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RM140 Mln 'Soft Loans' To Finance Capex Projects -- PBAPP

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GEORGE TOWN, Oct 15 (Bernama) -- Penang Water Supply Corporation (PBAPP) has clarified that the Penang State Government's two 'soft loans' amounting to RM140 million were to finance capital expenditure (capex) projects and not for cashflow purposes.

In a statement today, its Chief Executive Officer, Datuk Jaseni Maidinsa, said the company was not facing and suffering any cash flow issues this year as its listed holdings company, PBA Holdings Bhd, has been reporting operating profits and paying dividends to shareholders for 14 consecutive years since 2003.

"PBAPP regrets the publication of news reports suggesting that it suffered from cashflow problems. Nothing can be further from the truth.

"The company would like to express its gratitude to the Penang State Government for providing RM140 million loans to PBAPP to finance its capex projects. These loans will allow PBAPP to succeed in its programmes to support a 'no water rationing policy' in Penang towards 2020," he said.

He said the costs of these capex projects were high and ample financing was required.

Jaseni said PBAPP had invested RM484 million for 262 capex projects in Penang from 2008 until 2016.

"The soft loans will primarily be used for projects related to water resource development, upgrading and construction of water treatment plants and reservoirs, laying new trunk mains, non-revenue water management as well as computerisation and geographical information system projects," he said.

He said all these projects were meant to further improve water supply services in Penang and to avoid water rationing during extended dry seasons, for the benefit of 1.72 million people and thousands of businesses.

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