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FLOWING WITH INNOVATION

AN INTERVIEW WITH PNHB EXECUTIVE CHAIRMAN
TAN SRI ROZALI ISMAIL

INSIDE: GLOBAL ECONOMY ■ ENERGY MANAGEMENT ■ INWARD INVESTMENT ■ TRAVEL

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The River Rescue Brigade project aims to build awareness and educate children into the importance of protecting the world around them



FLOWING WITH INNOVATION

Recent recipients of the Oxford Summit of Leaders Award, PNHB are a water treatment company with progress at heart. *The European* speaks to Executive Chairman, Tan Sri Rozali Ismail

Puncak Niaga Holdings Bhd (PNHB) – a Malaysian company formed in 1997 – specialises in high quality water supply, wastewater and environmental systems. With a strategy that is built on integrated development and growth, it has used a platform of innovation, sustainability, and broad vision to drive it to become one of Malaysia's largest water suppliers, and arguably the most technologically advanced. The company is something of a trailblazer and was the first water treatment and supply concession company to be listed

on Bursa Malaysia Securities Berhad under the Infrastructure Project Company guidelines issued by Securities Commission on 8 July 1997 – as at the end of December 2011, PNHB's market capitalisation stood at RM393.0m.

Whilst its star has been on the rise for some time, PNHB has recently been drawn into the international spotlight, thanks to the prestigious Socrates Award that was conferred to its Executive Chairman Tan Sri Rozali Ismail by the Oxford Summit of Leaders in October 2012. This award acknowledges elite global businessmen who are contributing to an international exchange of ideas in areas such as economics and education, and in the Executive Chairman's words, highlights his business's "excellent capabilities in managing and undertaking large-scale of water supply projects," as well as recognising the company's contributions to economic development in Malaysia, and emerging countries like China and India. It is one of a number of accolades the company has won, including the *World Finance* Technology Awards – where Tan Sri Rozali Ismail was Technology CEO of The Year. PNHB also received Best Environmental Services – The Asia Pacific Entrepreneurship Award, and the Malaysia 1000 Industry Excellence Award (Water Sector).

Tan Sri Rozali Ismail's vision for PNHB – to be a leading dynamic integrated water services company – is partnered with an alertness to the importance of protecting the natural environment and a commitment to corporate social responsibility programmes that demonstrate why the Socrates Award was bestowed. PNHB has taken an energetic and dynamic, smart approach to building the business and its profile, from focusing on seeking out and nurturing its own talented employees and fostering forward-thinking innovation, to diffusing its corporate tagline – "cleanliness is our way of life" – throughout the business from top to bottom. It is a company well aware of its impact on the world around it, as well as the contribution it can make to Malaysia as a whole – the support the company has given to Malaysia's Vision 2020 is a case in point.

PNHB & Vision 2020

Vision 2020 was laid out back in 1991 by Prime Minister Dr Mahathir Mohamad as an achievable goal for Malaysia. It aims to bring Malaysia to the standards of a fully developed country in every way by the year 2020, from political stability and economic prosperity to social well-being and educational standards. With more than half the time elapsed since the plan was put in place, the country has made great leaps in its development. Malaysia has a largely English-speaking, well-educated workforce, an administration that is proven to be business friendly, as well as a well-developed infrastructure. It has transformed itself from a raw materials producer to an

emerging multi-sector economy, which has been considerably bolstered by wealth generated from oil and gas reserves. Other than in 2009, the ringgit has largely fared well against the dollar and Malaysia has seen consistent positive GDP growth.

"Puncak Niaga believes that better access to clean water, sanitation services and water management is essential, that ultimately would bring the nation towards accelerated economic growth," says Tan Sri Rozali Ismail of the crucial role his company has in turning Vision 2020 into a reality. Ambitious projects such as the government's plan to transform Greater Kuala Lumpur/Klang Valley – one of the 12 National Key Economic Areas (NKEA) identified in the ETP (Malaysia's Economic Transfer Programme) – into a world-class city, that will contribute 2.5 times more to gross national income than

the next NKEA, require robust water and wastewater supply. Here, PNHB has recognised a need for its involvement in these large-scale projects, by supplying a critical resource – and the infrastructure to deliver it – at the same developmental pace to help stimulate growth, and transform Malaysia into a high-income nation with increased prosperity in line with the Vision 2020 timetable.

PNHB is clearly committed to delivering on its role in the Vision 2020, and why not when Malaysia demonstrates considerable political and economic stability and a strong infrastructure. Malaysia was ranked 10th in the AT Kearney FDI Confidence Index 2011, and ranked 12th in The World Bank's Ease of Doing Business Ranking, a clear sign that it is a country already on

the road towards achieving its ETP goals.

Access to clean water, sanitation services and water management are all critical to ensuring that Vision 2020 becomes a reality, providing water utilities that support Malaysia's transition from an agriculture, raw products economy to one that is much more industrialised.

