, marking the culmination of 12 months of engagement with the local community and schools.

As part of its long-term commitment to sustainability and improved water infrastructure, PAAB allocated RM100,000 this year for upgrades at SK Gambut and Sekolah Agama Gambut.

The projects include replacing decades-old water pipes, installing water-saving devices, and enhancing water-pressure performance, all of which are expected to reduce wastage, lower utility bills, and improve reliability.

Students also received rainwater harvesting systems (SPAH) and recycling-bin sets, encouraging practical learning and greater environmental awareness.

PAAB further joined hands with SK Gambut and local community for a fun-filled and educational awareness campaign as part of *Karnival Keusahawanan Bersama* Pengurusan Aset Air Berhad.

Throughout the event, our CEO Ir. Zulkiflee Omar, Head of Corporate Services Division, Rozaiffee Abu Zaharim together with PAAB's volunteers actively engaged with participants and volunteers, ensuring the programme combined learning with fun activities.



The event transformed the school grounds into a vibrant carnival of learning, discovery, and community spirit, attracting more than 500 participants.

Participants enjoyed interactive exhibitions, educational talks, and hands-on activities from a wide range of government agencies and private organisations.

Highlights of the event included SWCorp's recycling awareness session, MGTC's water and energy efficiency workshop, Ranhill SAJ's water-saving demonstration, AADK's drug-prevention education, and SWM's drive-through recycling station.



The excitement continued with community-engagement experiences provided by volunteers and venture partners, including JBPM's Escape-Room challenge and fire truck exhibition, PDRM's Amanita campaign and Mobile Police Station, as well as interactive activities from MAINJ, Tekun Nasional, Putra Medical Specialist, and APM.

PAAB also extends its sincere thanks to all partner agencies, volunteers, and community members whose invaluable support made this initiative a resounding success.

PAAB SPORTS AND RECREATION

RC 2025/2026 Kicked Off The Year

9 January 2025 | PAAB HQ

The PAAB Sports Club (RC) 2025/2026 kicked off the year with an opening event attended by all PAAB employees.

The New President, Mohd Jasri Basrah expressed gratitude for management's support and emphasised the importance of employee participation.



RC Spikes into Action at PETRA Volleyball Championship

31 May 2025 | INSPEN, Kajang, Selangor

PAAB proudly took part in the *Kejohanan Bola Tampar Sukan PETRA (SUTRA) 2025*, hosted by Jabatan Bekalan Air (JBA) and Jabatan Perkhidmatan Pembetungan (JPP).

Held at INSPEN Kajang, the tournament was officiated by none other than the Secretary General of PETRA, Dato' Mad Zaidi Mohd Karli, who didn't just attend, he spiked his way into the game as part of Team PETRA's starting lineup.

Nine (9) spirited teams from across the Ministry came together to compete, including PAAB, JPS, ST, JBA, JPP, SEDA, IWK, TNB, and PETRA.

The finals saw TNB clinch the championship title, followed by PETRA as runners-up, JPS in third, and JPP taking fourth.

But for PAAB, the event was about more than just medals, it was a celebration of camaraderie, resilience, and unity.

Events like SUTRA 2025 go far beyond the scoreboard, they uplift spirits, strengthen bonds,

and contribute to a healthier, more connected workplace culture.

Well done to all players, organisers, and supporters, here's to many more inspiring matches to come!



Supports Young Talent at Geofiesta 2025

17 June 2025 | UKM, Bangi, Selangor

PAAB proudly participated in the Geofiesta Anti-Collapse Geostucture Competition 2025, with our very own Ir. Mohd Saufi Mohd Redzuan from Design Management & Technical team serving as one of the professional judges.

The event, held at Universiti Kebangsaan Malaysia (UKM), Bangi, brought together undergraduate and postgraduate teams from local and international universities, including UKM, UPM, UniKL, USM, and Universitas Islam Riau.

The competition challenged teams to build stable retaining wall models capable of withstanding earthquake forces with minimal deflection.

Each team completed three (3) stages, from building the wall with basic materials, to backfilling with soil and water, and finally, undergoing a one (1) minute shake test.

UTM took first place, followed by UPM and UM, with all winners earning cash prizes and invitations to the Geofiesta International Conference 2025.



The judging panel was chaired by Assoc. Prof. Ts. Dr. Siti Aminah from UKM, alongside Ir. Dr. Noor Azim Mohd Radzi (UKM), Ir. Dr. Mohd Syazwan Md Rahim (Orsted Malaysia), and Ir. Mohd Saufi.

The competition helped students strengthen their knowledge of geotechnical engineering while building skills in teamwork, critical thinking, and innovation.



Pickleball Sparks Stronger Connections with Air Selangor

23 September 2025 | Kuala Lumpur

The Finance Division stepped beyond formal meetings and daily routines by organising a friendly pickleball match with Air Selangor at Pickle Depot, Sentul West, Kuala Lumpur, aimed at building stronger partnerships.

CFO Zaleha Abdul Hamid, together with the Finance Division team, joined all 30 participants, including Head of Section Strategy & Business Planning of Air Selangor, Maimal Faiz and his team.

Both teams displayed energy and skill throughout the match, with fast-paced rallies and exciting plays highlighting teamwork and friendly competition.

The evening concluded with light refreshments and networking, providing an opportunity to strengthen professional relationships in a relaxed setting.



PAAB Smashes at SUTRA 2025 Badminton Championship

27 September 2025 | Uptown Sports Bangi, Selangor

RC2025/2026 proudly participated in the Badminton Championship of *Sukan PETRA* (SUTRA) 2025, held at Uptown Sports Bangi.

Organised by PETRA, the event brought together participants from 11 agencies under the Ministry.

Our contingent comprised 20 players, competing across multiple categories, including Men's Doubles, Women's Doubles, Mixed Doubles, VIP, and Veteran.

Throughout this tournament, PAAB team demonstrated team spirit, sportsmanship, and determination, showcasing their sporting talent while promoting a healthy lifestyle and strengthening connections among the agencies.

A heartfelt thank you to all players who proudly represented PAAB with enthusiasm and pride!



PAAB Steps Up at HSN PETRA 2025

25 October 2025 | Cyberjaya

PAAB made its presence felt at *Hari Sukan Negara (HSN) PETRA 2025*, fielding a spirited contingent of 53 athletes who competed with grit, passion, and true team pride.

The event, held at Dewan Serbaguna JPS, Cyberjaya, was officiated by Deputy Minister YB Tuan Akmal Nasrullah Mohd Nasir, setting the stage for a high-energy showdown among PETRA agencies.

PAAB went all out across seven (7) sporting disciplines, keeping the momentum strong from start to finish.

The highlight came in Street Soccer, where our team powered their way to a Silver medal, whilst for Carrom, PAAB advanced confidently into Quarter Finals, showcasing both skill and strategy.

Capping off an impressive outing, PAAB secured 7th place overall out of 12 agencies, a significant leap from last year and a proud milestone for the team's growing sporting legacy.



Competitions spanned a wide range of events, including Football, Golf, Futsal, Badminton, Volleyball, Netball, Bowling, and Paintball earlier in the year, with HSN PETRA featuring Street Soccer, FIFA 25 E-Sports, 3-on-3 Netball, Carrom, Darts, Ping Pong, Chess, and Pickleball.

More than medals and rankings, the games were a celebration of team spirit, resilience, and camaraderie.

PAAB's athletes brought heart, energy, and determination to every match, proof that the winning mindset extends far beyond the scoreboard.



Well done, Team PAAB!

09

**NEWS ARTICLES
AND HIGHLIGHTS**

PAAB's role in funding development and maintenance of water infrastructure

BY INTAN FARNANA ZAINUL

The constant flow of water from our taps is often taken for granted. But beneath the surface, a lot has changed over the past 20 years to ensure the sustainability of the country's water assets.

At the heart of this transformation is Pengurusan Aset Air Bhd (PAAB), an entity under the Minister of Finance Inc, set up solely to finance and develop the water infrastructure in Peninsular Malaysia and Labuan.

Established in May 2006 following the enactment of the Water Services Industry Act 2006 (WSIA), PAAB has quietly become the cornerstone of Peninsular Malaysia's water security, steering a multi-billion ringgit overhaul of the water infrastructure to ensure the sustainability of the water operators and assets.

In an exclusive interview with *The Edge*, PAAB CEO Zulkiflee Omar says the firm's main role is to provide water operators with the "most economical and sustainable" funding.

"For tariffs and regulation, the National Water Services Commission (SPAN) is the regulator of the water industry. At PAAB, our role is to provide the most competitive funding compared to any financial institution. So far, since the establishment of PAAB, there is no other financial institution that can beat PAAB."

"The funds that we provide are meant to construct water assets that include refurbishment, improvement, upgrading, maintenance and repair. It's not only building a new one (asset)," he says.

Zulkiflee adds that PAAB's financing stretches over a period of 45 years through lease agreements with water operators. "This is because water assets can last more than 50 years, and it is more sustainable for water operators as the fees are lower and ease their burden. By the end of the tenure, we will return the asset ownership to the water operators."

Fragmented sector

Prior to PAAB's inception in May 2006 the country's water management was fragmented, with each state having different approaches to water management.

Particularly in Selangor, before the restructuring and consolidation of the water services industry, the state governments entered into a build-operate-transfer (BOT) mechanism with private-sector players to invest in and operate water treatment and distribution, which resulted in a fragmented industry. It often resulted in varying degrees of quality of water supply and services in each state, with many facing financial constraints to undertake crucial water projects. Because of high operating costs, private concessionaires required commensurate tariffs to cover their cost and make profit.

In Selangor, the state government did not always allow water tariffs to be increased at the risk of raising the ire of consumers. This re-

sulted in underinvestment in the water sector, leading to several state-wide water disruptions.

As a result, both the state and federal governments agreed to renationalise the water sector through WSIA, making water management the shared responsibility of the two levels of government.

The Act encapsulates the objectives of the water sector reforms of the mid-2000s, the primary aim being to ensure the sustainability of the country's water infrastructure. The government realised that there were funding gaps in the water industry, and that the situation was no longer sustainable — they needed financial means to maintain and upgrade their water infrastructure.

"Previously, the water industry was under the state government, so the federal government didn't get involved. As such, there were no (standardised) KPIs, quality was inconsistent, and the requirements of specification and standards were not the same."

"At that time, when the state government wanted to do water-related projects, they (water operators) didn't have the money, so they had to take out loans to build water assets worth billions of ringgit, and they couldn't pay [the debt]," says Zulkiflee.

Uphill transformation journey

Nevertheless, for water operators to tap into the PAAB scheme, they have to transfer some of their assets, especially the ones with outstanding federal loans, to PAAB. It has not been a smooth transition. It took almost 15 years for PAAB to get all the state operators — except for Terengganu's — to migrate their water supply assets. The first state that



Zulkiflee: For a country to develop, two things are very important — electricity and water. Without [a sustainable and reliable supply of] these resources, a country cannot develop.

migrated its water assets was Negeri Sembilan, with Kedah being the latest in 2021.

Meanwhile for Selangor, the state and the federal government had been on opposing sides from the 12th General Election in 2008 until GE14, which contributed to the delay in the restructuring of the state's water infrastructure. One can relate to the challenges PAAB faced during the long-drawn-out saga between Selangor and the federal government involving the consolidation of

four water concessionaires — Puncak Niaga Holdings Bhd, Konsortium Abbas Sdn Bhd, Syarikat Bekalan Air Selangor Sdn Bhd (Syabas) and Syarikat Pengeluar Air Selangor Holdings Bhd (Splash).

Pengurusan Air Selangor Sdn Bhd was eventually formed and in 2015, it signed an agreement with PAAB, with the latter releasing up to RM2 billion to the former. According to PAAB's annual report, Air Selangor migrated RM10.5 billion worth of assets to PAAB.

Zulkiflee says the migration of water assets to PAAB reduces the water operators' debt burden as the agency assumes their loans. In return, the state water operators lease the assets from PAAB. However, not all water assets were transferred to PAAB. In addition, the agency is not involved in water catchment as water resources are tied to the land, which falls under the purview of the respective state governments.

With PAAB taking over the water assets, the states' water operators then lease the assets from it.

Zulkiflee says PAAB only took over the assets that are still indebted and restructured the repayment over 45 years. "Only some assets were migrated to PAAB, and each state has a different agreement and asset migration size. We then lease the assets to the state water operator for 45 years. We don't give loans."

PAAB owns only 30.5% of the water infrastructure and 25.6% of the water pipelines across Peninsular Malaysia and Labuan.

When asked about Terengganu's migration to PAAB, Zulkiflee says, "The reasons for non-migration often vary, with financial independence being a key factor. For Terengganu, the state may have a strong financial position to finance its water infrastructure and operate independently."

In May 2022, Terengganu Menteri Besar Datuk Seri Ahmad Samsuri Mokhtar said the state's decision to not sign the Water Services Industry Restructuring Agreement was final.

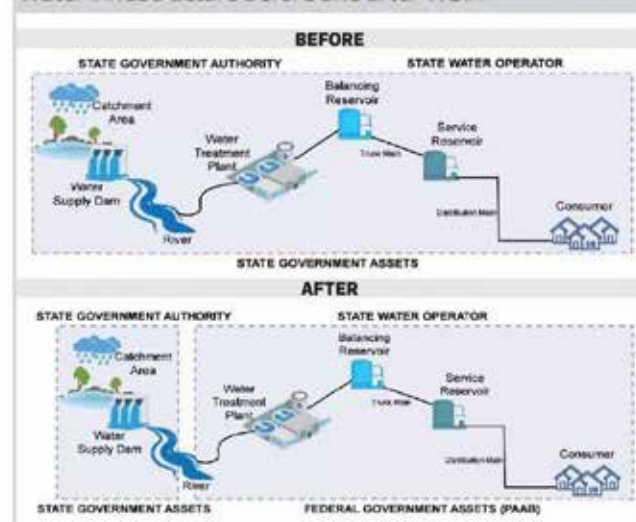
RM18 billion projects in the pipeline

As at Dec 31, 2023, PAAB had total assets of RM33.3 billion compared with RM9.98 billion in 2013, following the migration of assets from Selangor, Kelantan, Kedah and Pahang. In 2023, PAAB said its lease income of RM1.1 billion resulted in a return on assets of 3.2%.

The lease income is used to service the debts assumed by PAAB, as well as new debts raised to fund the capital expenditure (capex) for water assets and new asset development.

Since the migration, some states have seen improvement in their water reserve margins. For instance, Selangor, which had a reserve margin of 0% in 2019, saw the figure jump to 13.4% in 2023. This could be due to the ongoing Langat 2 Phase 1 (L2P1) water treatment plant project worth RM4.3 billion that has the capability to deliver 1,130 million litres per day (MLD) of treated water to 440,000 consumers.

Water infrastructure before and after WSIA



Timeline of states' water operator migration to PAAB



*The migration year given refers to the year of the signing of the master agreement

PAAB'S Role in Funding Development and Maintenance of Water Infrastructure

Publication: The Edge

Date : 14 April 2025

PAAB Seru Kontraktor Patuhi Aspek Keselamatan

Publication: Sinar Harian
Date: 25 June 2025

PAAB seru kontraktor patuhi aspek keselamatan

KUALA LUMPUR - Pengurusan Asest Air Berhad (PAAB) komited untuk memastikan pembangunan projek bermilai RM2.4 bilion di seluruh negara dilaksanakan selari dengan garis panduan keselamatan.

Ketika Pegawai Eksekutif PAAB, i.e. Zulkiflee Omar berkata, PAAB mahu memastikan semua kontraktor serta perunding di tapak projek mematuhi prosedur operasi standard (SOP) yang ketat.

Ketanya, Jabatan Kesihatan, Keselamatan, Sekuriti dan Alam Sekitar (HSSE) PAAB turut memainkan peranan penting dalam memastikan pelaksanaan projek selari dengan garis panduan Jabatan Keselamatan dan Kesihatan Pekerjaan (DOSH), termasuk Palan Tindak Balas Kecemasan (ERP) dan langkah Pencegahan Bahaya (HARPC).

"Sebarang kelewatan akibat insiden dan isu keselamatan boleh menjejaskan tempoh siap projek dan akhirnya memberi kesan kepada naik taraf infrastruktur air ini," ujarnya selepas majlis pelancaran Safety and Sustainability Day 2025 anjuran PAAB di Pullman Kuala Lumpur City Centre di ibu negara pada Selasa.

Menurut beliau, PAAB tetap menitik beratkan amalan kepada prinsip budaya sifar kemalangan sebagai teras operasi terutama di kawasan pembinaan demi manfaat rakyat dan kelestarian masa hadapan.

Projek projek itu melibatkan negeri Kelantan, Johor, Negeri Sembilan, Selangor, Melaka dan Pahang yang sebahagiannya merupakan negeri yang merandatangani Perjanjian Perstrukturian Semula Industri Perkhidmatan Air Negara.

Projek terbabit meliputi pembinaan serta naik taraf loji rawatan air (LRA) baharu selain inisiatif penggantian paip usut berskala besar yang dibayari menerusi terbitan sukuk oleh PAAB.

Antara projek utama sedang dilaksanakan termasuk Fasa 2 Loji Rawatan Air Layang 2 di Johor dengan kapasiti 160 juta liter sehari (MLD), Loji Rawatan Air Tok Dal di Kelantan dengan kapasiti 50 MLD, serta kerja-kerja penggantian paip sepanjang 65.9 kilometer di Johor, Kelantan dan Pahang.

Zulkiflee berkata, skala, komuniti dan kepentingan projek ini menuntut komitmen tinggi dalam memastikan pelaksanaan yang selamat, lancar dan menepati masa.

PAAB, yang ditubuhkan pada Mei 2006 melalui Akta Industri Perkhidmatan Air 2006, berpegang kepada Kerangka Persekituan Monevitasika n Perstrukturian Semula Industri Perkhidmatan Air Negara.

Gyarakat ini bertanggungjawab membangunkan aset air di Semenanjung Malaysia dengan akses kepada kakar pembiayaan yang paling kompetitif.

Sebarang kelewatan akibat insiden dan isu keselamatan boleh menjejaskan tempoh siap projek dan akhirnya memberi kesan kepada komuniti yang bergantung kepada projek naik taraf infrastruktur air ini."

- Zulkiflee Omar



Water, Energy Resources Anchor M'sia as Tech Hub: PM

Publication: The Sun
Date: 21 August 2025

Water, energy resources anchor M'sia as tech hub: PM

Malaysia has consistently guaranteed access to basic utilities, with targeted assistance such as free supply for low-income households'

Anwar added that Langat 2 is not only a technical milestone but also a commitment to ensuring reliable and affordable supply for households and industries.

Deputy Prime Minister and Energy Transition and Water Transformation Minister Datuk Seri Fadhliah Yusoff said Malaysia's water supply coverage reached 97% last year, with a "variable" reserve margin of 14.5% in Peninsular Malaysia and Labuan.

He said the sector still faces challenges. He added that there is a need to improve access to treated water, boost reserve margins in some states, tackle problems of non-revenue water (NRW), ageing infrastructure and the financial unsustainability of some operators.

Fadhliah said through the Water Sector Transformation Roadmap 2040, measures under the T1MP would be prioritised, including the Critical Pipe Replacement Programme, holistic NRW solutions and rebates for operators who meet reduction targets.

He said these efforts are expected to lower NRW levels to 20.8% by 2030.

"I believe these initiatives will significantly strengthen water services, helping consumers face future challenges while securing long-term needs."

The Langat 2 Water Treatment Plant, built by Pengurusan Asest Air Berhad for Air Selangor, is Malaysia's second largest water facility.

With a capacity of 1,130 million litres per day, it now supplies treated water to Selangor, Kuala Lumpur and Putrajaya, directly benefiting about 280,000 consumer accounts.

"This project showcases our engineering and technical expertise in mastering modern technology."

"Although certain components were impacted, the management and maintenance have been successfully handled by Malaysians themselves. This is a proud achievement."

Anwar acknowledged Malaysia's "water paradox" - there are floods several times a year yet shortages in some areas.

"In a country where water overflows and floods two or three times annually, it is unthinkable that we still suffer from shortages. This reflects weaknesses in management."

He cited Jordan, which conserves and distributes water effectively despite minimal rainfall, and urged Malaysians to adopt both modern technology and sustainable practices, including reducing wastage in daily routines such as bathing.

He stressed that water management would be prioritised under the 13th Malaysia Plan (13MP) as part of strengthening economic resilience.

"Malaysia cannot bring about meaningful change without economic strength. Thus, strength depends on resilience, energy sufficiency and the capacity of domestic industries to drive growth."



Anwar, accompanied by Fadhliah, at the opening of the Langat 2 Water Treatment Plant in Hulu Langat yesterday. - ADAM AMIR HAMZAH/THESUN

Keupayaan Malaysia Bekal Air, Tenaga Tarik Pelabur Asing

Publication: Utusan Malaysia

Date: 21 August 2025

Keupayaan Malaysia bekal air, tenaga tarik pelabur asing

Oleh MUHAMMAD HAFIZ YUSOFF BAKRI

KUALA LANGAT: Malaysia mampu menarik lebih banyak pelabur asing dalam pelbagai sektor termasuk semikonduktor, pusat data dan kecerdasan buatan (AI) ke negara ini dengan kemampuan membekalkan sumber air dan tenaga mencukupi.

Perdana Menteri Datuk Seri Anwar Ibrahim berkata, selain itu kemampuan dalam menyediakan sumber tenaga dan air meminati teknologi canggih serta moden antara faktor yang turut menjadi keutamaan pelabur asing.

