

*Press Statement by
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KEDAH CONSORTIUM ALLEGATION: PLEASE PUBLISH DETAILS FOR INVESTIGATION

PENANG, 7 APRIL 2014: Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) would like to request for a Mandarin newspaper to publish the name of the “Kedah consortium company” that has allegedly “won 6 projects with a value of RM17 million”.

We note with concern that *Kwong Wah Yit Poh* had published in its *Xiao Li Fei Dao* commentary column on its 4th and 5th April 2014 editions that: “...a Kedah consortium company has close ties with PBAPP. It has won 6 infrastructure projects with a value of RM17 million. Is it possible for someone to strike 3 wins in a row, with the CAT Government’s strict open tender system?”

An initial check has revealed that that PBAPP has not awarded 6 projects with a value of RM17 million to any Kedah consortium company in recent years.

PBAPP is a wholly owned subsidiary of PBA Holdings Bhd, a holdings company listed on the Main Board of *Bursa Malaysia*. Furthermore, Penang Chief Minister Y.A.B. Tuan Lim Guan Eng also serves as the Chairman of the PBAPP Board.

Such allegations affect our good name, public standing and reputation, as well as that of our Chairman and the Board of Directors. As such, we are duty-bound to thoroughly investigate all allegations or insinuations of misconduct, especially if those published by an esteemed and respected newspaper.

Since *Kwong Wah Yit Poh* has published this allegation, we seek its kind cooperation to publish the name of the company and the details of the projects.

When these details are published, PBAPP will conduct a full investigation. We will also seek the permission of the Penang State Government to provide public disclosure on our findings, via all newspapers, including *Kwong Wah Yit Poh*, as well as on our website.

We will take action against wrongdoers, if any, or provide an explanation that clears our good name. This is only fair to PBAPP and all its past and future open tender participants.

We await the newspaper’s response.

For the record, all PBAPP engineering works tenders that are valued above RM200,000 are subject to an open tender system. The general procedure is as follows:

- Clearly defining the scope of work and the technical qualifications of prospective tender participants;
- Placement of tender advertisements clearly stating the scope of work and tender qualifications in national editions of selected newspapers as well as the www.pba.com.my website;

- Pre-evaluation of interested tender participants by technical qualification and legal as well as government requirements;
- Issuance of tender documents only to suitably qualified participants;
- Closing of tender submissions on the specified time and date, and opening all tender submissions in accordance to specified conditions;
- Evaluation of tender submissions by PBAPP appointed consultants and engineers;
- Tabling of all correct tender submissions to the PBAPP Tender Board;
- Awarding of the tender mainly on the basis of the lowest acceptable tender price and the company's financial standing, capabilities, equipment and performance track record; and
- Allocation of an open objection period following the award of every tender. Objections can be filed before the ending date stated on the www.pba.com.my website.

For the record, PBAPP has not received any objections to approved tenders recently.

Based on its open tender system, PBAPP has fairly awarded many cost-competitive and successful water supply engineering contracts in Penang since 2008, mainly to Penang-registered companies.

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