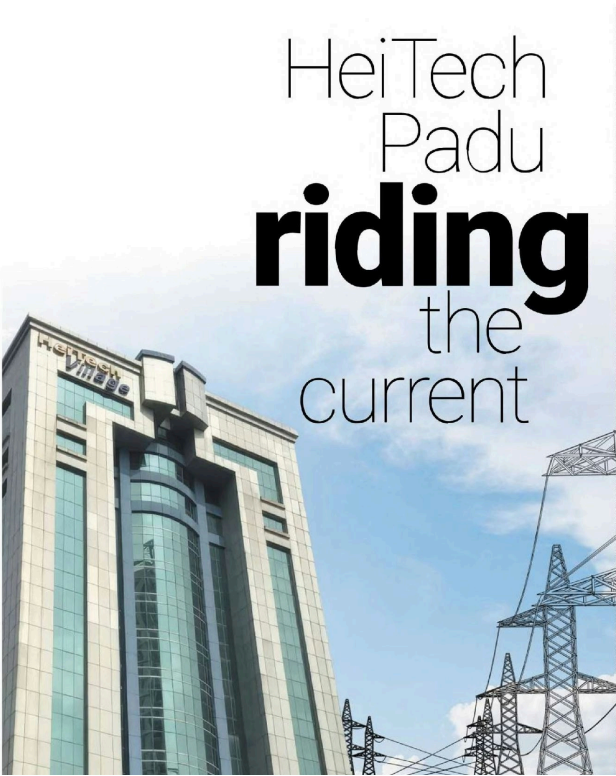




# HeiTech Padu riding the current

Sentiment	Positive	Frequency	Daily
Outlet Country	Malaysia	Outlet Language	English
Impressions	582,136	Circulation	291,068
PR Value	174,641	Page	3

## Page Location



FOR HeiTech Padu Bhd to secure a RM1.04bil award from a business segment it is not involved in is puzzling, to say the least.

Together with an Austrian partner, they have received a letter of acceptance from TNB Power Generation Sdn Bhd for work related to a hydroelectric facility project.

The work entails engineering, procurement, construction and commissioning (EPC), as well as electrical, mechanical and associated civil works for the hydro life extension programme at Sungai Perak.

HeiTech Padu's portion of the contract is valued at RM902.96mil, which is expected to contribute 25% or more to net profits going forward.

The project is going to be so significant, that HeiTech Padu, an information technology firm, says it will diversify its principal activities to become a renewable energy player.

Its Austrian partner is a unit of German-based Voith Group, a provider and partner for hydro-power plant equipment.

Voith Hydro also leads the consortium, according to HeiTech Padu.

It remains unclear what role HeiTech Padu plays in this deal.

On the face of it, it does raise the question as to why TNB Power Generation would award the contract to a party with no experience in the renewable energy field.

However, perhaps Voith could be bringing its EPC and hydro-power plant knowledge to the table.

To be sure, other parties have also done similar joint ventures with Tenaga Nasional Bhd (TNB), taking on roles such as securing plant sites and dealing with local and federal authorities.

HeiTech Padu could be fulfilling such a role in this consortium.

The company would do well to explain its specific contribution to the project, while TNB could help clear the air by explaining why it picked HeiTech Padu for the award.

Furthermore, it remains to be seen if TNB is heeding the call by Prime Minister Datuk Seri Anwar Ibrahim for government agencies and government-linked companies not to outsource jobs that they can handle internally.

Anwar has highlighted the importance of improving efficiency within the public sector while ensuring that the government retains the capability to handle certain functions internally, rather than relying on external contractors.

■ IT firm winning billion-ringgit renewable energy deal raises eyebrows

■ Is TNB heeding the call for govt agencies to limit the outsourcing of work which they can carry out internally?