

10th August 2017

PRESS STATEMENT

by Dato' Ir. Jaseni Maidinsa,
Chief Executive Officer,
PBA Holdings Bhd (PBAHB) and
Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP).

WCS REVIEW IS AN OFFICIAL MATTER BETWEEN SPAN AND PBAPP, AND NOT THE PENANG STATE GOVERNMENT.

- **PBAPP (and not the Penang State Government) is applying for a WCS review. PBAPP is still awaiting feedback from SPAN.**
- **All official PBAPP correspondence related to this matter were issued and signed by the Chief Executive Officer of PBAPP.**

PENANG, Thursday, 10/8/2017: As the licensed water operator that serves Penang, Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) applied officially to the National Water Services Commission (SPAN) for a water conservation surcharge (WCS) review on 28/4/2017.

The WCS review application was submitted by PBAPP, and not the Penang State Government or the Penang Chief Minister.

All the submission documents were signed and sent by the Chief Executive Officer (CEO) of PBAPP. None of the documents were signed by State Government officials, including the Chief Minister.

PBAPP's correspondence with SPAN on the WCS review has been addressed to the CEO of SPAN, Dato' Mohd. Ridhuan bin Ismail. Dato' Mohd. Ridhuan has been replying officially to PBAPP on the WCS review. PBAPP has not sent any letters to SPAN Chairman YB Liang Teck Meng, and we have not corresponded with YB Liang on this matter.

In the latest correspondence, PBAPP sent an official letter dated 23/6/2017 to SPAN, requesting SPAN to kindly facilitate approval of the WCS review. In that letter, PBAPP explained why it is seeking the WCS review.

Consequently, on 7/8/2017, PBAPP wrote again to the CEO of SPAN to request for an official reply to the WCS review application. PBAPP is awaiting an official reply from SPAN.

As such, it should be noted that the WCS review is an official matter between SPAN and PBAPP. It is not a matter that involves the Penang State Government or the Penang Chief Minister.

Although YAB Tuan Lim Guan Eng is the Chairman of PBAPP and PBA Holdings Bhd (PBAHB), he is a Non-Executive Chairman. As a Non-Executive Chairman, he has not played an executive role in the application.

Section 41(1) of the SPAN (National Water Services Commission) Act 2006

Please note that PBAPP is a fully owned subsidiary of PBA Holdings Bhd (PBAHB), a company that is listed on the Main Board of the Bursa Malaysia. PBAPP is a private company and PBAHB is a public listed entity. We are not a government department, government agency or statutory body.

PBAPP has submitted private and confidential (P&C) documents, detailing a 3-year business plan, revenue estimates and CAPEX projections, to SPAN. Please note that these are P&C documents from a private sector company.

Section 41(1) of the SPAN Act 2006 protects the confidentiality of business documents submitted by all state water operators in Malaysia (and not only PBAPP).

Section 41(1) of the SPAN Act 2006 states that:

“Except for any of this Act or for the purposes of a civil or criminal proceedings under any written law or where otherwise authorised by the Commission -

- a) no member of the Commission (SPAN) or any of its committees or any employee of agent of the Commission or any person attending any meeting of the Commission and any of its committees, whether during or after his tenure of office or employment, shall disclose any information obtained by him in the course of his duties; and

- b) no other person, who has any means access to any information or documents relating to the affairs of the Commission shall disclose such information or document.”

Accordingly, SPAN had not previously disclosed or discussed details of any tariff review for any state in Malaysia in the public domain, *before* the review is approved by the Federal Government.

Section 41(1) was included in the SPAN Act to prevent public misinformation and disinformation regarding water tariff reviews in Malaysia, and in this case, a WCS review.

Any person who contravenes subsection (1) shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 3 years or to both.

SPAN should play its role professionally

SPAN should conduct its business professionally, in accordance to the provisions of the SPAN Act 2006 and the Water Services Industry Act (WSIA) 2006. There are established procedures and regulations for water tariff (or WCS) review applications.

SPAN is not authorised to publicise the P&C documents submitted by any water operator for an application.

SPAN may consult NGOs regarding water tariff review applications in closed door meetings, but may not disclose P&C details regarding the application in the public domain, on the Internet or through press statements.

SPAN may announce the approved details of a water tariff (or WCS) review only *after* the review has been approved by the Federal Government.

These procedures have been agreed upon between SPAN and all the water operators in Malaysia and adopted accordingly.

As such, SPAN Chairman YB Liang’s recent public remarks in relation to PBAPP’s WCS review application are unprecedented and may contravene Section 41(1) of the SPAN Act.

We would like to reiterate that PBAPP is the official applicant for the WCS review in Penang. As such, SPAN should officially address PBAPP, and not the Penang State Government, on this matter.

It should be noted that PBAPP, and not the Penang State Government, paid SPAN RM3.34 million in licensing fees in 2016.

On its part, PBAPP is not interested in discussing the details of a withdrawn tariff review that is no longer relevant to Penang and its people.

We are only interested in the timely approval of the WCS review, and we hope that SPAN can kindly facilitate the approval process as soon as possible.

Thank You.

*Dato' Ir. Jaseni Maidinsa,
Chief Executive Officer,
PBA Holdings Bhd (PBAHB) and
Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP)*

Issued by : Puan Syarifah Nasywa bt Syed Feisal Barakbah
Corporate Communications Unit
Tel : 04-200 6607
Email : syarifah@pba.com.my