Supplying key regions

Project management undoubtedly lies at the heart of helping Malaysia fulfill its growth potential. PNHB already successfully manages large scale projects over a wide geographical area. It currently provides treated water to 7.5 million consumers in the state of Selangor and the federal territories of Kuala Lumpur and Putrajaya, which again, is crucial in driving Vision 2020 forward. Selangor is home to the booming manufacturing and logistics sectors; the Federal Administrative Centre of Putrajaya is a bustling political centre, functioning as the seat of power for the government; and Kuala Lumpur is a business and financial hotbed, home to a large service sector and poised to become a global Islamic financing hub. Across these regions PNHB supplies treated ➤



**PNHB Executive
Chairman, Tan
Sri Rozali Ismail**

water to hospitals, factories and schools, as well as business premises, government agencies and tourism centres such as shopping centres and hotels. "We are committed in providing efficient and reliable supply of clean treated water and managing the water demands that increase each year," says Tan Sri Rozali Ismail, "to enable [these businesses and institutions] to operate optimally and support Malaysia's aspiration to be a high income nation." This has meant PNHB taking on the role of a proactive private sector company supplying a public resource, facing up to tricky distribution challenges, such as increasing water supply to rural areas, and ensuring that the rate of supply keeps up with that of urban development.

Bringing technological advancement to Malaysia's water networks

It has also required an awareness of the importance of remaining on the industry ball. The dual focus on Vision 2020 and PNHB's own business growth has made it a forward-thinking company, hot on technological advancement, research and development (R&D) and innovation. The company uses the latest technologies to provide a clean and quality water supply, which in turn has seen the establishment of a technologically advanced infrastructure for Malaysia's water system in the areas in which the business operates. The Membrane Filtration and Actiflo Clarification Process have been used in its water treatment processes, in fact the Sungai Selangor Phase 2 Water Treatment Plant (SSP2) is the largest water treatment plant in the world to use the "Actiflo Clarification Process" system for drinking water. The company sees its progress as via innovation developed through a programme of R&D of water, wastewater treatment and environmental products, systems and technology; commercialisation of R&D outputs; and technology transfers from its partners.

Sophisticated business infrastructure

A sustainable and reliable water supply is the business vision, and the infrastructure the company has put in place to develop and monitor its progress is sophisticated. PNHB's Supervisory Control and Data Acquisition Monitoring System allows the remote operation of pumps and early detection of low and high levels in reservoirs, ensuring water availability in reservoirs as well as avoiding overflow incidents. Customer service too has been carried out with impressive efficiency and up to date technology – PNHB's PUSPEL call centre operates 24 hours a day, and handles



complaints and enquiries through the most efficient, modern methods, including toll free lines, e-mail and social media platforms.

A commitment to CSR

As the receipt of the Socrates Award (left) clearly demonstrates, this is not blind growth, driven forward at the expense of the people and environment of Malaysia, but rather a considered approach that takes into account the potential the business has to make an impact in raising the standard of living and creating a burgeoning rural and prosperous urban economy. "PNHB Group is profoundly aware of its responsibility to implement and abide by best practice and the principles of good corporate governance throughout its operations," says Tan Sri Rozali Ismail. Not for this business a freewheeling focus on business advancement and profit. Instead, its corporate governance regime is rigorous and ensuring a fair deal for the population and ethical business principles of transparency, accountability and integrity has not only been considered but actively pursued. Tan Sri ►

Puncak Niaga receives international award in Oxford

KUALA LUMPUR: Puncak Niaga Holdings Bhd (PNHB) yesterday received the Socrates Award in a prestigious award ceremony held in conjunction with the Oxford Summit of Leaders (Oct 25-27) in Oxford, United Kingdom.

In a statement, it said the award was presented to Tan Sri Rozali Ismail, PNHB Executive Chairman.

The Socrates Award acknowledges businessmen in the elite league globally, who through their hard work and exceptional business sense, support an exchange of ideas and experiences amongst the international community in the areas such as economics, politics, education and culture.

The award recipients undergo a stringent selection process by the International Socrates Committee, which picks the most deserving recipients, honours their professional achievements and gives the international recognition for their success.

Rozali said, "This recognition PNHB's excellent capabilities in managing and undertaking large-scale water supply projects in Malaysia generally, as well as Selangor, Putrajaya and Kuala Lumpur specifically."

The award also recognised PNHB's contributions towards economic development, namely in Malaysia as an emerging country like China and India.

Rozali added that despite PNHB's presence in emerging markets, it must not forget its core role of supplying clean water to Greater Kuala Lumpur that covers a population of 7.5 million including industrial and commercial users.

PNHB Group is the leading integrated water, wastewater and environmental solutions provider in emerging significant play gas sector. It has ongoing projects in China, India and other Asian countries.



29
Water Treatment
Plants

7.5
million users

948MLD
output/day

26,389 km
water pipes
serviced

99%
water
connectivity

1997

Listing on the Main Board of the Kuala Lumpur Stock Exchange (now known as Main Market of Bursa Malaysia Securities Berhad)

1999

PNHB was included in the KLSE Composite Index (now known as FTSE Bursa Malaysia Kuala Lumpur Composite Index).