"Antara faktor Malaysia jadi tarikan pelabur, dengan (pelaburan membangun) pusat data, kecerdasan buatan (AI) dan teknologi baru termasuk semikonduktor ini ialah kemampuan air dan tenaga."

"Ini kemudahan sangat strategik kerana ia yang menyebabkan kalau mereka (mahu melabur, yang ditanya ialah) air dan tenaga. Bagi kita, soal air dan tenaga bukan saja dapat disediakan, tapi dengan harga yang murah," katanya pada Majlis Perasmian Loji Rawatan Air (LRA) Langkat 2 semalam. Turut hadir Timbalan Perdana Menteri dan Menteri Perumahan Negara dan Transformasi Air, Datuk Seri Fadillah Yusoff dan Pengerusi Pengurusan Asean Air Berhad (PAAAB), Datuk Seri Ir. Jasmi Maidina.

LRA Langkat 2 dibina bagi menampung permintaan tinggi



ANWAR Ibrahim pada majlis perasmian Loji Rawatan Air Langkat 2, semalam. Turut kelihatan Fadillah Yusoff (dua dari kiri) dan Jasmi Maidina (kanan). - UTUSAN/SHOGUOON ZON

bekalan air terawal di Selangor, Kuala Lumpur dan Putrajaya berikutan pertambahan jumlah penduduk dan pembangunan industri yang pesat. Infrastruktur air yang dibangunkan oleh Pengurusan Asean Air Berhad (PAAAB) ini memiliki kapasiti berjumlah 1,130 juta liter sehari (RLH) melibatkan penyediaan air mentah dari Empangan Karau mematuhi Maklul Sungai Semantan di Negeri Pahang ke LRA Langkat 2 di Daerah Hulu Langat.

Pemindahan air mentah tersebut dilakukan melalui tunneling dengan pusat 5-2 meter dan 44.4 kilometer (km) panjang meminati Banjaran Titiwangsa.

Bajet paip pemindahan air

teramat menjepit dengan dak kender utama satu kilometer (km) sehingga ke kawasan Ampang dan A03 Keramat serta Kender Basat merentasi Hulu Langat, Cheras dan Sungai Besi sehingga ke Bukit Jalil, Petaling, Bandar Kinross dan Bukit Dengkil.

"Tidak mungkin projek ini dapat dijalankan melainkan ada golongan profesional yang terlatih dan kita sudah berikan ini permodalan yang sangat membanggakan."

"Saya hadir hari ini untuk memberi sokongan dan peti-

ngaran kerana kita tahu ini projek raksasa yang meminati usaha kerja berprestasi tinggi dan teknologi canggih," katanya.

Ditambah pada itu, Anwar berkata, industri air negara masih berdepan cabaran termasuk dalam soal pemindahan ke arah penggunaannya selain itu Program Air Tidak Terhasil (NRT) yang masih belum dapat ditangani sepenuhnya.

"Malah bagi kita hadapi cabaran keperluan air di negara kita yang terikat dengan pem-
bitaran, cara pengurusan air dan keberkesanan tenaga sistem saluran lama menyebabkan pembaruan NRT hingga jadi masalah besar," katanya.

Our Vast Water, Energy Resources a Major Draw, Says Anwar

Publication: The Star

Date: 21 August 2025

Our vast water, energy resources a major draw, says Anwar

By ALLISON LAI

KUALA LANGAT: Malaysia's vast water and energy resources are key to its appeal as a prime destination for foreign investment, Prime Minister Anwar Ibrahim said today, highlighting the need to replace old water pipes, particularly in the Klang Valley, and to ensure water security.

"We still face challenges with water security and standard infrastructure. But projects like the Langkat 2 show we are on the right path," he said.

Both in the Klang Valley and at a cost of RM2.2 billion, the WTP is fed by raw water transfer from the Klang River in Teluk through a 44.4km tunnel across the Titiwangsa Range for the benefit of nearly 800,000 consumer accounts.

The supply coverage includes any urban and suburban areas within the northern corridor (Klang, KL, Seremban, Kajang, Teluk Anson, and Seremban) and the Klang Valley, including the Klang Valley, Seremban, and Teluk Anson.

"This is not just a pipe, it is a symbol of our commitment to sustainable development and a resilient water management."

"By ensuring we have water security, the comfort and water, Langkat 2 ensures a stable and



Landmark project: Anwar launching the Langkat 2 water treatment plant. Looking on are (from left) Mat Zaki, Fadillah Yusoff, Jasmi and Anwar. - LOW BOON TAT/The Star

efficient water supply, crucial for our continued economic growth and industrial development of the area," Anwar added.

During his speech, Fadillah announced that his ministry will concentrate on reducing leaks, as outlined in the 13th Malaysia Plan (13MP).

"Through the Critical Pipe Replacement Programme, we are engineering a comprehensive solution to tackle NRW across Malaysia. Our goal is to significantly reduce water wastage and improve efficiency," he said.

"We will incentives, such as offering water operators who successfully meet NRW targets to identified state."

"The ministry's initiative also lowers the NRW rate to 28.8% by

2030," he said.

In his speech, Jasmi said that the Langkat 2 project has made significant progress after years of planning and implementation, which included land acquisition, managing modern residential, and transportation, all of which are now complete.

"The success of Langkat 2 is a joint effort and outcome from various stakeholders, such as the Federal Government, the Selangor state government, the Pahang state government, the Kelantan state government, the National Water Services Commission (NWSC), and PAAAB."

"This reflects a strong water governance commitment in this era," he said.

Jasmi pointed out that the plant uses advanced technologies like a

granular activated carbon system to handle filtering and real-time monitoring of operations through a supervisory control and data acquisition system.

These innovations underscore Malaysia's push towards adopting modern technology in public utilities," he said.

He added that environmentally friendly features of Langkat 2 include the water inlet and new discharge system.

"The use of a 1.5km conveyor pipe system for water disposal reduces both road safety risks and carbon emissions," said Jasmi, adding that PAAAB also received recognition from the Malaysia Risk of Business for water engineering: Best during the construction of Langkat 2.

PAAB Tamatkan Isu Air Lubok Simpul

Publication: Sinar Harian

Date: 29 September 2025

PAAB tamatkan isu air Lubok Simpul

Sumbang tangki 4,500 liter selain penggantian paip lama

Oleh ADILA SHAHRINI WAHID KUNIA KIRAI

Lebih 600 penduduk Kampung Lubok Simpul di sini, akhirnya merasai nikmat bekalan air bersih yang lebih stabil selepas masalah gangguan berlanjutan lebih 30 tahun diselesaikan melalui pembaruan tangki air baharu berkapasiti 4,500 liter oleh Pengurusan Asean Air Berhad (PAAAB).

Pengerusi PAAAB, Datuk Seri Ir. Jasmi Maidina berkata, Kampung Lubok Simpul dipilih sebagai kampung angkat selepas kajian mendapati penduduk sering berdepan

gangguan bekalan air berikutan akibat bekalan rendah dan keadaan tangki lama yang usang. Justeru, PAAAB mengambil langkah membara sebuah tangki air baharu jenis polietilena ketumpatan tinggi di kawasan utara sebagai pusat pengagihan alternatif untuk komuniti setempat.

Tangki tersebut mulai dipasang pada Jumaat lalu semasa sepenuhnya dalam tempoh lima minggu.

Infrastruktur air akan memberi jaminan bekalan air kepada 124 akhli pengguna setempat berikutan gangguan bekalan dari Loji Rawatan Air Paki," katanya sempena Majlis Ramah Mesra Sertihun Madani di Madrasah Kampung Lubok Simpul, di sini, pada Ahad.

Menurut beliau, saluran paip utama jenis simen asbes yang dipasang itu sebelum ini berlaku kerosakan untuk pecah, sekali gus mengakibatkan Air Kilantan Sdn Bhd (AKSB) mengurangkan tekanan air yang akhirnya menyebabkan



Jasmi (kanan) mengutip rebek sebagai simbol penyertaan tangki air kepada penduduk Kampung Lubok Simpul, Kuala Kiri pada Ahad.

bekalan air terawal kepada penduduk.

Bagi mengatasi masalah itu, PAAAB turut melaksanakan projek penggantian paip lama sepanjang 23.2 kilometer yang melibatkan kawasan Bandar Kuala Kiri, Demar hingga ke Kampung

Lubok Simpul selain Kota Bharu Timur, Machang dan Tanah Merah.

"Projek bernilai RM2.67 juta yang dibayai sepenuhnya oleh PAAAB ini siap sepenuhnya pada Mac lalu dan dapat memberi manfaat besar kepada pen-

uduk," katanya.

Sementara itu, PAAAB juga merancang pelaksanaan beberapa projek baharu melalui peruntukan RM1 bilion.

Projek itu termasuk penggantian paip lama, sistem agihan dan tangki bekalan air yang masing-masing bernilai RM200 juta di seluruh Kelantan selain pembaruan dua loji rawatan air di Machang serta 'tanjung' Mas bernilai RM600 juta.

Sementara itu, Ketua Kampung Lubok Simpul, Mohd Khairi Anwar Mohd Nor berkata, penduduk sebelum ini terpaksa bergantung air tadahan bukit atau tanduk bekulan bekalan daripada AKSB berikutan rendah.

"Air taduk ini bukan sahaja berisiko keros, malah keros terbitan terbitan keros keros."

"Papa baharu dan tangki air ini memberi jaminan bekulan serta kebersihan kualiti air," katanya.

PAAB Kerjasama dengan AKSB

Publication: Harian Metro

Date: 29 September 2025

PAAB kerjasama dengan AKSB

Naik taraf infrastruktur tangani masalah tekanan air rendah di kawasan pedalaman Kelantan

Oleh Hafiza
Ahmad Zaidi
aham@metro.com.my

Kuala Krai

Pengurusan Aset Air Berhad (PAAB) bekerjasama dengan Airtel Kelantan Sdn Bhd (AKSB) untuk mengatasi masalah tekanan air rendah dan gangguan bekalan air di beberapa kawasan pedalaman di Kelantan.

Pengerusi PAAB, Dato Seri Ismail Md Yusoff berkata, bekalan air bersih menjadi keutamaan yang diutamakan untuk memastikan kualiti air yang selamat untuk diminum. Beliau berkata, PAAB akan bekerjasama dengan AKSB untuk meningkatkan kapasiti bekalan air serta memastikan bekalan air yang selamat untuk diminum.

Katanya, antara kawasan yang diutamakan ialah Kampung Labok Simpang Mudi di Madrasah Sultan Muhammad Ali di Kuala Krai. Beliau berkata, masalah tekanan air rendah di kawasan ini sering berpunca daripada infrastruktur yang sudah tua.

Ismail berkata, PAAB mengambil langkah segera dengan melakukan pembaikan sistem bekalan air yang sedia ada. Beliau berkata, PAAB akan bekerjasama dengan AKSB untuk meningkatkan kapasiti bekalan air serta memastikan bekalan air yang selamat untuk diminum.

"Dengan bekalan air yang selamat, PAAB dapat memastikan bekalan air yang selamat untuk diminum. Beliau berkata, PAAB akan bekerjasama dengan AKSB untuk meningkatkan kapasiti bekalan air serta memastikan bekalan air yang selamat untuk diminum."



PENDEK K mengimpor Tangki Air Baharu daripada Madrasah Kampung Labok Simpang Mudi.

dapat dilaksanakan," katanya ketika ditemui media selepas Majlis Istiadat Menaikkan Bendera di Madrasah Sultan Muhammad Ali di Kuala Krai, Sabtu.

Beliau berkata, masalah tekanan air rendah di kawasan ini sering berpunca daripada infrastruktur yang sudah tua. Beliau berkata, PAAB akan bekerjasama dengan AKSB untuk meningkatkan kapasiti bekalan air serta memastikan bekalan air yang selamat untuk diminum.



JASANI (kanan) menerima Tangki Air Baharu daripada Madrasah Sultan Muhammad Ali di Kuala Krai.

Kerna Kampung Labok Simpang Mudi, Mohd Khalid Anwar Mohd Noor.

Jasani berkata, Kampung Labok Simpang Mudi adalah kampung yang diutamakan untuk meningkatkan infrastruktur bekalan air. Beliau berkata, PAAB akan bekerjasama dengan AKSB untuk meningkatkan kapasiti bekalan air serta memastikan bekalan air yang selamat untuk diminum.

Mengulas lanjut, beliau berkata, dengan adanya infrastruktur bekalan air, ia akan memastikan bekalan air yang selamat untuk diminum. Beliau berkata, PAAB akan bekerjasama dengan AKSB untuk meningkatkan kapasiti bekalan air serta memastikan bekalan air yang selamat untuk diminum.

"Pada masa sama, AKSB akan memastikan bekalan air yang selamat untuk diminum. Beliau berkata, PAAB akan bekerjasama dengan AKSB untuk meningkatkan kapasiti bekalan air serta memastikan bekalan air yang selamat untuk diminum."

bekalan air sementara menggunakan tangki air yang sedia ada. Beliau berkata, masalah tekanan air rendah di kawasan ini sering berpunca daripada infrastruktur yang sudah tua. Beliau berkata, PAAB akan bekerjasama dengan AKSB untuk meningkatkan kapasiti bekalan air serta memastikan bekalan air yang selamat untuk diminum.

"Selain itu, PAAB akan bekerjasama dengan AKSB untuk meningkatkan kapasiti bekalan air serta memastikan bekalan air yang selamat untuk diminum. Beliau berkata, PAAB akan bekerjasama dengan AKSB untuk meningkatkan kapasiti bekalan air serta memastikan bekalan air yang selamat untuk diminum."

Mac 2025 membekalkan 100 tangki air baharu sepanjang 23.1 kilometer yang turut membekalkan kawasan di Kota Bharu, Tumpat, Machang dan Tanah Merah dengan kos keseluruhan berjumlah RM13.67 juta dibekalkan sepenuhnya oleh PAAB," katanya.

Beliau berkata, PAAB memberi jaminan bahawa projek ini akan memastikan bekalan air yang selamat untuk diminum. Beliau berkata, PAAB akan bekerjasama dengan AKSB untuk meningkatkan kapasiti bekalan air serta memastikan bekalan air yang selamat untuk diminum.

Sementara itu, Mohd Khalid Anwar berkata, bekalan air yang selamat untuk diminum. Beliau berkata, PAAB akan bekerjasama dengan AKSB untuk meningkatkan kapasiti bekalan air serta memastikan bekalan air yang selamat untuk diminum.

Katanya, bekalan air yang selamat untuk diminum. Beliau berkata, PAAB akan bekerjasama dengan AKSB untuk meningkatkan kapasiti bekalan air serta memastikan bekalan air yang selamat untuk diminum.

"Walaupun bagaimanapun, bekalan air yang selamat untuk diminum. Beliau berkata, PAAB akan bekerjasama dengan AKSB untuk meningkatkan kapasiti bekalan air serta memastikan bekalan air yang selamat untuk diminum."

PAAB at 20: TWO DECADES OF BUILDING MALAYSIA'S WATER SECURITY

AS MALAYSIA MARCHES towards a more challenging future shaped by climate change, population growth and rising industrial demand, one quiet but formidable institution has been laying the pipes — literally — for the nation's water security.

Pengurusan Aset Air Berhad (PAAB), the federal government's water asset custodian, will mark its 20th anniversary in 2026. Over two decades, the company has not only overhauled the country's water infrastructure but also redefined the financial and technical backbone of Malaysia's water industry.

Since its establishment in 2006, PAAB has undertaken one of the most ambitious restructuring exercises in Malaysia's public utilities sector — migrating state-owned water debts, consolidating assets and systematically funding projects that the states could not afford on their own.

The numbers tell the story.

In 20 years, PAAB has invested **RM22 billion**, delivering:

2,085 megalitres/day of new treatment plant capacity, equivalent to 21 plants

742 million litres of reservoir storage, and

Nearly 3,000km of pipelines laid across the nation.

In Selangor, the completion of the Langkat 2 Water Treatment Plant ended years of crippling water shortages for the Klang Valley, securing supply for Kuala Lumpur, Putrajaya and KLIA. Elsewhere, PAAB has channelled over RM6.5 billion into Johor — ensuring resilience for a state that is increasingly attracting data centres and manufacturing investors.

Even the country's most underserved states are being prioritised. Kelantan alone has received RM2.2 billion, with additional federal grants channelled through PAAB for non-revenue water (NRW) management. Similar large-scale investments are flowing into Kedah, Perlis and Pahang, states where water loss rates exceed 40%.

Looking ahead, PAAB has identified RM18 billion in new projects over the next 10 years — with a focus on reducing NRW and modernising infrastructure. An estimated 37,000km of ageing pipes and 1.2 million water metres need urgent replacement nationwide. "You don't need rocket science to solve NRW. Just replace old pipes and meters," Dato' Seri Ismail Yusoff, PAAB's Chairman, says in an exclusive interview with *The Edge*.

TWO DECADES ON: LESSONS FROM THE JOURNEY Water, once taken for granted, is now at the centre of industrial policy and sustainability debates. PAAB is positioning itself at this intersection.

When PAAB was formed, its first mission was to settle RM8 billion of federal water loans that had tripled state operators. Few expected the company to emerge as a national institution with deep technical and financial capacity.

The early years were dominated by restructuring,



"Water demand grows 2% to 3% annually, even in a recession. This is a service you can never pause." — Jasani

negotiations with states and absorbing decades of underinvestment. The last state in Peninsular Malaysia migrated into PAAB's model in 2021 — a process spanning 15 years.

"Think of it like a marathon," Jasani reflects. "We provided a 45-year repayment model that banks would never offer, giving states breathing room to manage both debt and new projects. It wasn't glamorous but it was essential."

Two decades later, PAAB's role has matured. It no longer merely plugs financial gaps but now sets project delivery standards, enforces timelines and differentiates between operators who need technical help and those capable of managing projects themselves. This strategic shift frees PAAB to concentrate resources on the most critical bottlenecks.

Among its forward-looking initiatives:

- Circular economy in sludge management:** Working with the National Water Services Commission (SPAN) and Ministry of Energy Transition and Water Transformation (PETRA),

PAAB is pushing for the declassification of water treatment plant sludge as scheduled waste. This would unlock opportunities for entrepreneurs to recycle it into construction materials, road pavements and land reclamation resources — a model long practised in Europe and Japan.

- Recycling and industrial water use:** With industrial demand rising — particularly from data centres in Johor and Selangor — PAAB is exploring recycled water and desalination options. The principle is clear: industrial users must tap alternative sources rather than disrupt the public supply.

- Green technology adoption:** From high-efficiency pumps to laminar plate sedimentation tanks, PAAB has been incorporating technologies that cut electricity use and carbon footprint.

A NATIONAL IMPERATIVE

As PAAB approaches its 20th anniversary, its journey reflects more than pipes, plants and billions of ringgit. It represents Malaysia's struggle to balance affordability with sustainability, politics with long-term planning and public service with industrial competitiveness.

Every litre that flows from the tap today — in homes, factories, airports and hotels — is testimony to two decades of groundwork. But the mission is far from over. As Jasani put it: "Water demand grows 2% to 3% annually, even in a recession. This is a service you can never pause."

Yet, the broader challenge remains political. Water tariffs — the bedrock of financial sustainability — continue to be subject to populist resistance. Jasani argues that without realistic tariffs, no amount of infrastructure will future-proof the system.

Still, the company remains focused on its long game: achieving full cost recovery for the sector by 2050, with some states expected to reach the milestone earlier.

For PAAB, the next 20 years will test its ability not only to build but to transform — ensuring that Malaysia's water security keeps pace with its economic ambitions.

PAAB at 20 : Two Decades of Building Malaysia's Water Security

Publication: The Edge

Date: 13 October 2025

SK Gambut Didik Murid Amalkan Kelestarian Alam Sekitar

Publication: Sinar Harian

Date: 27 November 2025

SK Gambut didik murid amalkan kelestarian alam sekitar

BATU PAHAT - Sekolah Kebangsaan (SK) Gambut meneruskan usahanya melahirkan generasi mencintai alam sekitar menerusi amalan dan peltbagai inisiatif kelestarian yang dilaksanakan secara konsisten hasil sokongan Pengurusan Aset Air Berhad (PAAB) dan Pejabat Pendidikan Daerah (PPD) Batu Pahat.

Guru Besar SK Gambut, Heriman Mohd Karim berkata, murid-murid kini menunjukkan perubahan ketara dalam amalan harian sekali gus membuktikan amalan hijau yang mesra alam semakin sebatu dalam diri mereka.

Malah menurutnya, amalan kitar semula mula menyelerah apabila pihak PAAB membekalkan long-long kitar semula mengikut kategori kaca, plastik dan sisa organik di sekolah berkenaan.

"Bahan-bahan terbuang ini kami asingkan dengan betul. Untuk sisa organik, murid-murid telah dilatih menghasilkan baja kompos yang kemudian digunakan untuk tanaman organik di kawasan sekolah."

"Pihak sekolah turut membudayakan pengurangan plastik, khususnya di kantin. Mereka menggunakan beg kertas dan bekas makanan yang dibekalkan oleh PAAB."

"Mereka juga membawa botol air sendiri dan mengurangkan penggunaan plastik pakai buang termasuk polistiren yang tidak lagi digunakan di sekolah."



Heriman (tengah) memberikan penerangan mengenai proses persisiran air kepada Ketua Pengerusi Daerah PAAB, Zulhazim Osman.



