

Did DAP Govt Pull A 'Bait And Switch' On Penangites Over Undersea Tunnel Project?

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By MT Webmaster

(NST) – Has the Penang government done a 'bait and switch' on Penangites in relation to the proposed undersea tunnel project?

This was the poser raised by Minister in the Prime Minister's Department and MCA deputy president Datuk Seri Dr Wee Ka Siong.

Wee said a representative from the DAP-led state government had recently said that it was a normal diversification process for a small local fashion company to suddenly be involved in building a complicated multi-billion undersea tunnel.

He said the representative had said that it was the same as when companies such as Sime Darby and Samsung diversify into other businesses.

"Taking aside the fact that the fashion company has reported losses in each of the past three financial quarters, and their last financial statement submitted to Bursa Malaysia on Nov 29 last year showed that the company had a cash balance of RM1.7 million and short-term loans of RM16.5 million, I believe the Penang government is completely missing the point.

"The main point is that the Penang government had reassured and promised the people of Penang in March 2013, when the project was awarded, that the Special Purpose Vehicle (SPV) company had strong financial backing of RM4.6 billion and had deep experience in construction.

"Five years later, the RM305 million reports are not completed and the start of construction for any of the components of the project has been delayed by at least four years," he said today.

At the same time, Wee noted that the SPV company already had booking profits from a RM800 million as well as a RM15 billion property development projects on state land, which is part of the payment paid or to be paid by the state government for the tunnel project.

“Now, the two giant construction companies are listed as shareholders with the fashion company, taking its place along with 39 per cent of the SPV shares held by unnamed nominees.

“Do these new shareholders have the same financial strength and technical ability as the two initially promised giant China companies?

“The crux of the matter is, has the Penang government has done a bait and switch? Simply put, what was promised was not what has been delivered,” he added.

Wee also questioned whether such a material change meant that the initial award in 2013 would be null and void.

“Did the state government lie to the people while private developers are benefiting to the tune of billions of ringgit using state land at the expense of the people?”

The Malaysian Anti-Corruption Commission (MACC) has carried out a series of raids in recent days as part of its ongoing investigation into the state’s undersea tunnel and three paired roads projects.

Two Datuks have since been remanded at the magistrate’s court in Putrajaya and George Town to assist investigations.

Last July, Parti Cinta Malaysia (PCM) deputy president Datuk Huan Cheng Guan had submitted what he said was “evidence of malfeasance” related to the Penang undersea tunnel project.

MACC deputy chief commissioner (operations) Datuk Seri Azam Baki had said that the raids were conducted following new leads it received.

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