PNHB was included in the Morgan Stanley Capital International Standard Index

2004

Concession Agreement for the Privatisation of Water Supply Distribution in Selangor and the Federal Territories of Kuala Lumpur and Putrajaya between SYABAS, the Federal Government and the Selangor State Government.

Handover Ceremony of the 26 WTPs in Selangor, Kuala Lumpur and Putrajaya.

2006

PNHB announced a capital repayment of up to RM767.84 million via a cash distribution to reward its shareholders.

2010

SYABAS/PUSPEL was awarded the Best Emerging Contact Centre Award 2010 at the Customer Relationship Management & Contact Centre Association of Malaysia Award 2010.

PNHB formed a wholly owned Singapore subsidiary, Puncak Niaga Overseas Capital Pte Ltd, to spearhead the Group's entry into Vietnam, Cambodia, Laos and other Asian countries.

The Official Launch of SYABAS' Operation Command Center (OCC).

2011

PNHB received two awards from World Finance Magazine - 'Technology CEO of the Year - Global' award and 'Environmental Services Technology Company of the Year' award.

PNHB acquired Global Offshore Malaysia Sdn Bhd (GOM) and KGL Ltd (KGL) and become wholly owned subsidiaries of Puncak Oil & Gas.

2012

Memorandum of Understanding (MOU) with a local Institute of Higher Learning as knowledge sharing programme.

PNHB received the Socrates Award.

PUNCAK NIAGA'S KEY FACTS & KEY MILESTONES



Rozali Ismail adds that PNHB is “equally dedicated not only to maintaining the highest ethical standards but also to achieving sustainability both in our operations and in our impact on the environment for the benefits of our customers, shareholders, stakeholders and business associates.”

Environmentally there is no taking for granted the natural resources that have given PNHB the basis on which to build its business. Tan Sri Rozali Ismail says, “PNHB is very committed to the preservation and conservation of the environment, especially the rivers as they are the main sources of our raw water.” There is collaboration with the government to ensure the cleanliness of the rivers, and awareness of a responsibility to the next generation which the company is fulfilling through initiatives such as the River Rescue Brigade, which aims to build awareness and educate children into the importance of protecting the world around them – the Brigade has more than 9000 students within the Klang Valley so far. The business works closely with government agencies, local authorities and NGOs on environmental concerns and has established an Environmental Surveillance section that monitors the environment and catchment areas which provide raw water for its use.

Diversification capability

With success in the water services sector, PNHB is currently diversifying its business portfolio with exploration into Malaysia's oil and gas sector, which currently generates a fifth of the country's GDP. The ETP makes this area of Malaysia's business infrastructure a priority, and PNHB's Puncak Oil & Gas subsidiary is geared up to be part of the drive to create more wealth, stability and profile for Malaysia from its oil & gas reserves – everything that will drive the country further down its Vision 2020 road.

Like everything PNHB does, its oil and gas ventures are forward-thinking, considered and innovative. They have begun with a step into transportation and installation and also off-shore logistical support, as well as potentially developing into marginal field development and operations and maintenance for mid-stream and upstream. Says Tan Sri Rozali Ismail, “Our initial foray into the oil & gas arena has met with commendable success and augurs well for the future, and we hope to clinch more oil & gas projects in accordance with our vision to become a significant player in this sector.” As the oil & gas



PNHB: A COMMITMENT TO CSR

On 7 March 2012 the Kuala Lumpur area was affected by severe flash-flooding. Puncak Niaga's 400-strong staff extended a helping-hand to those who were affected as part of the company's CSR programme.

As well as assisting with the clean-up, the company also provided 400 bottles of drinking water to each flood victim to cope with the shortfall while mains supplies were re-established.

ventures demonstrate, as a business, PNHB continuously develops and diversifies. It offers a wide range of water-related engineering and technology services, such as, consultancy services for privatisation of water treatment and distribution systems, water treatment technology for conventional and state-of-the-art technology, and design, construction and maintenance of dams. This ambitious approach is born from an acknowledgement that Asia is expected to be the next world growth centre, and that this creates a rise in the demand for resources in industrial and consumer markets, which offers PNHB considerable opportunities, many of which the business has already grasped.

As one of the largest suppliers of integrated water services in Malaysia, PNHB holds a strong market position, demonstrating large-scale infrastructure expertise. The business offers a platform of technological advancement on a basis that is mindful of the environment and clued up on the corporate social responsibility awareness most multi-national companies must now include in their growth plan. Increases in the demand for water from a broad consumer base, as well as a growing business community, mean that PNHB has the chance to continue its own expansion and to drive Vision 2020 from the front line. ■

Further information

To find out more about PNHB please visit:
www.puncakniaga.com.my



PUNCAK NIAGA HOLDINGS BERHAD

"Malaysia's Water Specialist"



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