HERIMAN

katanya. "Tambahan Heriman, pihak sekolah turut menerapkan elemen pendidikan kelestarian tersebut melalui aktiviti seni dan hiasan seperti penggunaan botol plastik untuk menghasilkan perhiasan antaranya hama sekolah yang tertera di pagar belakang."

"Selain itu, projek rumah hijau yang baru didirikan melalui sumbangan PAAB menjadi fokus utama untuk tahun 2026, dengan penancangan memperluaskan kerjasama bersama agensi berkaitan untuk membekalkan benih tanaman."

"Kita juga akan terapkan pembelajaran berasaskan pengalaman. Murid-murid di bawah Pengetahuan Sains, Teknologi, Kejuruteraan dan Matematik (STEM) akan menggunakan sendiri rumah hijau ini, dari proses menanam hingga menuai hasil tanaman."

"Selain itu, usaha kelestarian itu juga memberikan nilai tambah kepada proses pembelajaran terutama dalam subjek Reka Bentuk dan Teknologi (RBT), termasuk topik penanaman hidropnik sebagai sebahagian daripada pentaksiran teknik diryih (PDR) dan itu menunjukkan tahap penguasaan mereka berada pada tahap terbaik," katanya.

Sementara itu, Heriman berkata, usaha berkenaan mendapat sokongan daripada pihak PPD yang turun padang untuk memantau amalan kelestarian di sekolah berkenaan.

"Kami berjaya mengumpulkan banyak maklumat untuk diutarakan kepada pihak PPD. Komitmen berterusan itu juga membukakan SK Gambut bukan sahaja mendidik murid-murid secara teori tetapi melatih mereka menjadi generasi yang mempunyai kesedaran tinggi terhadap pemuliharaan alam sekitar."

PAAB: Speed up green tech adoption in water sector

➤ Initiatives should prioritise strengthening supply system, says chairman

GEORGE TOWN: Malaysia must accelerate the adoption of green technology in the water sector to secure long-term sustainability of the nation's water supply, said Pengurusan Aset Air Bhd (PAAB) chairman Datuk Seri Jaseni Maidinsa.

He said green technology initiatives within the sector should prioritise strengthening the water supply system rather than focusing solely on flood mitigation.

"In most of the PAAB projects, we have instructed our engineering unit to look at the latest green technology and our main objective is to reduce carbon footprint."

"When we move towards green technology, we improve the sustainability of the water supply system and reduce operational costs. We

want to make it more efficient and ensure that the whole water supply value chain conforms to a circular economy," he told reporters at the WaterTech Asia 2025 Exhibition and Forum at the Penang Waterfront Convention Centre (PWCC), here yesterday.

The event was officiated by Penang Tourism and Creative Economy Committee chairman Wong Hong Wai. Also present was Perbadanan Bekalan Air Pulau Pinang (PBAPP) CEO Datuk K. Pathmanathan.

Jaseni highlighted PBAPP's successful initiative to recycle treatment plant residue as a model that could be expanded nationwide.

He also noted that the industry is awaiting the Ministry of Energy Transition and Water Transformation's decision to declassify water treatment residue as scheduled waste.

He said many entrepreneurs are keen to invest in the sector, particularly since countries such as Japan, the United States and Australia do not categorise such residue as scheduled waste.

Jaseni emphasised that WaterTech Asia

serves as a key platform to encourage water operators, vendors, suppliers and innovators to prioritise green technology as the industry's future.

Meanwhile, Pathmanathan said WaterTech Asia 2025 is an international event that serves as a crucial platform bringing together exhibitors from various countries while stressing that Penang, being a water-stressed state with very high water demand, urgently needs innovative approaches and technologies to support its long-term water resilience.

"This is a venue where exhibitors showcase solutions and at the same time, we are looking for innovators who can address the issues," he said.

More than 100 exhibitors from over five countries, including Indonesia, China, Canada, Germany and South Korea, are participating in the three-day exhibition and conference, which aims to amplify efforts to position Malaysia as a regional hub for water management professionals and supporting industries, fostering both regional and global growth opportunities.

- Bernama

PAAB: Speed Up Green Tech Adoption in Water Sector

Publication: The Star

Date: 3 December 2025



NORHAYATI

MUHAMMAD IRFAN
HAKIMI

Singki baharu yang disediakan oleh PAAB di Sekolah Agama Gambut membolehkan pelajar menghargai tentang pentingnya pengurusan air.

Didik jiwa lestari di sekolah



Sekolah Agama Gambut dan PAAB sasar murid peka alam sekitar

Oleh SHAHRIZAL AHMAD ZAINI

Calon terbesar bagi sekolah luar bandar adalah untuk melahirkan warga institusi pendidikan itu yang peka dan prihatin dengan isu kelestarian alam sekitar.

Perkara itu diakui Guru Besar Sekolah Agama Gambut, Norhayati Sukardi memandangkan sumber kewangan yang terhad menyukarkan pihaknya untuk meningkatkan kemudahan asas dan

melaksanakan aktiviti kelestarian bersama murid.

Bagaimanapun, dengan sokongan Pengurusan Aset Air Berhad (PAAB), ia telah mengubah persekitaran sekolah itu sepanjang tahun 2025 apabila menerima peruntukan mensek taraf kemudahan asas dan pelaksanaan projek kelestarian.

Beliau berkata, masalah bekalan air yang sering mengganggu sesi persekolahan terutama di tandas dan kantin, akhirnya dapat diatasi melalui pemasangan mesin pam air baharu untuk meningkatkan tekanan aliran air supaya lebih stabil dan konsisten.

"Sebelum ini, kawasan wuduk lama sempit, kurang selesa dan aliran air perlahan.



Sebelum ini, kawasan wuduk lama sempit, kurang selesa dan aliran air perlahan. Dengan kemudahan baharu, murid tidak perlu lagi bersesak dan lebih teratur semasa mengambil wuduk."

- Norhayati

Dengan kemudahan baharu, murid tidak perlu lagi bersesak dan lebih teratur semasa mengambil wuduk," katanya kepada Sinar Bestari.

Seorang pelajar berusia 14 tahun, Muhammad Irfan Hakimi Mohd Iqbal berkata, selepas pemasangan singki baharu di kantin, murid lebih mudah mencuci tangan tanpa perlu ke tandas yang jauh dari tempat makan.

"Singki baharu memudahkan kami membasuh tangan dan membersihkan peralatan makan," katanya.

Selain itu, pelaksanaan projek kelestarian

termasuk sistem penuaian air hujan (SPAHI) di sekolah tersebut turut membantu menjimatkan sumber penggunaan air, sekali gus mengurangkan bil bulanan sekolah.

Menurut Norhayati, pusat sumber sekolah juga mendapat perhatian oleh PAAB dengan pemasangan lantai baharu, penghawa dingin serta televisyen pintar yang menjadikan sesi Pengajaran dan Pembelajaran (PdP) lebih kondusif.

"Persekitaran baharu ini memberi ke-selesaian kepada pelajar dan memudahkan PdP dijalankan dengan lebih berkesan," katanya.

Daripada sudut kebersihan, beliau memaklumkan, sumbangan PAAB turut merangkumi pembinaan kawasan pelupusan sampah baharu untuk mengatasi masalah longgokan sampah dan memperkenalkan tong kitar semula.

"Pelajar diajar mengasingkan sisa seperti kertas dan botol. Hasilnya, kawasan sekolah lebih bersih, tersusun dan bebas bau," jelasnya.

Melihat kejayaan awal, pihak sekolah merancang memperluas penglibatan komuniti termasuk sokongan ibi bapa dalam program kitar semula serta peluang kepada murid mengamalkan inisiatif berkenaan seperti menghasilkan hiasan daripada bahan terpakai.

Manakala murid Tahun Enam, Nur Insyirah Mohd Iqbal berkata, program kitar semula di sekolah memberi kesedaran kepadanya mengenai kepentingan dan kaedah pengasingan sisa di punca dengan betul.

"Kami kumpulkan barang kitar semula dari rumah dan masukkan ke dalam tong khas di sekolah. Cara ini membantu mengurangkan pembuangan sampah," katanya.



Ketua Pegawai Eksekutif PAAB, Zulkiflee Omar (tengah) meninjau tempat wuduk baharu, bersama Norhayati di Sekolah Agama Gambut.

Didik Jiwa Lestari di Sekolah

Publication: Sinar Harian

Date: 3 December 2025

A close-up photograph of a hand cupping a stream of water falling from above. The water is clear and creates many small droplets as it falls. The background is a soft, out-of-focus green, suggesting foliage. The overall mood is fresh and natural.

10

**CALENDAR
OF EVENTS
2025**

CALENDAR OF EVENTS 2025

EVENTS/ PROGRAMME

16 January

CEO's SANTUNI MADANI : BACK TO SCHOOL PROGRAMME 2025 AT KAMPUNG PARIT SIMIN SEMERAH, BATU PAHAT, JOHOR

Sekolah Kebangsaan Gambut and Sekolah Agama Gambut, Kampung Parit Simin Semerah, Batu Pahat, Johor



EVENTS/ PROGRAMME

17 February

CHINESE NEW YEAR LUNCHEON

InterContinental, Kuala Lumpur



18 February

MEDIA VISIT - THE EDGE

Menara KLK, Mutiara Damansara, Petaling Jaya



EVENTS/ PROGRAMME

10 April

PAAB CELEBRATES AIDILFITRI WITH PETRA

Menara PETRA, Putrajaya



EVENTS/ PROGRAMME

19 April**IEM HONOURS PAAB CHAIRMAN WITH PRESTIGIOUS FELLOW AWARD**

Sunway Resort Hotel, Kuala Lumpur



EVENTS/ PROGRAMME

24 April**MEKAR HARI RAYA BERSAMA PAAB**

InterContinental Kuala Lumpur



EVENTS/ PROGRAMME

29 April**OFFICIAL OPENING OF PAAB JOHOR OFFICE IN CONJUNCTION WITH HSSE**

Menara Landmark Johor Bharu



13 May

MEDIA VISIT - THE STAR PUBLICATION

Star Media Group Berhad (The Star), Petaling Jaya, Selangor



EVENTS/ PROGRAMME

27 May

MALAYSIA BOOK OF RECORDS (MBR) CEREMONY

Package 3, Mahkota Cheras



12 June

MEDIA VISIT - MEDIA PRIMA

Balai Berita, Bangsar, Kuala Lumpur



18 June

MEDIA VISIT -AL HIJRAH

TV Alhijrah, Kompleks Pusat Islam
Kuala Lumpur



EXHIBITION

4 - 5 July

HARI AIR SEDUNIA (HAS)

Dataran Sayangi Kuantan, Pahang



EXHIBITION

22 - 23 July

MALAYSIA WATER FORUM 2025 (MyWATER FORUM 2025)

Chairman as a Panelist

Dewan Seri Siantan, Perbadanan Putrajaya
Complex, Putrajaya



EXHIBITION

19 - 20 August

MWA - WATER MALAYSIA 2025 Chairman as Facilitator

Wyndham Grand Bangsar Hotel,
Kuala Lumpur.



EVENTS/ PROGRAMME

20 August**PRIME MINISTER OFFICIALLY
INAUGURATES LANGAT 2 WTP**

Langat 2 WTP, Hulu Langat, Selangor



EVENTS/ PROGRAMME

28 September**CHAIRMAN'S CSR : SANTUNI MADANI AT
SURAU KG. LUBOK SIMPOL KUALA KRAI**

Kg. Lubok Simpol Kuala Krai, Kelantan



EVENTS/ PROGRAMME

18 November**DEEPAVALI FESTIVE GATHERING &
ENGAGEMENT**

Jalan Ampang, Kuala Lumpur



EXHIBITION

15 - 16 October**MALAYSIA INTERNATIONAL WATER
CONVENTION (MIWC) 2025**

World Trade Centre Kuala Lumpur



EXHIBITION

2 - 4 December**WATER TECH ASIA 2025
Chairman as Keynote Speaker**Penang Waterfront Convention Centre,
Pulau Pinang

11

AWARDS AND ACHIEVEMENTS



Langat 2 Receives Recognition

17 January 2025 | Pusat Konvensyen MPAJ

The Langat 2 WTP, developed by PAAB been honoured with an appreciation award from the Majlis Perbandaran Ampang Jaya (MPAJ).



This award acknowledges PAAB's significant contribution in increasing the supply of treated water to the Ampang areas, providing 287 million liters per day (MLD) to the eastern and northern Kuala Lumpur as part of the Northern Corridor alignment in the Langat 2 project.

The award was presented by Selangor's EXCO, YB Jamaliah binti Jamaluddin, to Langat 2 Project Director, Ir. Johari Sinal @ Zainal at the Malam Apresiasi Pembangunan Ampang Jaya di MPAJ.

MPAJ also recognised other developers who played a crucial role in the region's development.

Congratulations to Special Project Division (SPD) for this well deserved recognition!



EFM's Awards and Appreciation Night

27 February 2025 | M Resort & Hotel Kuala Lumpur

The Treasury & Corporate Finance Department successfully held the External Fund Managers (EFM) Awards & Appreciation Dinner to honour and celebrate 16 years of valuable partnership with external fund managers in managing PAAB's investment portfolios.



The EFM Awards & Appreciation Dinner, graced by CEO Ir. Zulkiflee Omar, was held to thank PAAB's financial partners for their ongoing commitment to strong financial performance and excellence in fund management, contributing to sustainable growth and financial resilience.

PAAB recorded a 5.27% return on investment for the 2025 financial year, surpassing its 5% target, highlighting the key role EFMs play in ensuring effective investment management and long-term financial sustainability.

The evening saw many external fund managers honoured by PAAB, including MIDF Asset Management Sdn. Bhd., which received the prestigious Gold Award for Top Performer of 2024 and the Consistency Award for Best Fund Manager (3 Years).

Other accolades celebrated included the Top Performer Award for achieving the highest ROI of the year, the Compliance Excellence Award for impeccable adherence to investment policies and regulations, the Sustainability Champion Award, and the Partnership Appreciation Award.

The awards were presented by Ir. Zulkiflee, CFO, Zaleha Abdul Hamid, and COO, Ir. Abdul Samad Sulaiman.



IEM Honours PAAB Chairman with Prestigious Fellow Award

19 April 2025 | Sunway Resort Hotel

PAAB is proud to announce that our Chairman, Dato' Seri Ir. Jaseni Maidinsa, conferred the IEM Honorary Fellow Award 2025 at the 66th IEM Annual Dinner & Awards Night, organised by The Institution of Engineers, Malaysia.

Held at Sunway Resort Hotel and themed 'ESG: Engineering for a Greener Tomorrow', the prestigious event was officiated by the Minister of Works, YB Datuk Seri Alexander Nanta Linggi.

The Honorary Fellow Award is one of the highest accolades in Malaysia's engineering fraternity, recognising Dato' Seri Ir. Jaseni's exemplary leadership and lasting contributions to the nation's water services industry.

As a driving force behind Malaysia's water infrastructure development, PAAB is honoured to be part of the country's dynamic engineering community committed to innovation and sustainability.

The event brought together industry leaders, engineers, academics, developers, and policymakers to celebrate collaboration and forward-thinking progress.

Also in attendance were CEO, Ir. Zulkiflee Omar, CFO Zaleha Abdul Hamid, COO Ir. Abdul Samad Sulaiman, and members of the management team, who proudly joined in celebrating this distinguished recognition.

Congratulations, Dato' Seri Ir. Jaseni Maidinsa. Your achievement is a source of pride and inspiration in our continued pursuit of a resilient and sustainable future.



Another Record Breaking Chapter for Langat 2

27 May 2025 | Package 3 Project Site, Kajang, Selangor

PAAB has officially made its mark in the nation's history books, as Package 3 of the Langat 2 WTP was recognised by the Malaysia Book of Records (MBR) with three (3) national titles, a proud achievement not just for PAAB, but for Malaysia's water industry as a whole.

The records awarded are:

- **First Pipe Conveyor System for Water Treatment Residual in Malaysia**
- **Longest Pipe Conveyor System (1.918 kilometres)**
- **Longest Shaftless Screw Conveyor System (46 metres)**



The recognition ceremony was held at the Langat 2 Package 3 site near Bukit Mahkota, Cheras.

MBR's Edwin Yeoh presented the certificates to PAAB Chairman Dato' Seri Ir. Jaseni Maidinsa and CEO Ir. Zulkiflee Omar, alongside representatives from Salcon Engineering Berhad, the project's appointed contractor.

What sets this project apart is its closed-loop conveyor system, designed to manage up to 400 tonnes of treatment residual daily.

By replacing the need for more than 35,000 truck trips annually, the system dramatically reduces carbon emissions, improves safety, and enhances operational efficiency.

But this recognition goes beyond technical achievement, it reaffirms PAAB's long-term mission to develop sustainable, resilient, and future-ready water infrastructure for the nation.

With a treatment capacity of 1,130 MLD, Langat 2 is one of Malaysia's largest and most advanced facilities.

As the final package of a 26-part mega project covering the Klang Valley, including Hulu Langat, Cheras, Sungai Besi, Petaling, and beyond, Langat 2 is more than a facility.

It is a legacy of forward-thinking engineering, strategic vision, and national progress.



PAAB's Chairman Awarded with Two (2) Prestigious Leadership Excellence Awards

12 June 2025 | Putrajaya

Chairman of PAAB, Dato' Seri Ir. Jaseni Maidinsa, has secured not one, but two prestigious accolades at the Leadership Excellence Awards 2024/2025, organised by Des Prix Infinitus Media.

Dato' Seri Ir. Jaseni was honoured as the Top Innovative Leader of the Year, standing out among 13 distinguished nominees in this fiercely competitive category.

Additionally, he received the Innovative Leader of the Year award during a glamorous ceremony held at Le Méridien Putrajaya, celebrating outstanding leaders from Malaysia and beyond who are driving transformative change in their industries.

The ceremony was graced by the Deputy Minister of Economy, YB Dato' Hanifah Hajar Taib, who praised the award recipients for their resilience,



creativity, and steadfast commitment to national and regional progress.

As a leader, Dato' Seri Ir. Jaseni embodies a clear vision and a relentless passion for innovation.

His work in championing sustainability and excellence within the water services sector is setting new standards, making Malaysia's water infrastructure more efficient, resilient, and prepared for the future.

Since his appointment by the Ministry of Finance on 4 April 2023, Dato' Seri Ir. Jaseni has led PAAB into a new era of growth and innovation, driving efforts to reduce Non - Revenue Water (NRW) and advancing the national water services industry.

The Leadership Excellence Awards also recognise outstanding individuals across various categories, celebrating visionary leaders who shape communities and industries.

Past recipients include national Healthcare Icon, Tan Sri Dr. Noor Hisham and Tan Sri Tony Fernandes.

Congratulations to Dato' Seri Ir. Jaseni Maidinsa!

Your leadership inspires us all to push boundaries and strive for excellence in building a better future for our nation.

PAAB Shines with Seven (7) National Records at MBR 30th Anniversary Gala

11 July 2025 | One World Hotel, Petaling Jaya, Selangor

The Malaysia Book of Records (MBR) marked its 30th anniversary in grand style with a black-tie gala celebrating 91 record holders who have made the nation proud including PAAB.

Held at One World Hotel, Petaling Jaya, the prestigious event gathered over 800 distinguished guests to honour Malaysians who dared to dream big and achieve extraordinary success.

The evening was graced by Deputy Communications Minister YB Puan Teo Nie Ching, and attended by MBR CEO Christopher Wong, Bernama CEO Datin Paduka Nur-ul Afida Kamaludin, and our very own CEO Ir. Zulkiflee Omar.

In an interview with MBR, Ir. Zulkiflee expressed PAAB's pride in being officially recognised with seven national records across three (3) consecutive years (2023, 2024, and 2025), all through one (1) landmark project, the Langat 2 WTP.

The gala also celebrated a diverse range of achievements, from individual milestones such as first and youngest achievers to organisational successes in innovation, community impact, and entrepreneurship, reflecting Malaysia's vibrant spirit of progress.

"Being listed in the Malaysia Book of Records not only acknowledges our achievements but also motivates us to aim higher and continue delivering excellence."

Ir. Zulkiflee.



PAAB Recognised for Geospatial Data Excellence at MYGDI 2025

PAAB is proud to have been recognised with the MyGDI 2025 Data Sharing Recognition by the National Geospatial Centre (PGN), under the Ministry of Natural Resources and Environmental Sustainability (NRES).

The award was presented by the Minister of Plantation and Commodities, YB Datuk Seri Johari Abdul Ghani, who also oversees NRES during the 10th National Geospatial Information Symposium (NGIS 2025) held at the Putrajaya International Convention Centre (PICC).

To receive the award, PAAB was represented by the Head of Asset Management, Ts. Gs. Adam

Budiman Khairuddin. This recognition reflects PAAB's ongoing commitment to:

1. Enhancing geospatial data management
2. Strengthening cross-sector collaboration
3. Driving sustainable growth and digital transformation within the water industry

In his keynote, YB Datuk Seri Johari highlighted that the Malaysia Geospatial Data Infrastructure serves as the national platform for coordinated data management through geospatial technology, enabling better policy execution, enhanced public safety, and improved investment attraction.

NGIS 2025 received 95 nominations across four (4) categories: Federal Government, State

Government, Academia, and Industry with winners awarded cash prizes, trophies, and certificates.

The two-days symposium gathered over 300 participants from government agencies, academia, industry, and research institutions, reinforcing the vital role of geospatial integration in national planning and innovation.

Our heartfelt thanks to MyGDI for this honour!



