

# PROPOSED DEVELOPMENT OF WATER TREATMENT AND DISTRIBUTION INFRASTRUCTURE IN NORTHERN PERAK AND THE SALE OF EXCESS TREATED WATER TO THE STATE OF PENANG

## - MEMORANDUM OF UNDERSTANDING

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### 1. INTRODUCTION

Gamuda Berhad ("Gamuda" or "the Company") wishes to announce that the Company, together with Perbadanan Kemajuan Negeri Perak ("PKNPK"), has today 6 November 2025 entered into a Memorandum of Understanding ("MOU") with Perbadanan Bekalan Air Pulau Pinang ("PBAPP") to explore a potential long-term business collaboration relating to supply and sales of excess treated water.

Gamuda, PKNPK, and PBAPP hereinafter collectively referred to as the "Parties" and each individually as a "Party"

The MOU is a key step forward following the Bursa Announcement on 16 July 2025 regarding the acceptance of a letter of appointment from the Perak State Government.

The appointment was for PKNPK and Gamuda to undertake the development and operation of the water treatment and distribution infrastructure in Kerian, Northern Perak and supply of treated water to Kerian Green Industrial Park ("KIGIP") and sale of excess treated water to Penang. The aforementioned infrastructure forms part of the broader Northern Perak Water Supply Scheme ("NPWSS").

### 2. PURPOSE AND SCOPE OF THE MOU

The MOU sets out the mutual understanding between the Parties, who agree to discuss in good faith for the entering into of a formal agreement of the sale and supply of excess treated water by a company incorporated by PKNPK and Gamuda or their nominees ("Supplier"), to PBAPP for and in the State of Penang.

The Parties envisage and will use all best endeavours to formalise and enter (in the case of PKNPK and Gamuda, via the Supplier) into the formal agreement within six (6) months from the date of the MOU.

### 3. SALIENT TERMS OF MOU

The salient terms of the MOU are summarised as follows:

1. The execution of the formal agreement is subject to approvals where relevant and required by law and also subject to such conditions as the approvals may require to be fulfilled.
2. If the formal agreement is signed within six (6) months from the date of the MOU, the supply will be ready by Q1, 2031.
3. Salient terms of the formal agreement include the following:
  - a) 40-year supply period;
  - b) nothing in the MOU shall be construed, deemed or treated as forming a partnership between the Parties and no Party shall have the authority to bind any other Party to any third party or shall be deemed to be the agent of the other Party in any manner whatsoever; and
  - c) the MOU shall terminate upon fourteen (14) days' written notice by any Party due to a breach of this MOU by any other Party or upon the execution of the formal agreement.

#### **4. RATIONALE**

The execution of the MOU formalises the proposed principal commercial terms with PBAPP as the designated buyer of excess treated water from Supplier.

The MOU will serve as the basis of negotiating and entering the formal agreement.

#### **5. FINANCIAL EFFECT OF TRANSACTIONS**

The MOU is not expected to have any immediate material effect on the earnings, net assets, gearing or share capital of the Group for the financial year ending 31 July 2026.

#### **6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSON CONNECTED**

None of the Directors and/or major shareholders of the Company, and/or persons connected with them, has any interest, whether direct or indirect, in the MOU.

Gamuda will make the necessary announcement to Bursa Malaysia of any material developments.

This announcement is dated 6 November 2025.