PAAB Wins Silver, Sets Benchmark in Integrity and Governance

22 October 2025 | PICC Putrajaya

PAAB recognised as one of Malaysia's leaders in integrity and governance, clinching the Silver Award (Anugerah Perak) at the Anugerah Integriti, Governans dan Antirasuah (AIGA) 2025, hosted by Institut Integriti Malaysia.

The prestigious ceremony, graced by Prime Minister YAB Datuk Seri Anwar Ibrahim at Putrajaya International Convention Centre, celebrated organisations setting the benchmark in ethical governance and anti-corruption practices.

PAAB emerged among the Top 10 recipients in the Private Sector category, selected from 202 organisations across public and private sectors, a testament to the organisation's unwavering commitment to integrity, transparency, and accountability.

This recognition marks a significant milestone in PAAB's ongoing efforts to strengthen its Anti-Bribery Management System and uphold the highest standards of governance in Malaysia's water asset management industry.

The award was received by our CEO Ir. Zulkiflee Omar together with CFO Zaleha Abd Hamid, COO Ir. Abdul Samad Sulaiman, and members of senior management team.

AIGA also extended heartfelt congratulations to Integrity and Governance Department for their dedication in driving ethical transformation and fostering a culture of trust.



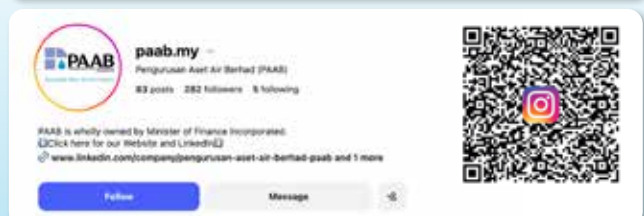
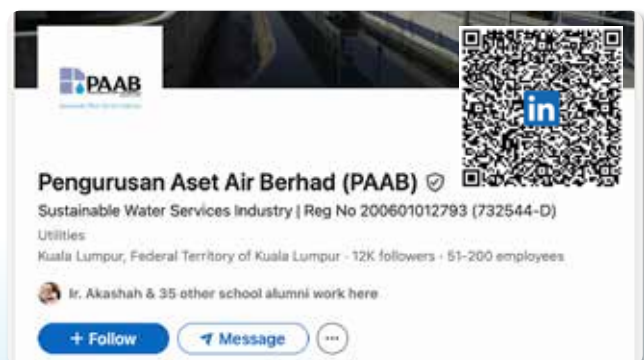
This milestone celebrates not only PAAB's achievements but also its vision of a corruption free, transparent, and resilient water sector.

Expanding PAAB's Digital Presence

PAAB strengthened its digital presence in 2025 throughout 2025 by enhancing its outreach on LinkedIn and Instagram, positioning these platforms as key channels for stakeholder engagement, corporate storytelling, and public education on water infrastructure.

Content was strategically curated to highlight major project milestones, sustainability initiatives, industry recognition, and community programmes, while simplifying complex technical narratives for a broader audiences. LinkedIn continued to serve as PAAB's primary platform for investor, policy, and industry engagement, reinforcing thought leadership and institutional credibility, while Instagram expanded public outreach through visual storytelling, on-site project highlights, and community-focused content.

This dual-platform approach enhanced visibility, strengthened brand trust, and supported transparency by delivering timely, accessible updates on PAAB's role in advancing Malaysia's water security agenda.





01. The Longest Microtunneling 'Internal Diameter 2,500 Millimetre' Twin Parallel Water Pipeline
02. The Deepest Microtunneling 'Internal Diameter 2,500 Millimetre' Twin Parallel Water Pipeline

29 SEPT 2023



01. Collaborative Water Initiative of the Year - Malaysia
02. Water Technology Excellence Award (Water Resource Management) Malaysia awards

8 NOV 2023



01. The Longest Dual-Function Treated Water Tunnels
02. The Longest Twin Parallel Treated Water Tunnels

6 FEB 2024



IEM Award for Contribution to Engineering Industry in Malaysia 2024

1 JUN 2024

Awards & Recognition



Nation's Pride for Water Infrastructure Development

22 AUG 2024



01. First Pipe Conveyor System For Water Treatment Residual in Malaysia
02. Longest Pipe Conveyor System For Water Treatment Residual in Malaysia - 1,918 Kilometres
03. Longest Shaftless Screw Conveyor System in Malaysia - 46 Metres

27 MAY 2025



Special Mention - Inter-Agency Award

20 NOV 2024



Anugerah Integriti, Governans dan Antirasuah (AIGA) 2025 Silver Award Recipient

22 OCT 2025

12

FINANCIALS



FINANCIAL STRATEGY & MANAGEMENT'S DISCUSSION AND ANALYSIS

PAAB recorded a strong revenue performance of RM1,298 million in 2025, reflecting the Company's continued growth momentum and the stability of our core business operations. This achievement is largely supported by our long-term finance lease model and consistent income streams from strategic water infrastructure assets, which provide resilience against market volatility.

Despite recording healthy revenue during the year, the Group's Profit Before Tax (PBT) decreased to RM453.4 million compared to the previous year. The reduction was mainly attributable to higher in finance and operating cost. However, the negative impact was partly offset by stronger revenue growth and higher finance income. Nevertheless, the Company continued to maintain prudent financial management and operational discipline in navigating the challenging business environment.

Overall, the strong financial performance underscores PAAB's solid fundamentals and positions the Company for sustainable growth in the coming years, supported by our strategic investments and continued demand for water infrastructure development.

FINANCIAL MANAGEMENT AND STRATEGY

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 finance lease 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.

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, enhancing SAP treasury system, engaging discussions with water operators and other stakeholders, formulating repayment solutions, assessing cash flow projections and compliance monitoring to agreements.

Funding Strategies

We utilise established Sukuk Programmes as our primary funding platform to finance the development, upgrading, and maintenance of water infrastructure assets in Malaysia. Funding raised is channelled towards long-term infrastructure investments and refinancing of maturing obligations in line with PAAB's asset lifecycle requirements.

Our development costs and capital expenditure requirements are principally funded through sukuk issuances in the domestic debt capital market. In navigating the 2025 market environment, characterised by yield sensitivity, more discerning investors appetite, and tighter funding conditions, our funding strategy continues to focus on three core principles:

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

We actively monitor market conditions, profit rate movement, and macroeconomic indicators to optimise our capital structure, while prudently managing liquidity and refinancing risks.

In FY2025, amid a more rate-sensitive and quality-driven sukuk market, we successfully accessed the market through our three (3) Sukuk programmes, raising a total of RM3.70 billion to fund ongoing water infrastructures development

and refinancing requirements. The successful issuances achieved an average Bid-to-Cover (“BTC”) ratio of 1.78 times, underscoring sustained investors confidence in PAAB’s strong credit fundamentals and its strategic role in advancing Malaysia’s water infrastructure development agenda.

Key issuances during the year were as follows:

- 01** RM2.10 billion AAA-rated IMTN in April 2025
- 02** RM350 million AAA-rated IMTN in June 2025
- 03** RM600 million Government-Guaranteed IMTN in August 2025
- 04** RM650 million AAA-rated IMTN in September 2025

Moving forward, we will continue to optimise capital allocation through robust cashflow forecasting and structured funding assessment. Maintaining disciplined financial management practices, and a strong credit standing remain key priorities to ensure continued access to competitive financing solutions. Continuous monitoring of market conditions will enable timely adjustments to issuance strategy to manage profit rate volatility.

We also progressively exploring the integration of Economic, Environmental, Social and Governance (EESG) considerations into future Sukuk issuances, aligned with Malaysia’s broader sustainable finance objectives.

Our finance costs continued to increase, primarily driven by new issuances for infrastructure development and the refinancing of maturing sukuk into longer tenures. To manage financing costs, we will continue to implement active liability management strategies, including maturity profile optimisation, competitive refinancing exercise, and tactical issuance timing.

In parallel, initiatives to strengthen lease income collection, improve working capital efficiency, and enhance cash flow management will be prioritised to moderate reliance on external fundings. Diversification of funding sources and suitable alternative financing structures will also be considered to enhance financial flexibility.

Sukuk Portfolio Mandate

PAAB’s investment portfolio is managed through a structured External Fund Manager (“EFM”) mandate, established to optimise the deployment of available funds while preserving capital, maintaining liquidity, and generating recurring finance income. The mandate forms part of PAAB’s broader treasury strategy to ensure surplus funds are professionally managed within approved risk parameters and aligned with PAAB’s long-term financial sustainability objectives.

These funds are entrusted to a panel of experienced EFMs, who play an active role in credit assessment, portfolio construction, asset allocation and tactical positioning, with the objective of delivering stable and risk-adjusted returns within approved investment parameters.

To ensure continued alignment with PAAB’s investment objectives, risk tolerance and return expectations, EFMs are subject to structured and periodic performance evaluations. This governance framework ensures the portfolio remains responsive to evolving market dynamics and relative manager performance.

The portfolio is fully invested in Shariah-compliant instruments, comprising Government Investment Issues, Corporate Sukuk, Islamic Money Market instruments, and cash equivalents. The asset allocation strategy emphasises capital preservation, liquidity sufficiency, and recurring income generation, consistent with our conservative risk profile and long-term financial sustainability objectives.

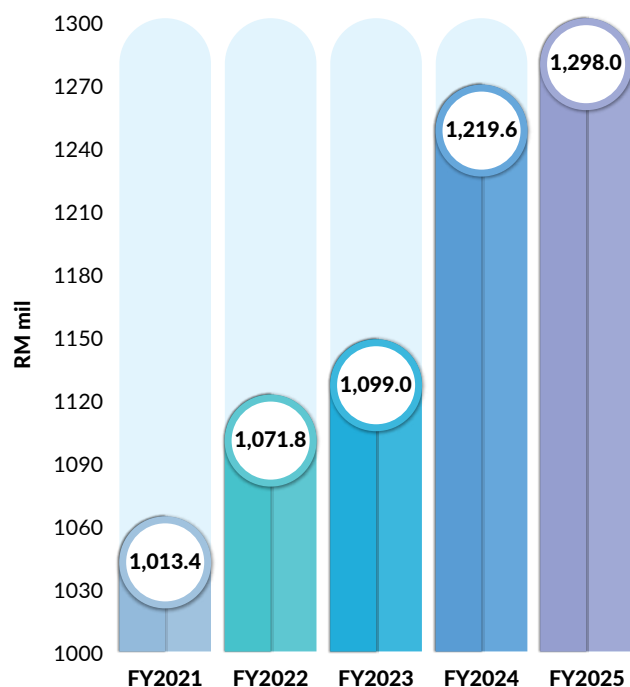
A key feature of the mandate is the annual repatriation of investment income to support PAAB’s operational expenditure requirements. This structure enables recurring income generation utilisation while preserving the principal investment base for long-term sustainability and future reinvestment flexibility.

In line with PAAB’s broader sustainability agenda, responsible investment practices are incorporated into the mandate. EFMs are encouraged to prioritise Sukuk issuers demonstrating strong Environmental, Social and Governance (ESG) practices and alignment with recognised sustainability principles and development goals. This reinforces our commitment to prudent, ethical, and forward-looking capital stewardship.

In the current market environment, characterised by yield dispersion, rate volatility, and selective credit opportunities, PAAB will continue to optimise our investment strategy to enhance finance income generation while maintaining portfolio defensiveness. This includes capitalising on opportunities in high-quality Sukuk and Islamic fixed-income instruments, together with optimising Islamic deposit placements to benefit from prevailing profit rate trends while preserving adequate liquidity. Sustained collaboration with EFMs will remain a key priority to ensure strong risk-adjusted returns and identify new opportunities for portfolio growth.

FINANCIAL PERFORMANCE ANALYSIS

Revenue



The Company's revenue has recorded a steady growth momentum over the past five years, underscoring the strength and resilience of our revenue base. This positive performance has been supported by the continuous expansion of new water treatment plants and related infrastructure, alongside ongoing upgrading and refurbishment initiatives across existing water assets.

Furthermore, continued national economic and population growth has driven increasing demand for clean, reliable, and sustainable water supply across residential, commercial, and industrial sectors. This heightened demand has, in turn, supported the development of additional water treatment facilities, contributing to the continued stability and growth of the Company's revenue.

Revenue recorded a stronger growth of 5.8% in FY2022 compared to FY2021, before moderating to 2.5% in FY2023. The positive performance was mainly driven by the continued expansion of lease assets and stable recurring income generation. These increases were supported by continuous improvement initiatives and the commitment of

the Company's management team in delivering projects to meet the nation's water infrastructure requirements.

Revenue in FY2024 recorded a notable increase to RM1,219.6 million, representing growth of approximately 11.0% compared to the preceding financial year. This increase was primarily supported by the contribution from Phase 1 of the Langat 2 Water Treatment Plant project, the largest water infrastructure development in Malaysia, with a water distribution capacity of 1,130 million litres per day ("MLD").

Revenue continued its strong upward momentum in FY2025, increasing to RM1,298.0 million, representing a growth of approximately 6.4% compared to FY2024. This sustained performance reflects the Company's stable and resilient business model, underpinned by long-term finance lease model for strategic water infrastructure assets.

The increase in FY2025 was primarily driven by the full-year contribution from existing water treatment plants, including the Langat 2 Water Treatment Plant Phase 1, which continued to generate consistent revenue following its operational stabilisation. In addition, progressive commissioning of newly completed assets, as well as enhancement and upgrading works on existing water infrastructure, contributed to higher revenue during the year.

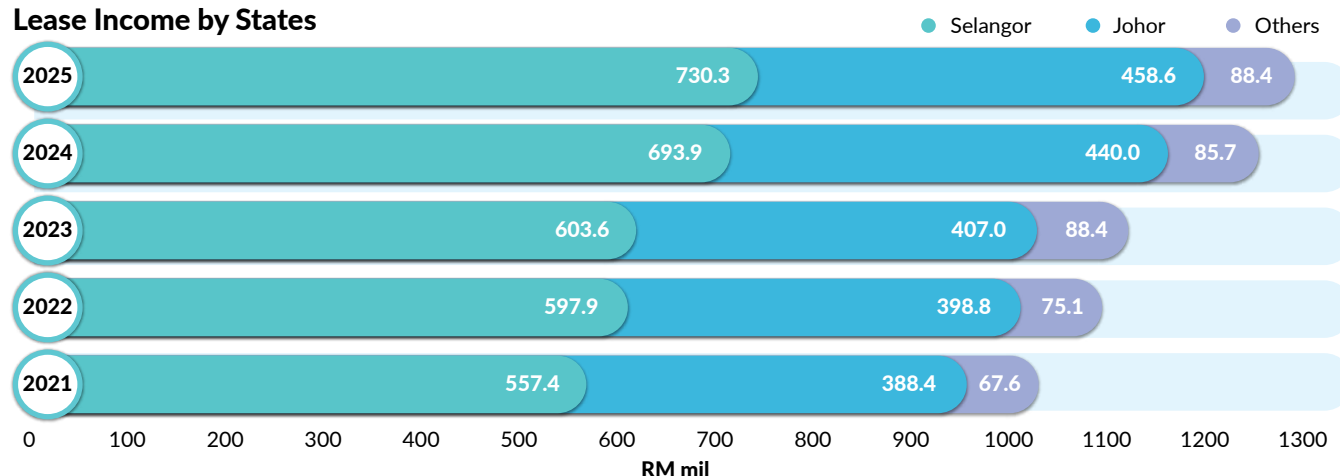
Segmental Lease Income By States

Following the national water industry restructuring, nearly all states in Peninsular Malaysia have migrated to PAAB, with Terengganu remaining the only exception. PAAB's lease income continues to be anchored by two principal water operators which are Selangor and Johor, contributing approximately 55%–57% and 36%–38% of total lease income, respectively.

This concentration reflects the significant scale and capital investment profile of water

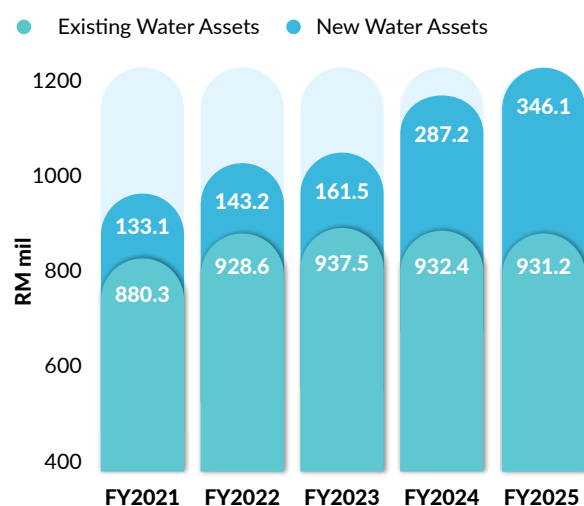
infrastructure in these states, positioning them as the primary revenue pillars of PAAB. At the same time, steady contributions from the remaining states provide diversification, mitigating concentration risk and reinforcing the sustainability and resilience of PAAB's overall lease income base.

Lease Income by States



Segmental Lease Income by Asset Category

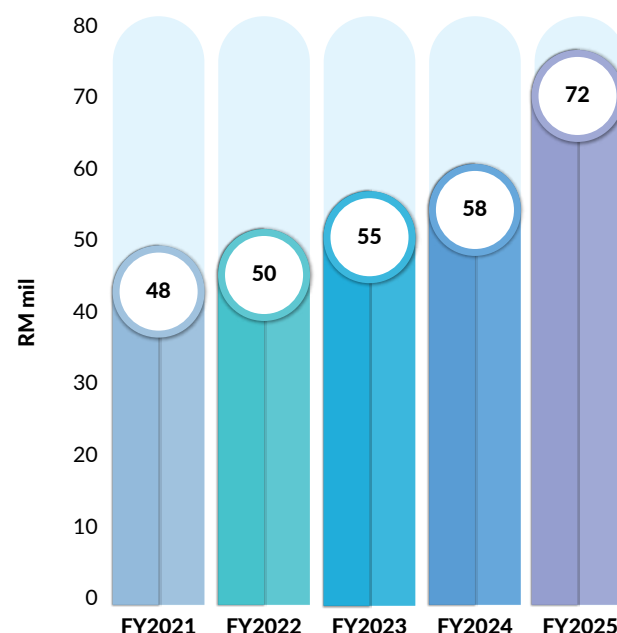
Lease Income by Segment



Lease income from migrated assets under the Existing Water Assets (EWA) category comprising assets transferred from water operators to PAAB and leased back, has consistently contributed range between 73% and 87% from FY2021 to FY2025 of the Company's total lease income. In contrast, lease income from the New Water Assets (NWA) category accounted for the range approximately 13% to 27% from FY2021 to FY2025.

As more new water infrastructure projects reached completion, the contribution from the NWA category has progressively increased over the past five years, strengthening PAAB's forward income outlook. This growth was notably driven by the completion of Phase 1 of the Langat 2 Water Treatment Plant, the largest water infrastructure project in Malaysia, with a treatment capacity of 1,130 MLD which generated an additional RM57.4 million in lease income in FY2025.

Operating Expenditure



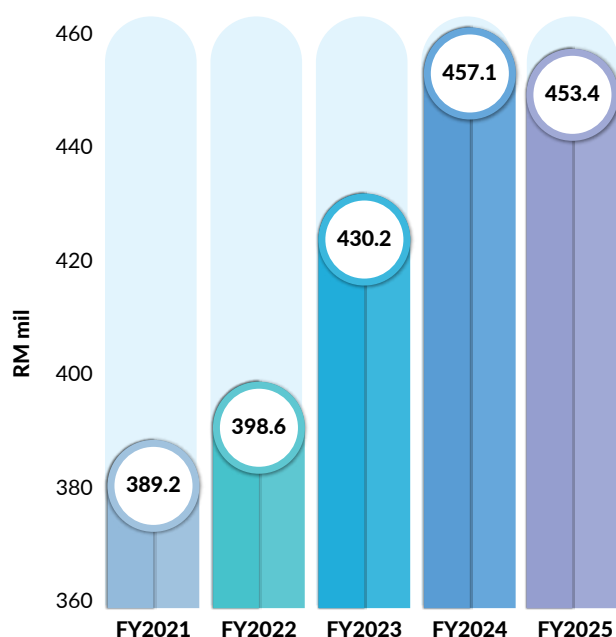
Operating expenditure (OPEX) has shown a consistent upward trend over the past five years, increasing from RM48 million in FY2021 to RM72 million in FY2025. The gradual rise from FY2021 to FY2024 reflects the Company's ongoing business expansion and the scaling up of our operational activities in line with growth objectives.

The more notable increase in FY2025 is mainly driven by an increase in headcount to support expanding operations, which resulted increase in staff cost. In addition, administrative expenses have also increased, reflecting the higher level of business activity, greater operational requirements, and the need for enhanced support functions as the organisation grows. The increase in FY2025 is also attributable to the establishment

of new site offices which underscores the Company's commitment to strengthening our professional presence and operational capacity

Overall, the increase in OPEX is aligned with the Company's strategic growth and capacity-building efforts. These increased in costs are necessary to strengthen operational capabilities, improve service delivery, and ensure the Company remains well-positioned to support our expanding business and future development plans.

Profit Before Tax (PBT)



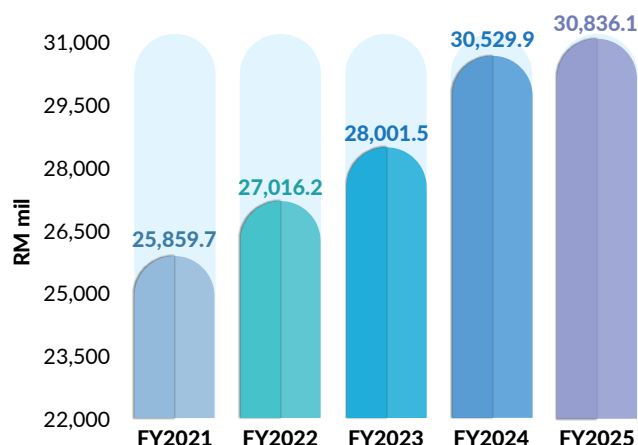
Excluding exceptional item for impairment of trade and lease receivables.

PAAB has delivered resilient and consistent growth over the past five years, achieving a PBT CAGR of 3.10% from FY2021 to FY2025 despite evolving market conditions.

PBT strengthened progressively from RM398.6 million in FY2022 to RM457.1 million in FY2024, driven by the completion of development projects and the corresponding expansion in lease income.

In FY2025, the PBT was reduced to RM453.4 mainly due to the increased in finance cost contributed by additional issuance of sukuk amounting to RM515 million. In addition, operating expenditure also recorded the notable increased (as explain above) resulted decreased in PBT for the company. These factors collectively elevated recurring costs such as staffing, rental and administrative overheads, reflecting the Company's strategic expansion and strengthening of our corporate presence.

Lease Receivables

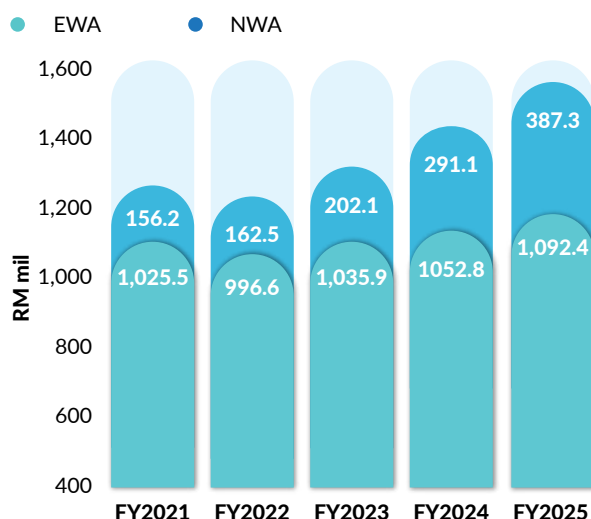


The Company has shown a significant increase in lease receivables from FY2021 to FY2025 amounted to RM5.0 billion. This increase is largely driven by development cost of water infrastructure projects following the completion of the projects, and commenced charging to water operators, over the long-term lease tenure.

Selangor is the largest contributor to this increase, for the period from FY2021 to FY2025 a total of RM3.8 billion, attributed to the completion of Langat 2 water treatment plant phase 1 project. While Johor contributed the increase, for the period from FY2021 to FY2025 a total of RM1.2 billion, recognised in lease receivables.

Segmental Lease Billing by Asset Category

Total Billing by Category



Over the past five years, lease billing has demonstrated consistent growth across both the Existing Water Assets (EWA) and New Water Assets (NWA) categories, reflecting the steady expansion of water infrastructure development charged to water operators. Total lease billing

increased progressively, reaching RM1,479.7 million in FY2025, underpinned by the continued rollout and completion of strategic water infrastructure projects nationwide.

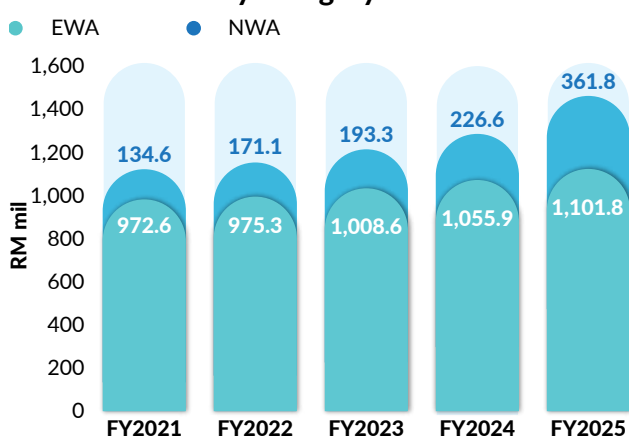
Throughout the period, EWA remained the primary contributor to total lease billing, highlighting the stability and reliability of lease rentals from existing assets, which continue to form the backbone of PAAB's recurring lease income. The sustained contribution from EWA underscores the strength of PAAB's long-term lease arrangements and the resilience of our core revenue base.

Meanwhile, NWA recorded a noticeable upward trend, albeit from a smaller base compared to EWA. The growth in NWA reflects PAAB's proactive role in supporting the development of new water infrastructure projects to meet increasing national water demand.

In FY2024, the significant increase in NWA lease billing was mainly attributable to the completion and commissioning of Phase 1 of the Langat 2 Water Treatment Plant, which marked a major milestone in PAAB's asset portfolio. This positive momentum continued into FY2025, further contributing to the overall increase in total lease billing.

Segmental Lease Collection by Asset Category

Total Collection by Category

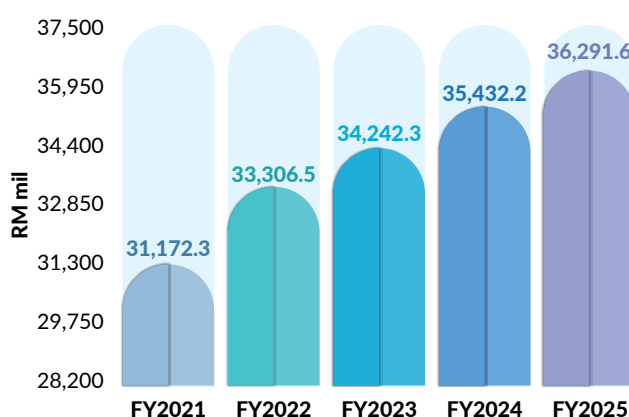


Total lease collections continued to demonstrate a consistent upward trend, increasing from RM1.1 billion in FY2021 to RM1.3 billion in FY2024, reflecting effective credit control and disciplined receivables management. This positive trend was sustained in FY2025, with total lease collections rising further to RM1,463.6 million, underscoring the strength of the Company's collection efficiency and the reliability of our lease income stream.

Throughout the period, EWA remained the primary contributor to total lease collections, highlighting the stability of collections from established assets and long-term lease arrangements. At the same time, NWA recorded steady growth, increasing from RM134.6 million in FY2021 to RM361.8 million in FY2025, reflecting the growing contribution from newly developed water infrastructure projects. The continued increase in NWA collections reinforces the strategic importance of new water infrastructure development in supporting PAAB's long-term revenue sustainability, with this positive momentum extending into FY2025.

In addition, collections from AIS amounting to RM101.2 million for the Langat 2 Phase 1 project further strengthened overall lease collection, underscoring the role of strategic project investments and enhancing revenue streams.

Total Assets



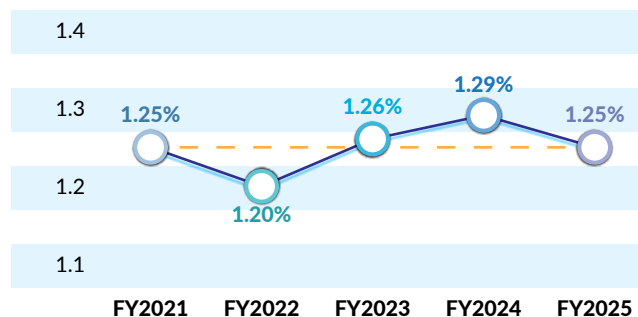
From FY2021 to FY2024, PAAB's total assets expanded significantly, increasing by RM4.3 million to RM35.4 billion. This growth was primarily driven by the completion of water asset migrations for Kedah, Perlis and Pahang under the national water sector restructuring programme, amounting to RM1.1 billion, RM45.3 million and RM1.1 billion respectively.

The steady asset expansion from FY2022 onwards reflects PAAB's continued commitment to delivering long-term value to stakeholders and strengthening our financial sustainability. This growth also underscores the strong trust and confidence placed in PAAB's capabilities in developing and managing the nation's water infrastructure assets, as well as ensuring the sustainability and reliability of water supply services nationwide.

In FY2025, PAAB's total assets further increased to RM36,291.6 million, reinforcing the Company's growth. As we move forward, PAAB remains focused on sustaining this momentum through the continuous development of water infrastructure to support the nation's long-term water security.

Return on Assets

Return on Assets Ratio



Excluding exceptional item for impairment of trade and lease receivables.

The Company's return on assets (ROA) moderated from 1.25% to 1.20% in FY2021 to FY2022 primarily reflecting a substantial expansion in total assets following the completion of a significant number of development projects. During this period, returns had yet to fully materialise as the assets were still in under development.

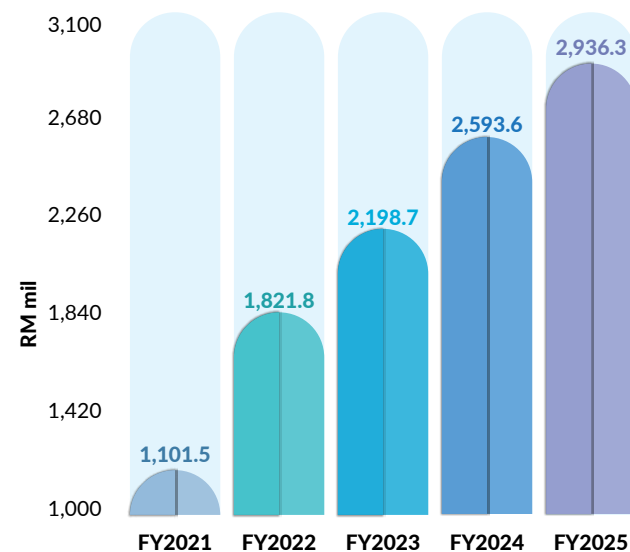
In FY2023, ROA improved to 1.26% as projects completed in earlier years began generating returns through the commencement of lease rental charges to water operators. This positive momentum continued in FY2024, with ROA increasing further to 1.29%, demonstrating the Company's capability in completing new projects, charging clients accordingly, and thereby driving higher revenue and overall profitability.

In FY2025, ROA marginally slightly decreased to 1.25%, primarily driven by the higher capital base following the acceleration of development expenditures during the year. The increase in capitalised project costs, particularly from ongoing infrastructure expansion initiatives, resulted in a temporary dilution of returns as the assets have yet to fully contribute to revenue generation.

This trend reflects the Company's proactive investment strategy in strengthening national water infrastructure capacity. Given the long-term lease arrangement and stable cash flow profile of the business model, this upfront capital investments are expected to progressively enhance earnings contribution and deliver stable

return, thereby supporting sustainable value creation for stakeholders.

Equity



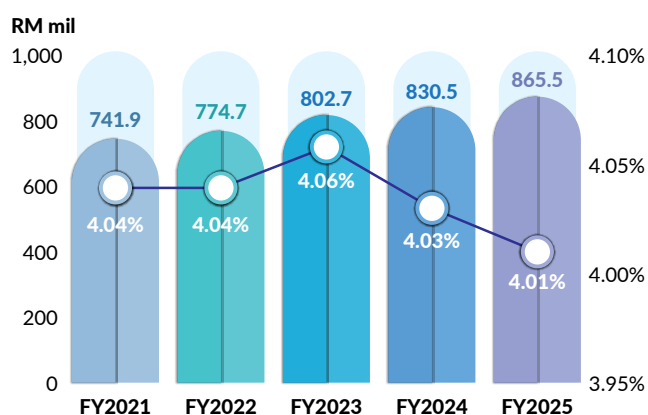
PAAB's equity recorded consistent year-on-year growth from FY2021 to FY2024, reaching RM2.6 billion. This increase was mainly driven by the progressive completion of numerous water infrastructure projects, which resulted in higher asset base and subsequent charging to lease income as more projects were brought into operation. In addition, investment income also contributed to the year on year growth in equity during the period.

The steady expansion in equity reflects the strengthening of PAAB's recurring income streams, supported by both lease income from completed projects and returns generated from investments. Overall, this demonstrates the Company's strong financial position, underpinned by prudent financial management and effective capital deployment in infrastructure development and investment activities.

In FY2025, PAAB's equity strengthened further to RM2.9 billion, reinforcing our financial stability and resilience. This robust equity base enables the Company to continue delivering positive returns to stakeholders, while enhancing confidence in our long-term sustainability.

PAAB's sound financial standing and creditworthiness continue to support strong investors confidence, as evidenced by sustained interest and participation in the Company's sukuk issuances in the debt capital market.

Finance Cost and Cost of Debt



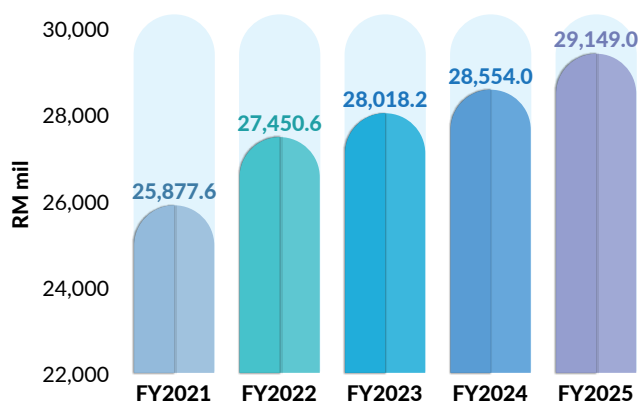
Finance costs relating to ICP and IMTN recorded a gradual increase from RM741.9 million in FY2021 to RM830.5 million in FY2024, in line with the higher level of total borrowings during the period. The increase was mainly driven by sukuk issuances undertaken to finance ongoing water infrastructure development projects, as well as the refinancing of matured sukuk into longer-tenure instruments as part of PAAB's funding strategy.

Despite the increase in absolute finance costs, PAAB's weighted average cost of debt ("WACD") remained broadly stable from FY2021 to FY2024. WACD stood at 4.04% in FY2021 and FY2022, before increasing marginally to 4.06% in FY2023, mainly reflecting the prevailing profit rate environment and funding requirements during the period. In FY2024, WACD improved slightly to 4.03%, supported by PAAB's prudent debt management and disciplined funding execution.

Finance costs increased from RM830.5 million in FY2024 to RM865.5 million in FY2025, primarily attributable to additional sukuk issuances undertaken to support the continued implementation of water infrastructure projects and refinancing activities aimed at extending the debt maturity profile. Notwithstanding the increase in finance costs, PAAB's WACD improved from 4.03% in FY2024 to 4.01% in FY2025.

Overall, the combined trend demonstrates that while PAAB's absolute finance costs increased in line with higher borrowings and infrastructure funding requirements, our WACD remained well managed within a narrow range over the five-year period. This reflects PAAB's disciplined debt management approach, continued access to competitive funding, and ability to maintain financing costs at an optimised and sustainable level amid changes in the broader profit rate environment.

Total Borrowings

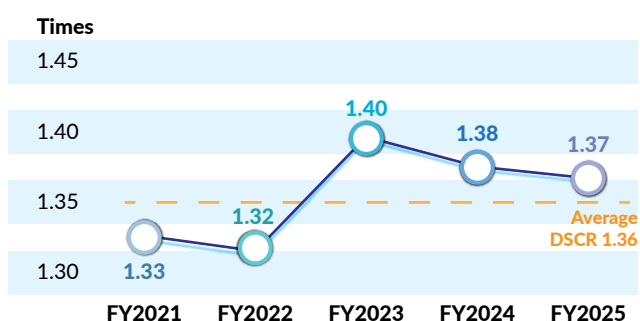


PAAB's total borrowings increased from RM25.9 billion in FY2021 to RM28.6 billion in FY2024, reflecting sukuk issuances undertaken to finance ongoing water infrastructure development projects. The increase was mainly driven by project-related funding requirements arising from the continued implementation of PAAB's water infrastructure development programme.

In FY2025, total borrowings increased further to RM29.1 billion, compared to RM28.6 billion in FY2024, in line with the continued implementation of development projects. The increase was supported by new sukuk issuances and refinancing activities undertaken to meet funding requirements, manage maturity obligations and maintain funding stability.

Overall, PAAB continues to adopt a prudent and disciplined approach to debt management, ensuring that borrowings remain aligned with approved infrastructure development requirements and long-term financial sustainability objectives.

Debt Service Coverage Ratio



Excluding exceptional item for impairment of trade and lease receivables

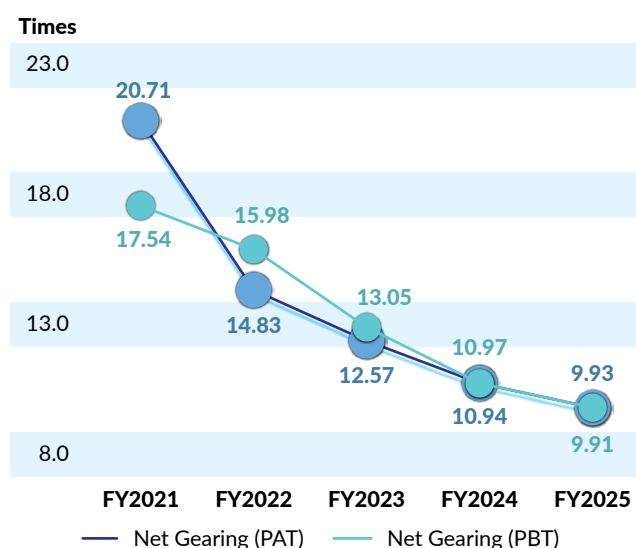
The Debt Service Coverage Ratio ("DSCR") weakened to 1.37 times in 2025. The decline was mainly attributable to higher financial obligation for coupon and federal loan.

Over the five-year period from FY2021 to FY2025, DSCR remained consistently healthy, ranging between 1.32 and 1.40 times, reflecting a balanced relationship between earnings generation, debt servicing commitments, and prudent financial management. The lowest ratio was recorded in FY2022 at 1.32 times due to higher financial obligation during the year, while FY2023 marked the strongest position at 1.40 times, supported by higher EBIT.

Despite normal year-to-year variations, PAAB has consistently maintained our DSCR above the internal benchmark of 1.0 times, demonstrating sustained headroom in servicing our debt obligations.

Moving forward, PAAB remains committed to maintaining a sustainable DSCR level through disciplined cash flow management, efficient debt structuring, and continued alignment of financing strategies with our long-term financial sustainability objectives.

Net Gearing Ratio



From FY2021 to FY2024, PAAB's net gearing ratio recorded a consistent downward trend under both PAT and PBT bases. Net gearing based on PAT declined from 20.71 times in FY2021 to 10.94 times in FY2024, while net gearing based on PBT decreased from 17.54 times to 10.97 times over the same period. The improvement was mainly driven by the strengthening of PAAB's equity and adjusted equity base, supported by sustained profitability and accumulation of retained earnings during the period.

The reduction in both gearing measures was achieved despite the increase in total borrowings from RM22.8 billion in FY2021 to RM28.4 billion

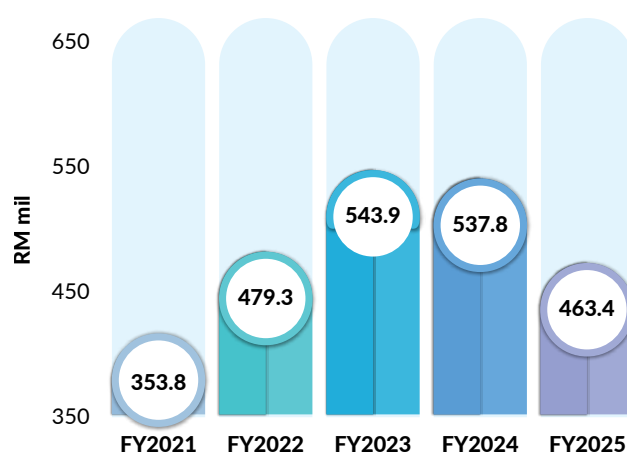
in FY2024. This indicates that the pace of equity growth outstripped the increase in borrowings, resulting in a more balanced capital structure and improved leverage position over the period.

In FY2025, PAAB's net gearing ratio improved further under both measures. Net gearing based on PAT declined to 9.93 times from 10.94 times in FY2024, while net gearing based on PBT decreased to 9.91 times from 10.97 times. The improvement was mainly attributable to further growth in equity, which helped offset the impact of incremental borrowings during the year.

Overall, the five-year trend demonstrates PAAB's continued emphasis on disciplined capital structure management. The sustained reduction in both net gearing measures reflects improved financial resilience and lower leverage risk, supported by sustainable equity accumulation, prudent debt management and effective funding discipline.

Note: Net Gearing (PAT) refers to total borrowings divided by reported equity, while Net Gearing (PBT) refers to total borrowings divided by equity before tax impact.

Cash and Bank Balances



FY2025 excluding restricted cash of RM385 million

The Company recorded a significant increase of RM184.0 million in our cash and bank balances from FY2021 to FY2024, primarily driven by higher collections from lease billings to water operators following the successful completion and handover of various water infrastructure development projects, as well as funds set aside for capital expenditure requirements.

The cash and bank balances include short-term deposits earmarked for the annual redemption of Redeemable Preference Shares, amounting to an

average RM188.2 million per year and payable in early January each year.

As at the end of FY2024, the Company's free cash flow stood at RM537.8 million, after considering allocations for committed and contracted water infrastructure development projects, as well as monthly salary and administrative expenses.

In FY2025, cash and bank balances decreased to RM463.4 million, mainly due to higher capital outflows for ongoing infrastructure projects and the continued drawdown of funds to meet operational requirements. The Company has also strategically utilised an existing internal funds to finance project development, thereby reducing the reliance on sukuk issuances. This approach reflects a prudent funding strategy aimed at

optimising capital structure while managing financing costs.

The increase in development activities during the year, coupled with higher operating expenditure arising from expanded headcount and administrative needs, contributed to the reduction in cash reserves.

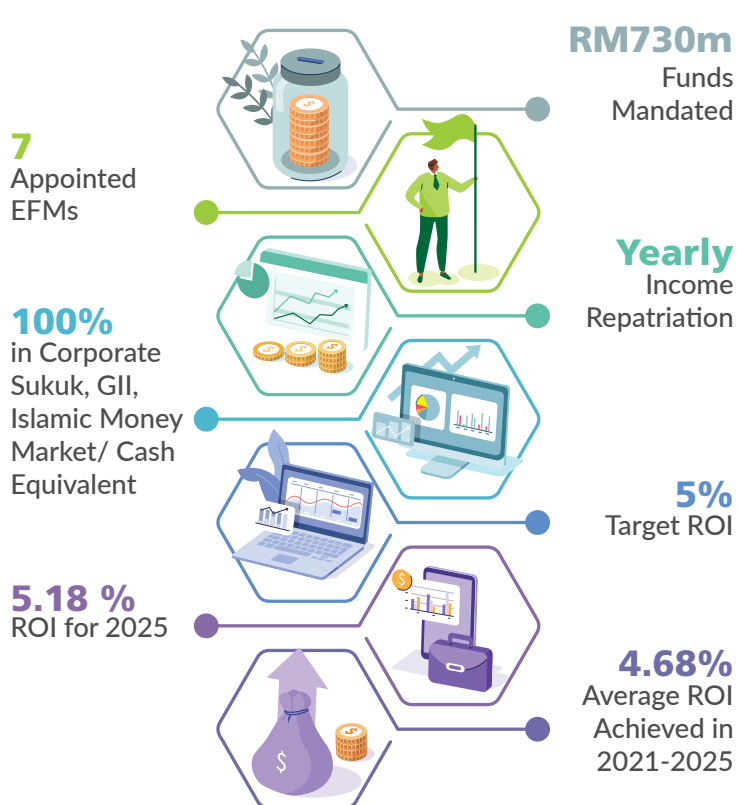
The Company continues to maintain a healthy cash position, supported by stable operating cash flows and disciplined financial management. The available cash balance remains sufficient to meet our short-term obligations and to support ongoing project commitments, while ensuring adequate liquidity for future operational and development needs.

Funds Under Management by External Fund Managers (EFMs) – Sukuk Portfolio Mandate

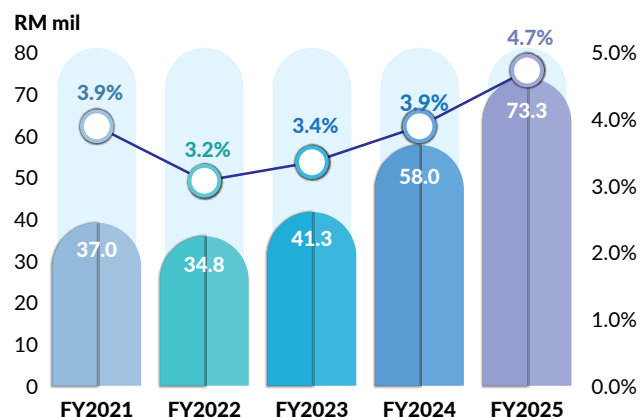
The funds under management by EFMs under the Sukuk Portfolio Mandate continued to demonstrate stable and resilient performance in FY2025, achieving a 5.18% return on investment (ROI), which exceeded the 5.00% target ROI. This performance reflects PAAB's disciplined and conservative investment approach, underpinned by active portfolio management, rigorous credit assessment, and tactical asset allocation undertaken by the appointed EFMs amid evolving market conditions. The outcome was further supported by the strategic reallocation of funds from underperforming EFMs to stronger-performing managers, ensuring optimal deployment of capital and improved overall portfolio efficiency.

Over the FY2021 to FY2025 period, the Sukuk Portfolio Mandate recorded an average ROI of 4.68%, illustrating consistent performance across varying economic and profit rate cycles. The earlier years within this period were influenced by pandemic-related volatility and lower yield environments. However, the portfolio remained resilient through prudent security selection, diversification across high-quality Shariah-compliant instruments, and structured performance monitoring of EFMs. The gradual normalisation of economic activity and improving fixed-income market conditions in subsequent years, coupled with periodic fund rebalancing among managers, contributed to the enhanced returns achieved in FY2025.

The mandate continues to emphasise capital preservation, liquidity sufficiency, and recurring income generation, with annual income repatriation supporting operational expenditure requirements while preserving the principal investment base for long-term sustainability.



Finance Income and Return on Investment



PAAB's finance income recorded an overall upward trend from RM37.0 million in FY2021 to RM58.0 million in FY2024, notwithstanding a temporary decline to RM34.8 million in FY2022.

The increase over the period was mainly supported by higher funds invested, particularly in Islamic money market instruments, as well as income generated from the Sukuk Portfolio Mandate. Correspondingly, ROI improved from 3.2% in FY2022 to 3.9% in FY2024, reflecting better deployment of invested funds and improved portfolio yield.

In FY2025, finance income increased further from the previous year, marking the highest level recorded over the five-year period. The improvement was mainly driven by a significant increase in income from Islamic money market placements, supported by competitive deposit placements and favourable profit rate opportunities during the year.

PAAB's ROI improved from 3.9% in FY2024 to 4.7% in FY2025, reflecting stronger overall portfolio yield and more effective deployment of invested funds. While income from the Sukuk Portfolio Mandate moderated slightly during the year, this was more than offset by higher returns from money market placements, contributing to the overall improvement in finance income.

Overall, the finance income and ROI trend demonstrates PAAB's prudent investment management and effective fund allocation strategy. The continued collaboration with EFMs, together with active management of Islamic money market placements, supports PAAB's objective of generating stable recurring income while preserving capital and maintaining adequate liquidity.

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.

FINANCIAL STATEMENTS

Pengurusan Aset Air Berhad

(Registration No. 200601012793 (732544-D))

(Incorporated in Malaysia)

and its subsidiaries

Directors' report for the year ended 31 December 2025

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 2025.

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. There has been no significant change in the nature of these activities during the financial year.

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	354,133	346,635

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 2.74 sen per ordinary share totalling RM20,000,000 on 19 September 2025 in respect of the financial year ended 31 December 2024.

The final ordinary dividend recommended by Directors in respect of the financial year ended 31 December 2025 is 2.74 sen per ordinary share totalling RM20,000,000.

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' Hajah Norison binti Ramli (Appointed on 29 April 2026)
 Dato' Mohd Rodzwan bin Mohd Baba Sakri (Appointed on 13 May 2026)
 Dato' Suzana binti Atan
 Encik Tarmizi bin Tamby Chik (Appointed on 13 May 2026)
 Dato' Ir. Dr. Mohd. Asbi bin Othman
 Dato' Ir. Nor Hisham bin Mohd Ghazali
 Dato' Zuraidah binti Atan
 Datuk Rawisandran A/L Narayanan (Ceased on 31 July 2025 and appointed on 6 January 2026)
 Dato' Sri Haji Mad Zaidi bin Mohd Karli @ Sukari (Ceased on 14 April 2026)
 YM Dato' Raja Muhammad Azhan Shah bin Raja Muhammad (Appointed on 1 June 2025, resigned on 3 December 2025)
 Dato' Ir. Jauhari bin Hamidi (Ceased on 22 October 2025)
 Datuk Nor Yati Ahmad (Resigned on 3 September 2025)
 Nasharuddin bin Abu Bakar (Ceased on 1 June 2025)

Directors' interests in shares

None of the Directors holding office at 31 December 2025 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 2025 are as follows:

	By the Company RM'000
Directors of the Company:	
Fees	368
Remuneration	204
Estimated money value of any other benefits	24
Total	596

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 and the Company 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 2025 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.

Auditors

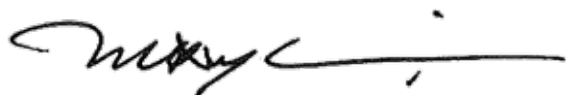
The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM348,000 and RM308,000 respectively.

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



Dato' Zuraidah binti Atan
Director



Dato' Ir. Nor Hisham bin Mohd Ghazali
Director

Date: 21 May 2026

Pengurusan Aset Air Berhad

(Registration No. 200601012793 (732544-D))

(Incorporated in Malaysia)

and its subsidiaries

Statements of financial position as at 31 December 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Non-current assets					
Plant and equipment	2	6,407	3,921	6,407	3,921
Intangible assets	3	5,271	2,620	5,271	2,620
Right-of-use assets	4	2,140	2,992	2,140	2,992
Assets under construction	5	2,970,102	2,850,426	2,970,102	2,850,426
Investment in subsidiaries	6	-	-	1,000	1,000
Lease receivables	7	30,391,408	30,146,503	30,391,408	30,146,503
Trade and other receivables	8	367,760	279,996	367,760	279,996
		33,743,088	33,286,458	33,744,088	33,287,458
Current assets					
Lease receivables	7	444,706	383,386	444,706	383,386
Trade and other receivables	8	120,796	236,882	120,166	236,360
Contract assets	9	11,665	-	11,665	-
Current tax assets		4,034	4,097	4,034	3,953
Other investments	10	1,118,937	983,625	812,292	708,559
Cash and cash equivalents	11	848,335	537,765	835,191	534,716
		2,548,473	2,145,755	2,228,054	1,866,974
Total assets		36,291,561	35,432,213	35,972,142	35,154,432
Equity and liabilities					
Equity attributable to owner of the Company					
Share capital	12	730,000	730,000	730,000	730,000
Retained earnings		2,164,435	1,830,302	2,156,523	1,829,888
Fair value reserve	12	41,858	33,265	41,858	33,265
Total equity		2,936,293	2,593,567	2,928,381	2,593,153
Non-current liabilities					
Deferred income	13	3,682,016	3,645,013	3,682,016	3,645,013
Loans and borrowings	14	22,389,265	21,519,481	3,770,155	3,797,330
Amount due to subsidiaries	15	-	-	18,619,110	17,722,152
Deferred tax liabilities	17	2,976,658	2,969,700	2,976,658	2,969,700
Lease liabilities		1,475	2,166	1,475	2,166
		29,049,414	28,136,360	29,049,414	28,136,361

Statements of financial position as at 31 December 2025 (continued)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current liabilities					
Loans and borrowings	14	3,376,097	3,682,920	369,757	333,519
Trade and other payables	16	928,081	1,017,966	928,025	1,017,402
Amount due to subsidiaries	15	-	-	2,695,440	3,072,597
Lease liabilities		1,125	1,400	1,125	1,400
Current tax liability		551	-	-	-
		4,305,854	4,702,286	3,994,347	4,424,918
Total liabilities		33,355,268	32,838,646	33,043,761	32,561,279
Total equity and liabilities		36,291,561	35,432,213	35,972,142	35,154,432

The notes on pages **153 to 202** 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 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	18	1,298,039	1,219,633	1,298,039	1,219,633
Construction cost		(19,947)	-	(19,947)	-
Amortisation of government of grants		155,205	153,822	155,205	153,822
Other income		13,889	16,445	14,559	17,044
Depreciation expenses		(2,587)	(2,449)	(2,587)	(2,449)
Amortisation of intangible assets	3	(434)	(276)	(434)	(276)
Personnel costs	22	(44,306)	(36,069)	(44,306)	(36,069)
Net reversal of impairment on assets under construction	5	2,252	3,680	2,252	3,680
Net (loss)/reversal of impairment on financial instruments	21	(89,260)	5,014	(89,260)	5,014
Other expenses		(28,036)	(22,362)	(27,458)	(21,760)
Results from operating activities		1,284,815	1,337,438	1,286,063	1,338,639
Finance income	19	73,280	57,950	61,830	53,856
Finance costs	20	(989,828)	(938,251)	(989,828)	(938,251)
Profit before tax	21	368,267	457,137	358,065	454,244
Tax expense	23	(14,134)	(73,213)	(11,430)	(72,268)
Profit for the year		354,133	383,924	346,635	381,976
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")		8,593	31,218	8,593	31,218
Other comprehensive income for the year, net of tax		8,593	31,218	8,593	31,218
Total comprehensive income for the year		362,726	415,142	355,228	413,194

The notes on pages 153 to 202 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 2025

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 2024	730,000	2,047	1,466,630	2,198,677
Debt securities measured at fair value through other comprehensive income				
- Fair value 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	-	-	(20,252)	(20,252)
Total transactions with owner of the Company	-	-	(20,252)	(20,252)
At 31 December 2024/ 1 January 2025	730,000	33,265	1,830,302	2,593,567
Debt securities measured at fair value through other comprehensive income				
- Fair value gains during the year	-	8,593	-	8,593
Profit for the year	-	-	354,133	354,133
Total comprehensive income for the year	-	8,593	354,133	362,726
<i>Distributions to owner of the Company</i>				
- Dividend to owner of the Company	-	-	(20,000)	(20,000)
Total transactions with owner of the Company	-	-	(20,000)	(20,000)
At 31 December 2025	730,000	41,858	2,164,435	2,936,293
	Note 12	Note 12		

Statements of changes in equity for the year ended 31 December 2025 (continued)

/-----Attributable to owner of the Company-----/				
/---Non-distributable---/ Distributable				
Note	Share capital RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
Company				
At 1 January 2024	730,000	2,047	514,684	1,246,731
Debt securities measured at fair value through other comprehensive income				
- Fair value 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	24	-	(20,252)	(20,252)
- Waiver on amount due to subsidiary	15	-	953,480	953,480
Total transactions with owner of the Company	-	-	933,228	933,228
At 31 December 2024/ 1 January 2025	730,000	33,265	1,829,888	2,593,153
Debt securities measured at fair value through other comprehensive income				
- Fair value gains during the year	-	8,593	-	8,593
Profit for the year	-	-	346,635	346,635
Total comprehensive income for the year	-	8,593	346,635	355,228
<i>Distributions to owner of the Company</i>				
- Dividend to owner of the Company	24	-	(20,000)	(20,000)
Total transactions with owner of the Company	-	-	(20,000)	(20,000)
At 31 December 2025	730,000	41,858	2,156,523	2,928,381
	Note 12	Note 12		

The notes on pages 153 to 202 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 cash flows for the year ended as at 31 December 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before tax		368,267	457,137	358,065	454,244
<i>Adjustments for:</i>					
Amortisation of government grants		(155,205)	(153,822)	(155,205)	(153,822)
Amortisation of intangible assets	3	434	276	434	276
Depreciation expenses		2,587	2,449	2,587	2,449
Finance costs	20	989,828	938,251	989,828	938,251
Finance income	19	(73,280)	(57,950)	(61,830)	(53,856)
Gain on disposals of plant and equipment		-	(23)	-	(23)
Loss/(gain) from lease modification on lease receivable		60	(4,792)	60	(4,792)
Gain from lease modification on right-of-use asset		(4)	-	(4)	-
Net loss/(reversal) of impairment on financial instruments	21	89,260	(5,014)	89,260	(5,014)
Net reversal of impairment loss on assets under construction	5	(2,252)	(3,680)	(2,252)	(3,680)
Operating profit before working capital changes		1,219,695	1,172,832	1,220,943	1,174,033
Change in lease receivables		202,380	124,304	202,380	124,304
Change in trade and other receivables		(6,667)	(104,070)	(6,559)	(103,548)
Change in trade and other payables		(101,413)	173,785	(100,905)	173,484
Change in contract assets		(11,665)	-	(11,665)	-
Change in amount due to subsidiaries		-	-	(4,097)	(2,463)
Cash generated from operations		1,302,330	1,366,851	1,300,097	1,365,810
Tax paid		(10,400)	(1,875)	(8,058)	(644)
Tax refund		3,838	46	3,505	-
Net cash from operating activities		1,295,768	1,365,022	1,295,544	1,365,166

Statements of cash flows for the year ended 31 December 2025 (continued)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from investing activities					
Acquisition of plant and equipment	2	(4,122)	(1,180)	(4,122)	(1,180)
Proceeds from disposal of plant and equipment		-	23	-	23
Acquisition of intangible assets	3	(3,085)	(2,364)	(3,085)	(2,364)
Net acquisition of asset under construction	5	(632,904)	(856,665)	(632,904)	(856,665)
Net acquisition of other investments		(126,719)	(248,086)	(95,140)	(45,101)
Interest received		73,280	57,950	61,830	53,856
Net cash used in investing activities		(693,550)	(1,050,322)	(673,421)	(851,431)
Cash flows from financing activities					
Repayment of loans from Government of Malaysia ("GoM") - Federal loan		(148,188)	(107,966)	(148,188)	(107,966)
Redemption of Redeemable Preference Shares ("RPS")		(192,915)	(190,502)	(192,915)	(190,502)
Redemption of Islamic Medium-Term Notes ("IMTN")		(2,465,000)	(2,600,000)	-	-
Redemption of Islamic Commercial Papers ("ICP")		(720,000)	-	-	-
Interest paid in relation to ICP and IMTN		(826,589)	(807,513)	-	-
Payment on behalf of a subsidiary in relation to redemption and interest paid of IMTN and ICP		-	-	(4,011,589)	(3,407,513)
Proceeds from loan from GoM	14.2	384,999	-	384,999	-
Payment of transaction cost for loan from GoM - Other loan		(2,723)	-	(2,723)	-
Issuance of IMTN		3,700,000	2,700,000	-	-
Issuance of ICP		-	706,357	-	-
Advances from a subsidiary		-	-	3,700,000	3,406,357
Advances to a subsidiary		-	-	(30,000)	(200,000)
Payment of lease liabilities		(1,061)	(732)	(1,061)	(732)
Interest paid in relation to lease liabilities	20	(171)	(222)	(171)	(222)
Dividend paid	24	(20,000)	(20,252)	(20,000)	(20,252)
Net cash used in financing activities		(291,648)	(320,830)	(321,648)	(520,830)

Statements of cash flows for the year ended 31 December 2025 (continued)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net increase/(decrease) in cash and cash equivalents		310,570	(6,130)	300,475	(7,095)
Cash and cash equivalents at 1 January		537,765	543,895	534,716	541,811
Cash and cash equivalents at 31 December	a	848,335	537,765	835,191	534,716

Notes to the statements of cash flows**(a) Cash and cash equivalents**

Cash and cash equivalents included in the statements of cash flows comprised of following:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Short-term deposits		426,146	513,660	426,146	513,660
Cash and bank balances		37,190	24,105	24,046	21,056
		463,336	537,765	450,192	534,716
Other bank balance – Loan from GoM	i	384,999	-	384,999	-
	11	848,335	537,765	835,191	534,716

- i. During the current financial year, the Group and the Company received proceed from loan from GoM amounting to RM385 million (2024: nil) to finance the construction of a project as disclosed in Note 14.2.

(b) Cash outflows for leases as a lessee

Group and Company	Note	2025 RM'000	2024 RM'000
Included in net cash from operating activities:			
Payment relating to leases of low-value assets	21	161	111
Included in net cash from financing activities:			
Payment of lease liabilities		1,061	732
Interest paid in relation to lease liabilities	20	171	222
Total cash outflows for lease		1,393	1,065

Statements of cash flows for the year ended 31 December 2025 (continued)

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

Group	Loans and borrowings		Lease liabilities		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As at 1 January	25,202,401	24,505,674	3,566	3,198	25,205,967	24,508,872
Net changes from financing cash flows	(270,416)	(299,624)	(1,232)	(954)	(271,648)	(300,578)
Other changes						
Finance cost	1,025,585	996,441	171	222	1,025,756	996,663
Government grant arising from interest free loan from GoM - Other loan	(205,574)	-	-	-	(205,574)	-
Loans modification	13,366	-	-	-	13,366	-
Others	-	(90)	95	1,100	95	1,010
Total liabilities related other changes	833,377	996,351	266	1,322	833,643	997,673
As at 31 December	25,765,362	25,202,401	2,600	3,566	25,767,962	25,205,967
	Note 14	Note 14				

Statements of cash flows for the year ended 31 December 2025 (continued)

(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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As at 1 January	4,130,849	4,263,420	20,794,749	21,121,394	3,566	3,198	24,929,164	25,388,012
Net changes from financing cash flows	41,173	(298,468)	(341,589)	(201,156)	(1,232)	(954)	(301,648)	(500,578)
Other changes								
Finance cost	160,098	165,987	865,487	830,454	171	222	1,025,756	996,663
Government grant arising from interest free loan from GoM - Other loan	(205,574)	-	-	-	-	-	(205,574)	-
Waiver on amount due to a subsidiary	-	-	-	(953,480)	-	-	-	(953,480)
Loans modification	13,366	-	-	-	-	-	13,366	-
Others	-	(90)	(4,097)	(2,463)	95	1,100	(4,002)	(1,453)
Total liabilities related other changes	(32,110)	165,897	861,390	(125,489)	266	1,322	829,546	41,730
As at 31 December	4,139,912	4,130,849	21,314,550	20,794,749	2,600	3,566	25,457,062	24,929,164
	Note 14	Note 14	Note 15	Note 15				

The notes on pages 153 to 202 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 2025 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 21 May 2026.

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.

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:

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

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*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates* – *Translation to a Hyperinflationary Presentation Currency*

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

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

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

(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 MFRS Accounting Standards 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.

1. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

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 7.4 and 8.3 - In measuring expected credit losses ("ECL") on lease receivable and trade receivables, management has applied judgement. The measurement of ECL involves the assessment of uncertainty relating to the recoverability of the exposure as at the reporting date.
- Note 7.6(i)(a) - Assessment of leases to conclude whether the leases of water assets to water operators are finance leases or operating leases.
- Note 17.1 - 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.
- Note 18.2 - Revenue recognition using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Significant judgements are required to estimate the total contract costs to complete.

As at 31 December 2025, the current assets of the Group and the Company are lower than the current liabilities by RM1.8 billion. Notwithstanding this, the Directors have considered that, as a wholly owned subsidiary of Minister of Finance (Incorporated) ("MOF Inc."), the Group and the Company will continue to receive financial support from its ultimate holding corporation, MOF Inc..

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

- i) the issuance of Sukuk under the AAA RM20 billion IMTN Programme, maturing on 4 November 2039, with a remaining available limit of RM4.18 billion; and
- ii) the availability of an ICP programme totalling RM2.0 billion, maturing on 3 August 2029, with a remaining available limit of RM2.0 billion.

Accordingly, the Directors of the Group consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

2. Plant and equipment

	Office renovation		Furniture and fittings		Office equipment		Computer equipment		Motor vehicles		Work in progress		Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost														
At 1 January 2024	4,544	381	690	3,788	932	-	-	-	-	-	-	-	10,335	
Additions	23	14	-	396	540	207	-	-	-	-	207	-	1,180	
Disposal	-	-	-	-	(121)	-	-	-	-	-	-	-	(121)	
At 31 December 2024/1 January 2025	4,567	395	690	4,184	1,351	207	-	-	-	-	207	-	11,394	
Additions	3,188	4	118	289	523	-	-	-	-	-	-	-	4,122	
Reclassification	207	-	-	-	-	(207)	-	-	-	-	(207)	-	-	
At 31 December 2025	7,962	399	808	4,473	1,874	-	-	-	-	-	-	-	15,516	
Accumulated depreciation														
At 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 2024/1 January 2025	2,622	381	669	3,092	709	-	-	-	-	-	-	-	7,473	
Depreciation	939	4	23	429	241	-	-	-	-	-	-	-	1,636	
At 31 December 2025	3,561	385	692	3,521	950	-	-	-	-	-	-	-	9,109	
Carrying amounts														
At 1 January 2024	2,782	2	29	1,141	289	-	-	-	-	-	-	-	4,243	
At 31 December 2024/1 January 2025	1,945	14	21	1,092	642	207	-	-	-	-	207	-	3,921	
At 31 December 2025	4,401	14	116	952	924	-	-	-	-	-	-	-	6,407	

3. Intangible assets

Group and Company	Software RM'000	Software under development RM'000	Total RM'000
Cost			
At 1 January 2024	36,947	127	37,074
Additions	620	1,744	2,364
At 31 December 2024/1 January 2025	37,567	1,871	39,438
Additions	1,220	1,865	3,085
At 31 December 2025	38,787	3,736	42,523
Accumulated amortisation			
At 1 January 2024	36,542	-	36,542
Amortisation	276	-	276
At 31 December 2024/1 January 2025	36,818	-	36,818
Amortisation	434	-	434
At 31 December 2025	37,252	-	37,252
Carrying amounts			
At 1 January 2024	405	127	532
At 31 December 2024/1 January 2025	749	1,871	2,620
At 31 December 2025	1,535	3,736	5,271

4. Right-of-use assets

Group and Company	Offices RM'000
At 1 January 2024	2,839
Addition	1,100
Depreciation	(947)
At 31 December 2024/1 January 2025	2,992
Addition	136
Derecognition	(37)
Depreciation	(951)
At 31 December 2025	2,140

5. Assets under construction

Group and Company	Note	Assets under construction RM'000
Cost		
At 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 2024/1 January 2025		2,885,706
Additions		632,904
Capitalisation of borrowing cost	5.2	45,280
Write-off of irrecoverable capitalised borrowing cost upon lease commencement	5.4	(9,352)
Reclassified to lease receivables at commencement of lease		(551,408)
At 31 December 2025	5.1	3,003,130
Impairment loss		
At 1 January 2024		38,960
Reversal of impairment	5.3	(3,680)
At 31 December 2024/1 January 2025		35,280
Reversal of impairment	5.3	(2,252)
At 31 December 2025		33,028
Carrying amounts		
At 1 January 2024		4,570,127
At 31 December 2024/1 January 2025		2,850,426
At 31 December 2025		2,970,102

5.1 Assets under construction

The assets under construction comprise water assets that are to be leased to water operators under a finance lease upon completion of construction as disclosed in Note 7.

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

5.2 Capitalised borrowing costs

The borrowing costs are capitalised at 4.24% (2024: 4.18%), 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 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 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 water operators.

6. Investment in subsidiaries

Company	2025 RM'000	2024 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 Note	Effective ownership interest and voting interest	
			2025 %	2024 %
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. In the prior financial year, the Directors of the subsidiary intends to dissolve the subsidiary by making an application to Registrar of Companies to strike off the subsidiary from register pursuant to Section 550, subject to the approval of the MOF Inc.. In current financial year, the Group and the Company received approval from MOF Inc. for the strike off of Acqua SPV Berhad. The application for the strike off is still in progress as at the date of this report.

7. Lease receivables

Group and Company	Note	2025 RM'000	2024 RM'000
Non-current			
Lease receivables	7.2	30,446,888	30,147,713
Impairment loss	7.4	(55,480)	(1,210)
		<u>30,391,408</u>	<u>30,146,503</u>
Current			
Lease receivables	7.2	444,706	383,386
	7.1	<u>30,836,114</u>	<u>30,529,889</u>

- 7.1** The Group and the Company lease water assets to 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 RM193 million (2024: RM378 million) relating to RPS issued by SYABAS to finance non-revenue water works.

In 2005, 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 GoM represented by MOF, State Government of Selangor and Pengurusan Air Selangor Bhd ("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 14.5) 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 RM193 million (2024: RM386 million).

7.4 Significant judgements and assumptions

The measurement of ECL involves the assessment of uncertainty relating to the recoverability of the exposure as at the reporting date. Based on information available and circumstances existing at the reporting date, management has applied a probability-weighted approach in estimating the ECL, reflecting alternative possible outcomes. A 50% probability has been applied to the exposure amount in determining the ECL provision. The actual outcome may differ from these estimates.

7.5 The lease payments to be received are as follows:

Group and Company	2025 RM'000	2024 RM'000
Less than one year	1,722,368	1,641,324
One to two years	1,557,297	1,684,889
Two to three years	1,585,615	1,520,919
Three to four years	1,595,017	1,548,985
Four to five years	1,604,607	1,558,131
More than five years	54,434,767	54,288,115
Total undiscounted lease payments	62,499,671	62,242,363
Unearned lease income	(31,608,077)	(31,711,264)
Impairment loss	(55,480)	(1,210)
Lease receivables at 31 December	30,836,114	30,529,889

7. Lease receivables (continued)

7.6 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.

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	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current					
Trade					
Trade receivables	8.1, 8.2	546,512	426,763	546,512	426,763
Allowance for impairment	8.3	(199,131)	(164,141)	(199,131)	(164,141)
Finance receivables	8.4	20,379	17,374	20,379	17,374
		367,760	279,996	367,760	279,996
Current					
Trade					
Trade receivables	8.1	65,088	168,845	65,088	168,845
Finance receivables	8.4	177	151	177	151
Amount due from ultimate holding corporation	8.5	6,204	-	6,204	-
		71,469	168,996	71,469	168,996
Non-trade					
Deposits	8.5	33,499	32,997	33,499	32,997
Interest receivables		1,705	1,976	1,103	1,484
Prepayments and other receivables		14,123	32,913	14,095	32,883
		49,327	67,886	48,697	67,364
		120,796	236,882	120,166	236,360
		488,556	516,878	487,926	516,356

8.1 The trade receivables represent the lease rentals due and payable by 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"), Air Kelantan Sdn. Bhd. ("AKSB") and AIS. SAINS and AKSB have restructured the outstanding amount to be repaid over remaining 29 years and 17 years respectively (2024: 30 years and 18 years respectively).

8.3 Significant judgements and assumptions

The measurement of ECL involves the assessment of uncertainty relating to the recoverability of the exposure as at the reporting date. Based on information available and circumstances existing at the reporting date, management has applied a probability-weighted approach in estimating the ECL, reflecting alternative possible outcomes. A 50% probability has been applied to the exposure amount in determining the ECL provision. The actual outcome may differ from these estimates.

8. Trade and other receivables (continued)

- 8.4** Finance receivables relate to the payment made to contractors for the Non-Revenue Water ("NRW") Financing Scheme. Since financial year 2024, the Company has offered NRW Financing Scheme to the 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 water operators on the repayment of principal and profit rate of 3.50% (2024: 3.50%).

- 8.5** The amount due from ultimate holding corporation are unsecured, interest free and are expected to be collected within 14-30 days from invoice date (2024: nil).
- 8.6** 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.

9. Contract assets

Group and Company	2025 RM'000	2024 RM'000
Contract assets	11,655	-

The contract assets primarily relate to the Group and the Company's right to consideration for work completed on construction contracts but not yet billed as at the reporting date. The amount will be billed on based on the progress claimed received from the contractors on quarterly basis (2024: nil).

Movement in contract assets which related to construction contracts during the year are as follows:

Group and Company	2025 RM'000	2024 RM'000
At 1 January	-	-
Revenue recognised during the year	20,769	-
Billings during the year	(6,204)	-
Advances received	(2,900)	-
At 31 December	11,655	-

10. Other investments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<i>Fair value through other comprehensive income</i>				
- Debt securities	759,292	708,559	759,292	708,559
<i>Amortised cost</i>				
- Fixed deposits	359,645	275,066	53,000	-
	1,118,937	983,625	812,292	708,559

The Group's investment in debt securities and fixed deposits amounting to RM346,349,000 and RM359,645,000 respectively (2024: RM355,517,000 and RM275,066,000) are issued by Federal Government-related entities.

The Company's investment in debt securities and fixed deposits amounting to RM346,349,000 and RM53,000,000 (2024: RM355,517,000 and nil) are issued by Federal Government-related entities.

Included in the Group's other investment is deposits in Finance Service Reserve Account ("FSRA") amounting to RM306,645,000 (2024: RM275,066,000) as disclosed in Note 26.

11. Cash and cash equivalents

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Short-term deposits	11.2	426,146	513,660	426,146	513,660
Cash and bank balances		37,190	24,105	24,046	21,056
	11.4	463,336	537,765	450,192	534,716
Other bank balance – Loan from GoM	11.3	384,999	-	384,999	-
		848,335	537,765	835,191	534,716

11.1 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 restricted cash and bank overdrafts, if applicable.

11.2 Included in the Group's short-term deposits is deposits in FSRA amounting to RM13,144,000 (2024: RM3,049,000) as disclosed in Capital Management Note 26.

11. Cash and cash equivalents (continued)

11.3 Included in the cash and bank balances is the loan from GoM as disclosed in Note 14.2 to finance the construction of a project.

11.4 The Group's short-term deposits and bank balances amounting to RM822,636,000 (2024: RM421,525,000) are held with Federal Government-related entities.

The Company's short-term deposits and bank balances amounting to RM809,492,000 (2024: RM418,475,000) are held with Federal Government-related entities.

12. Capital and reserve

Share capital

	Amount 2025 RM'000	Number of shares 2025 000	Amount 2024 RM'000	Number of shares 2024 000
Group and Company				
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

12.1 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.

12.2 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.

13. Deferred income

Group and Company	Note	2025 RM'000	2024 RM'000
Non-current			
Deferred income from:			
Government grant arising from interest free loan from the GoM			
- Federal loan	13.1	3,371,598	3,536,957
- Other loan	13.2	205,062	-
Non-monetary government grant	13.3	105,356	108,056
		<u>3,682,016</u>	<u>3,645,013</u>

13. Deferred income (continued)

13.1 Government grant arising from interest free loan from the GoM - Federal loan

The deferred income from government grant is arising 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 (2024: 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.

13.2 Government grant arising from interest free loan from the GoM - Other loan

The deferred income from government grant is arising from the difference between the present value of future cash flows and the nominal value of the loan, discounted at 3.48% at the date of the first drawdown of the loan (2024: nil). The deferred income from government grant is recognised in profit or loss as amortisation of government grant over the loan periods. Further details on the loan are disclosed in Note 14.2 to the financial statements.

13.3 Non-monetary government grant

The Group and the Company received a Sungai Labu off river storage from Ministry of Energy Transition and Water Transformation (PETRA). 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 39 years (2024: 40 years) and recognised in profit or loss as amortisation of government grant.

14. Loans and borrowings

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current					
Loans from the GoM					
- Federal loan	14.1	3,592,931	3,604,354	3,592,931	3,604,354
- Other loan	14.2	177,224	-	177,224	-
Government guaranteed					
Islamic Medium					
- Term Notes	14.3	4,390,000	5,190,000	-	-
Non-government guaranteed					
Islamic Medium					
- Term Notes	14.3	14,229,110	12,532,151	-	-
Put option on RPS	14.5	-	192,976	-	192,976
		22,389,265	21,519,481	3,770,155	3,797,330

14. Loans and borrowings (continued)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current					
Loans from the GoM					
- Federal loan	14.1	176,781	148,188	176,781	148,188
Government guaranteed					
Islamic Medium					
- Term Notes	14.3	1,537,242	1,313,377	-	-
Non-government guaranteed					
Islamic Medium					
- Term Notes	14.3	1,469,098	1,324,944	-	-
Islamic Commercial Papers	14.4	-	711,080	-	-
Put option on RPS	14.5	192,976	185,331	192,976	185,331
		3,376,097	3,682,920	369,757	333,519
		25,765,362	25,202,401	4,139,912	4,130,849

14.1 Loan from the GoM – Federal loan

Loans from the GoM are unsecured, non-interest bearing and are repayable over the remaining periods ranging from 28 years to 43 years (2024: 29 years to 44 years). These loans represent Federal Government loans taken over from the 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 RM7.1 billion (2024: RM7.3 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 (2024: 2.63% to 4.64%). The corresponding of deferred income from government grant has been recognised and disclosed in Note 13.1.

14.2 Loan from the GoM – Other loan

In current financial year, the Group and the Company obtained a loan amounting to RM500 million from the GoM for the purposes to finance the construction of a project. Under the terms of the agreement dated 11 November 2025, the Group and the Company are entitled to drawdown the loan within a period of 7 years from the date of the agreement. The loan from GoM is secured, non-interest bearing and repayable over a period of 29 years after the expiry of a grace period commencing on the first drawdown date and ending on the sixth anniversary of that draw down. As at 31 December 2025, the Group and the Company had drawn down a total of RM385 million.

14. Loans and borrowings (continued)

14.2 Loan from the GoM - Other loan (continued)

The nominal value of the loan at the end of the reporting period was RM385 million (2024: RM nil). The initial recognition of the loan was determined by discounting the future cash flow at a rate of 3.48% at the date of the first drawdown. The difference arising between the discounted amount and the nominal value of the loan represents a government grant, which has been recognised as deferred income. Further details of the deferred income from government grant are disclosed in Note 13.2 to the financial statements.

14.3 Islamic Medium-Term Notes

(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% (2024: 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 (PASB) ("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.
- Ijarah Assets includes existing plants, equipments, public mains, pipes, treatment plants, pumping stations, services or balancing reservoirs or any combination thereof and all other structures located on and forming part of those lands ("Water Assets") which is owned by PAAB pursuant to the asset migration exercise under the national water services industry restructuring initiatives and completed nation's Water Assets developed by PAAB.
- 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.

14. Loans and borrowings (continued)

14.3 Islamic Medium-Term Notes (continued)

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

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.
- 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.

14. Loans and borrowings (continued)

14.3 Islamic Medium-Term Notes (continued)

- (c) As disclosed in Note 26, the Group is required to maintain a Shariah-compliant 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 IMTN.

14.4 Islamic Commercial Papers

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.
- 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.

14. Loans and borrowings (continued)

14.4 Islamic Commercial Papers (continued)

In respect of the Sukuk Wakalah Programme (continued)

- 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.

14.5 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 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.

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 RM193 million (2024: RM386 million).

15. Amount due to subsidiaries

	Company	
	2025 RM'000	2024 RM'000
Non-current		
Amount due to a subsidiary	18,619,110	17,722,152
Current		
Amount due to a subsidiary	2,695,440	3,072,597
	21,314,550	20,794,749

The amount due to a subsidiary 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% (2024: 1.00% to 4.63%).

15. Amount due to subsidiaries (continued)

The amount due to a subsidiary 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.

In prior financial year, a subsidiary, Acqua SPV Berhad had granted a waiver on the 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 MOF Inc.. In current financial year, the Group and the Company received the approval from MOF Inc. for the strike off of Acqua SPV Berhad. The application for the strike off is still in progress as at the date of this report.

16. Trade and other payables

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade					
Trade payables		47,984	32,075	47,984	32,075
Accruals for project related costs	16.1	721,984	838,837	721,984	838,837
Retention sum	16.2	125,741	112,484	125,741	112,484
		895,709	983,396	895,709	983,396
Non-trade					
Other accruals	16.3	24,416	22,923	24,360	22,359
Other payables		7,956	11,647	7,956	11,647
		32,372	34,570	32,316	34,006
		928,081	1,017,966	928,025	1,017,402

16.1 The project related costs mainly comprise of expenses incurred for construction of water assets for which invoices have not been received from contractors as at the end of the financial year.

16.2 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, RM22,802,000 (2024: RM27,253,000) are due within 12 months.

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

17. Deferred tax liabilities

Recognised deferred tax liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group and Company						
Plant and equipment	-	-	(952)	(689)	(952)	(689)
Assets under construction	-	-	(166,312)	(164,060)	(166,312)	(164,060)
Lease receivables	-	-	(2,871,085)	(2,858,076)	(2,871,085)	(2,858,076)
Trade receivables	47,791	39,394	-	-	47,791	39,394
Tax loss carry-forward	8,713	9,200	-	-	8,713	9,200
Others	8,501	5,249	(3,314)	(718)	5,187	4,531
Tax assets/(liabilities)	65,005	53,843	(3,041,663)	(3,023,543)	(2,976,658)	(2,969,700)
Set off of tax	(65,005)	(53,843)	65,005	53,843	-	-
Net tax liabilities	-	-	(2,976,658)	(2,969,700)	(2,976,658)	(2,969,700)

17.1 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 YA2022 to YA2026.

17. Deferred tax liabilities (continued)

17.1 Significant judgement and assumptions arising from estimation of current tax and deferred tax (continued)

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

- 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.

18. Revenue

Group and Company	Note	2025 RM'000	2024 RM'000
Lease income		1,277,270	1,219,633
Construction revenue	18.1, 18.2	20,769	-
		<u>1,298,039</u>	<u>1,219,633</u>

18.1 Nature of the services

During the current financial year, the Group and the Company entered into construction contracts with the ultimate holding corporation and a related party for the repair, construction of new pipelines and replacement of aged pipelines in designated areas within Peninsular Malaysia. The projects are expected to be completed within a five-year period.

Revenue from construction contracts is recognised over time using the cost incurred method. These projects have no alternative use, and the Group and the Company have right to payment for work performed. The billings made by the Group and the Company for revenue for construction contracts are based on the interim progress certificate verified by independent consultant, with general payment terms ranging from 14-30 days from invoice date.

Transaction price is computed based on the price specified in the contract. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. There is no variable element in consideration, no obligation for return or refund nor defect liability period is given to the customers.

18. Revenue (continued)

18.2 Significant judgements and assumptions arising from revenue recognition

The Group and the Company recognise revenue from construction contracts by reference to the construction progress using the cost incurred method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The Group and the Company measure the performance of construction work done by comparing actual work costs incurred with the estimated total costs required to complete the construction.

Significant judgements are required to estimate the total contract costs to complete. In making these estimates, the Group and the Company relied on the work of independent consultant to verify the progress of the projects. A change in the estimates will directly affect the revenue to be recognised.

19. Finance income

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest income of financial assets calculated using the effective interest method that are:				
- <i>at amortised cost</i>				
Placement in Shariah-compliant investment products by licensed banks and other financial institutions	34,634	17,119	23,184	13,025
Non-Revenue Water Financing Scheme with water operator	656	465	656	465
- <i>at fair value through other comprehensive income</i>				
Other Sukuk investment managed by external fund managers	37,990	40,366	37,990	40,366
	73,280	57,950	61,830	53,856

20. Finance costs

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss				
Loans from the GoM – Federal loan	151,991	151,120	151,991	151,120
Loans from the GoM – Other loan	523	-	523	-
Islamic Medium-Term Notes	856,567	825,732	-	-
Islamic Commercial Papers	8,920	4,722	-	-
Amount due to a subsidiary, Pengurusan Air SPV Berhad	-	-	865,487	830,454
Put option on RPS	7,584	14,867	7,584	14,867
Lease interest charges	171	222	171	222
	1,025,756	996,663	1,025,756	996,663
Interest expense of financial liabilities that are not at fair value through profit or loss capitalised into qualifying assets:				
Capitalisation of borrowing cost	(45,280)	(60,847)	(45,280)	(60,847)
Write off of irrecoverable capitalised borrowing cost upon lease commencement	9,352	2,435	9,352	2,435
	989,828	938,251	989,828	938,251

21. Profit before tax

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax is arrived at after charging/(crediting):				
Auditors' remuneration				
- Audit fees KPMG PLT	348	279	308	234
- Non-audit fees Local affiliates of KPMG PLT	57	217	45	205
Material expenses/(income)				
Administrative expense	3,242	2,406	3,242	2,406
License fee	12,830	12,265	12,830	12,265
Loss/(gain) from lease modification on lease receivable	60	(4,792)	60	(4,792)
Professional and legal fee	4,789	2,809	4,251	2,273
Public relation expense	2,905	1,785	2,905	1,785

21. Profit before tax (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax is arrived at after charging/(crediting)(continued):				
Expenses arising from leases				
Expenses relating to leases of low-value assets	161	111	161	111
Net loss/(reversal) on impairment of financial instruments				
Financial assets at amortised cost				
- Trade receivables	34,990	(5,287)	34,990	(5,287)
- Lease receivables	54,270	273	54,270	273

The expenses and income disclosed above represent the material items in arriving at profit before tax, other than those disclosed elsewhere in the financial statements.

22. Personnel costs

Group and Company	2025 RM'000	2024 RM'000
Personnel costs (including key management personnel):		
Wages and salaries	25,431	22,238
Bonus	5,731	2,337
Contributions to defined contribution plans	5,376	4,329
Other employee benefits	7,768	7,165
	44,306	36,069

23. Income tax expense

23.1 Recognised in profit or loss

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax				
Current financial year	7,046	6,229	4,342	5,284
Under/(Over) provision in prior year	130	(1,259)	130	(1,259)
Total current tax recognised in profit or loss	7,176	4,970	4,472	4,025
Deferred tax				
Origination and reversal of temporary differences	12,079	69,143	12,079	69,143
Over provision in prior year	(5,121)	(900)	(5,121)	(900)
Total deferred tax recognised in profit or loss	6,958	68,243	6,958	68,243
Total tax expense	14,134	73,213	11,430	72,268
Reconciliation of tax expense				
Profit before tax	368,267	457,137	358,065	454,244
Taxation at Malaysian statutory tax rate of 24% (2024: 24%)	88,384	109,713	85,936	109,019
Non-deductible expenses	197,868	199,004	197,612	198,753
Tax-exempt income	(292,250)	(251,289)	(292,250)	(251,289)
Reversal of temporary differences arising from exemption granted by MOF at 0%	23.1.1 25,123	17,944	25,123	17,944
Over provision in prior year	(4,991)	(2,159)	(4,991)	(2,159)
Total tax expenses	14,134	73,213	11,430	72,268

23.1.1 The 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 17.1.

24. Dividend

	Sen per share	Total amount RM'000	Date of payment
2025			
Final 2024 ordinary	2.74	<u>20,000</u>	19 September 2025
2024			
Final 2023 ordinary	2.77	<u>20,252</u>	8 August 2024

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
2025		
Final 2025 ordinary	2.74	<u>20,000</u>

25. Financial instruments

25.1 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
2025			
Financial assets			
Trade and other receivables (exclude prepayment)	487,328	487,328	-
Other investments	1,118,937	359,645	759,292
Cash and cash equivalents	848,335	848,335	-
	<u>2,454,600</u>	<u>1,695,308</u>	<u>759,292</u>
Financial liabilities			
Loans and borrowings	(25,765,362)	(25,765,362)	-
Trade and other payables	(928,081)	(928,081)	-
	<u>(26,693,443)</u>	<u>(26,693,443)</u>	<u>-</u>

25. Financial instruments (continued)

25.1 Categories of financial instruments (continued)

Group (continued)	Carrying amount RM'000	AC RM'000	FVOCI RM'000
2024			
Financial assets			
Trade and other receivables (exclude prepayment)	516,077	516,077	-
Other investments	983,625	275,066	708,559
Cash and cash equivalents	537,765	537,765	-
	<u>2,037,467</u>	<u>1,328,908</u>	<u>708,559</u>
Financial liabilities			
Loans and borrowings	(25,202,401)	(25,202,401)	-
Trade and other payables	(1,017,966)	(1,017,966)	-
	<u>(26,220,367)</u>	<u>(26,220,367)</u>	<u>-</u>
Company			
2025			
Financial assets			
Trade and other receivables (exclude prepayment)	486,698	486,698	-
Other investments	812,292	53,000	759,292
Cash and cash equivalents	835,191	835,191	-
	<u>2,134,181</u>	<u>1,374,889</u>	<u>759,292</u>
Financial liabilities			
Loans and borrowings	(4,139,912)	(4,139,912)	-
Trade and other payables	(928,025)	(928,025)	-
Amount due to a subsidiary	(21,314,550)	(21,314,550)	-
	<u>(26,382,487)</u>	<u>(26,382,487)</u>	<u>-</u>

25. Financial instruments (continued)

25.1 Categories of financial instruments (continued)

	Carrying amount RM'000	AC RM'000	FVOCI RM'000
2024			
Financial assets			
Trade and other receivables (exclude prepayment)	515,555	515,555	
Other investments	708,559	-	708,559
Cash and cash equivalents	534,716	534,716	-
	1,758,830	1,050,271	708,559
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)	-
	(25,943,000)	(25,943,000)	-

25.2 Net losses arising from financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net losses on:				
Debt instruments at fair value through other comprehensive income				
- recognised in profit or loss	37,990	40,366	37,990	40,366
- recognised in other comprehensive income	8,593	31,218	8,593	31,218
	46,583	71,584	46,583	71,584
Financial assets at amortised cost	(53,970)	22,598	(65,420)	18,504
Financial liabilities at amortised cost	(1,025,585)	(996,441)	(1,025,585)	(996,441)
	(1,032,972)	(902,259)	(1,044,422)	(906,353)

25. Financial instruments (continued)

25.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

25.4 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.

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 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 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 water operators when there is a delay in payment from the water operators.

25. Financial instruments (continued)

25.4 Credit risk (continued)

Trade receivables, lease receivables and finance receivables (continued)

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:

	Trade receivables RM'000	Lease receivables RM'000	Finance receivables RM'000	Total RM'000
Group and Company				
2025				
Selangor	133,170	16,127,507	-	16,260,677
Johor	108,891	8,181,405	-	8,290,296
Negeri Sembilan	338,253	1,600,452	20,556	1,959,261
Kedah	-	1,192,223	-	1,192,223
Pahang	-	1,146,472	-	1,146,472
Melaka	191	1,098,799	-	1,098,990
Perak	-	696,664	-	696,664
Pulau Pinang	-	451,393	-	451,393
Kelantan	31,095	348,542	-	379,637
Perlis	-	48,137	-	48,137
	611,600	30,891,594	20,556	31,523,750
	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

25. Financial instruments (continued)

25.4 Credit risk (continued)

Trade receivables, lease receivables and finance receivables (continued)

Recognition and measurement of impairment loss

The Group and the Company assess the risk of loss of each water operator or customers 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 water operators or customers 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.

Group and Company	Note	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2025				
Current not past due		30,913,979	(55,480)	30,858,499
1 - 30 days		17,991	(1,774)	16,217
31 - 60 days		17,991	(1,774)	16,217
61 - 90 days		19,853	(1,774)	18,079
More than 90 days past due	25.4.1	553,936	(193,809)	360,127
		31,523,750	(254,611)	31,269,139
Trade receivables		611,600	(199,131)	412,469
Lease receivables		30,891,594	(55,480)	30,836,114
Finance receivables		20,556	-	20,556
		31,523,750	(254,611)	31,269,139

25. Financial instruments (continued)

25.4 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		30,562,370	-	30,562,370
1 - 30 days		528	-	528
31 - 60 days		12,247	-	12,247
61 - 90 days		16,915	-	16,915
More than 90 days past due	25.4.1	552,172	(165,351)	386,821
		31,144,232	(165,351)	30,978,881
Trade receivables		595,608	(164,141)	431,467
Lease receivables		30,531,099	(1,210)	30,529,889
Finance receivables		17,525	-	17,525
		31,144,232	(165,351)	30,978,881

25.4.1 Amounts past due more than 90 days mainly comprise of trade receivables from SAINS and AKSB. SAINS and AKSB have restructured the outstanding amount to be repaid over remaining 29 years and 17 years respectively (2024: 30 years and 18 years respectively).

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 2024	169,428	937	170,365
Net remeasurement of loss allowance	(5,287)	273	(5,014)
Balance as at 31 December 2024/ 1 January 2025	164,141	1,210	165,351
Net remeasurement of loss allowance	34,990	54,270	89,260
Balance as at 31 December 2025	199,131	55,480	254,611

25. Financial instruments (continued)

25.4 Credit risk (continued)

Amount due from ultimate holding corporation and related company

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

As at reporting period, the maximum exposure of credit risk of the Group and the Company is represented by the carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

Generally, the Group and the Company consider amount due from ultimate holding corporation and related party has low credit risk as the ultimate holding corporation and related party is supported by the GoM.

The Group and the Company are of the view that the loss allowance is not material and hence no impairment loss has been recognised during the reporting period.

Investment in debt securities

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.

25. Financial instruments (continued)

25.4 Credit risk (continued)

Investment in debt securities (continued)

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

Group and Company	<-----FVOCI----->	
	2025 RM'000	2024 RM'000
Debt securities		
A to AAA	677,231	664,717
Government Guaranteed	82,061	43,842
Total debt securities	759,292	708,559

Cash and cash equivalents and deposits with licensed banks

The cash and cash equivalents and deposits 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.

25.5 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.

25. Financial instruments (continued)

25.5 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
2025						
Financial liabilities						
Loans from the GoM – Federal loan	3,769,712	2.63% - 4.64%	7,141,311	176,781	883,907	6,080,623
Loan from the GoM – Other loan	177,224	3.48%	384,999	-	-	384,999
Islamic Medium-Term Notes	21,625,450	1.00% - 4.63%	26,543,755	3,583,006	10,568,797	12,391,952
Put option on RPS	192,976	4.06%	192,976	192,976	-	-
Trade and other payables	928,081	-	928,081	825,142	102,939	-
Lease liabilities	2,600	5.60% - 6.85%	2,797	1,246	1,540	11
	<u>26,696,043</u>		<u>35,193,919</u>	<u>4,779,151</u>	<u>11,557,183</u>	<u>18,875,585</u>
2024						
Financial liabilities						
Loans from the GoM – Federal loan	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%	385,891	192,915	192,976	-
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	-
	<u>26,223,933</u>		<u>33,701,257</u>	<u>5,172,257</u>	<u>12,257,600</u>	<u>16,271,400</u>

25. Financial instruments (continued)

25.5 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
2025						
Financial liabilities						
Loans from the GoM – Federal loan	3,769,712	2.63% - 4.64%	7,141,311	176,781	883,907	6,080,623
Loan from the GoM – Other loan	177,224	3.48%	384,999	-	-	384,999
Put option on RPS	192,976	4.06%	192,976	192,976	-	-
Trade and other payables	928,025	-	928,025	825,086	102,939	-
Amount due to subsidiaries	21,314,550	1.00% - 4.63%	26,232,855	3,272,106	10,568,797	12,391,952
Lease liabilities	2,600	5.60% - 6.85%	2,797	1,246	1,540	11
	<u>26,385,087</u>		<u>34,882,963</u>	<u>4,468,195</u>	<u>11,557,183</u>	<u>18,857,585</u>
2024						
Financial liabilities						
Loans from the GoM – Federal loan	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%	385,891	192,915	192,976	-
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	-
	<u>25,946,566</u>		<u>33,423,890</u>	<u>4,894,890</u>	<u>12,257,600</u>	<u>16,271,400</u>

25. Financial instruments (continued)

25.6 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.

25.6.1 Interest rate risk

The Group's investments in fixed rate debt securities and its fixed rate IMTN are exposed to a risk of change in their fair value due to change 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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed rate instruments				
Other investments	1,118,937	983,625	812,292	708,559
Lease receivables	30,836,114	30,529,889	30,836,114	30,529,889
Finance receivables	20,556	17,525	20,556	17,525
Short-term deposit	426,146	513,660	426,146	513,660
Loans and borrowings	(25,765,362)	(25,202,401)	(4,139,912)	(4,130,849)
Amount due to subsidiaries	-	-	(21,314,550)	(20,794,749)
Lease liabilities	(2,600)	(3,566)	(2,600)	(3,566)
	6,633,791	6,838,732	6,638,046	6,840,469

25. Financial instruments (continued)

25.6 Market risk (continued)

25.6.1 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.

Group and Company	Equity		Profit or loss	
	100 bp increase RM'000	100 bp decrease RM'000	100 bp increase RM'000	100 bp decrease RM'000
2025				
Fixed rate instruments				
Debt securities	(50,616)	57,182	-	-
2024				
Fixed rate instruments				
Debt securities	(42,338)	41,125	-	-

25. Financial instruments (continued)

25.7 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 and 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	Carrying amount
	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		
2025										
Financial assets										
Lease receivables	-	-	-	-	-	-	30,891,637	30,891,637	30,891,637	30,836,114
Finance receivables	-	-	-	-	-	-	19,246	19,246	19,246	20,556
Other investments										
- Debt securities	-	759,292	-	759,292	-	-	-	-	759,292	759,292
	-	759,292	-	759,292	-	-	30,910,883	30,910,883	31,670,175	31,615,962
Financial liabilities										
Loan from the GoM – Federal loan	-	-	-	-	-	-	(3,807,179)	(3,807,179)	(3,807,179)	(3,769,712)
Loan from the GoM – Other loan	-	-	-	-	-	-	(179,937)	(179,937)	(179,937)	(177,224)
Put option on RPS	-	-	-	-	-	-	(192,976)	(192,976)	(192,976)	(192,976)
Islamic Medium-Term Notes	-	-	-	-	-	(21,751,072)	-	(21,751,072)	(21,751,072)	(21,625,450)
	-	-	-	-	-	(21,751,072)	(4,180,092)	(25,931,164)	(25,931,164)	(25,765,362)

25. Financial instruments (continued)

25.7 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	Carrying amount
	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	
2024								
Financial assets								
Lease receivables	-	-	-	-	-	-	30,694,567	30,529,889
Finance receivables	-	-	-	-	-	-	15,786	17,525
Other investments								
- Debt securities	-	708,559	-	708,559	-	-	-	708,559
	-	708,559	-	708,559	-	-	30,710,353	31,418,912
								31,255,973
Financial liabilities								
Loans from the								
GoM - Federal loan	-	-	-	-	-	-	(3,545,591)	(3,752,542)
Put option on RPS	-	-	-	-	-	-	(378,148)	(378,307)
Islamic Medium-Term Notes	-	-	-	-	-	(20,281,329)	-	(20,360,472)
	-	-	-	-	-	(20,281,329)	(3,923,739)	(24,491,321)

25. Financial instruments (continued)

25.7 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	Carrying amount
	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		
2025									
Financial assets									
Lease receivables	-	-	-	-	-	-	30,891,637	30,891,637	30,836,114
Finance receivables	-	-	-	-	-	-	19,246	19,246	20,556
Other investments									
- Debt securities	-	759,292	-	759,292	-	-	-	759,292	759,292
	-	759,292	-	759,292	-	-	30,910,883	31,670,175	31,615,962
Financial liabilities									
Loan from the GoM – Federal loan	-	-	-	-	-	-	(3,807,179)	(3,807,179)	(3,769,712)
Loan from the GoM – Other loan	-	-	-	-	-	-	(179,937)	(179,937)	(177,224)
Put option on RPS	-	-	-	-	-	-	(192,976)	(192,976)	(192,976)
Amount due to subsidiaries									
- non-current	-	-	-	-	-	(18,923,560)	-	(18,923,560)	(18,619,110)
	-	-	-	-	-	(18,923,560)	(4,180,092)	(23,103,652)	(22,759,022)

25. Financial instruments (continued)

25.7 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	Carrying amount
	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		
2024									
Financial assets									
Lease receivables	-	-	-	-	-	-	30,694,567	30,694,567	30,529,889
Finance receivables	-	-	-	-	-	-	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	31,418,912	31,255,973
Financial liabilities									
Loan from the GoM – Federal loan	-	-	-	-	-	-	(3,545,591)	(3,545,591)	(3,752,542)
Put option on RPS	-	-	-	-	-	-	(378,148)	(378,148)	(378,307)
Amount due to subsidiaries									
- non-current	-	-	-	-	-	(17,806,989)	-	(17,806,989)	(17,722,152)
	-	-	-	-	-	(17,806,989)	(3,923,739)	(21,730,728)	(21,853,001)

25. Financial instruments (continued)

25.7 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 subsidiaries upon maturity date of the IMTN. Hence, the fair value of non-current amount due to a subsidiary 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 water operators under NRW Financing Scheme.

Loans from the GoM

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.

26. 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 leased to the water operators for operation and maintenance.

The Group and the Company obtained interest-free Federal Government loans, issued interest-bearing ICP and IMTN as part of their capital management strategy.

A subsidiary of the Company, Pengurusan Air SPV Berhad, is required to maintain a FSRA as disclosed in Note 14.3. 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	
	2025 RM'000	2024 RM'000
Bank balances and short term deposits (Note 11)	13,144	3,049
Other investments (Note 10)	306,645	275,066
FSRA	319,789	278,115
Minimum Required Balances	213,275	229,723

27. Capital and other commitments

Capital and other commitments as at the reporting date is as follows:

	Group and Company	
	2025 RM'000	2024 RM'000
Assets under construction		
Contracted but not provided for	1,144,861	915,621

28. Contingent liabilities

The Directors are of the opinion that provisions are not required in respect of following matters, as it is not probable that a future sacrifice of economic benefits will be required of the amount is no capable of reliable measurement.

Contingent liabilities not considered remote

Litigation

During the financial year, a contractor commenced arbitration proceedings against the Group and the Company in relation to the disputed contractual costs, with a claim amount of approximately RM35 million. The Group and the Company have filed a counterclaim for delays and associated costs.

Based on legal advice, the Directors do not expect the outcome of the action to have a material effect on the Group's financial position.

In the opinion of the Directors, providing further details about this matter would be prejudicial to the interests of the Group and the Company.

29. 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 GoM and its related entities as the Company is a wholly owned entity of MOF Inc. 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.

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.

Apart from the individually significant transactions and balances as disclosed in this note and elsewhere in the financial statements, the Group and the 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.

29. Related parties (continued)

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, 10, 11, 12, 14 and 16.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
A. Minister of Finance (Incorporated):				
Construction revenue	12,375	-	12,375	-
B. Government of Malaysia:				
Proceeds of loan	384,999	-	384,999	-
Repayment of federal loan	(148,188)	(107,966)	(148,188)	(107,966)
Dividend paid	(20,000)	(20,252)	(20,000)	(20,252)
C. Government-related entities:				
Lease income from water operators	1,277,270	1,219,633	1,277,270	1,219,633
Construction revenue	8,394	-	8,394	-
Non-revenue water financing income	656	465	656	465
Interest income from government-related financial institution	32,652	33,254	23,184	29,160
D. Subsidiaries:				
Management fees	-	-	670	599
Advances to subsidiary	-	-	(30,000)	(200,000)
Waiver on amount due to subsidiary	-	-	-	953,480
Finance costs	-	-	(865,487)	(830,454)
E. Key management personnel:				
Directors				
- Fees	(368)	(407)	(368)	(407)
- Remuneration	(204)	(251)	(204)	(251)
- Estimated money value of any other benefit	(24)	(9)	(24)	(9)
	(596)	(667)	(596)	(667)
Other key management personnel				
- Remuneration	(779)	(920)	(779)	(920)
	(1,375)	(1,587)	(1,375)	(1,587)

Pengurusan Aset Air Berhad

(Registration No. 200601012793 (732544-D))

(Incorporated in Malaysia)

and its subsidiaries

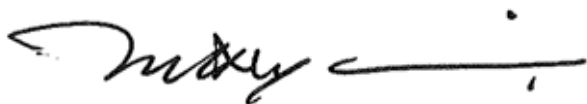
Statement by Directors pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages **143 to 202** 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 2025 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. Nor Hisham bin Mohd Ghazali
Director

Kuala Lumpur

Date: 21 May 2026

Pengurusan Aset Air Berhad

(Registration No. 200601012793 (732544-D))

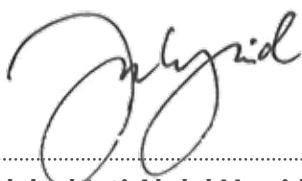
(Incorporated in Malaysia)

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 143 to 202 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 Petaling Jaya in the Selangor on 21 May 2026.



Zaleha binti Abdul Hamid

Before me:



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 2025 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 **143 to 202**.

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 2025, 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"), as applicable to audits of financial statements of public interest entities 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: 21 May 2026

Lee Eng Teen

Approval Number: 03842/07/2026 J

Chartered Accountant

SUSTAINABLE WATER SERVICES INDUSTRY

1. FINANCING WATER SUPPLY ASSETS SUSTAINABLY

2. REDUCE NON-REVENUE WATER LOSSES

3. SUSTAIN TREATED WATER RESERVE MARGINS

- **TREATMENT OF SURFACE WATER**
- **WATER TREATMENT PLANT RESIDUE MANAGEMENT**
- **RECYCLING INDUSTRIAL WATER**
- **DESALINATION OF SEAWATER**



WATER TREATMENT PLANT



PUMPING STATION



TREATED WATER RESERVOIRS



PIPEWORKS



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PENGURUSAN ASET AIR BERHAD

19th Floor, Menara Felda,
Platinum Park, No.11 Persiaran KLCC,
50088 Kuala Lumpur
Tel: 603 - 2614 5555

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20th
Anniversary

*20 Years of Developing
Malaysia's Water Infrastructure*

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