

NEWS RELEASE

[issued in line with section 40(3) of Competition Act 2010 (Act 712)]

MyCC PENALISES EIGHT ENTERPRISES FOR BID RIGGING CARTEL

KUALA LUMPUR, 28 FEBRUARY – The Malaysia Competition Commission (MyCC), an agency under the Ministry of Domestic Trade and Costs of Living (KPDN), issued an Infringement Decision yesterday on 27 February 2025 against eight (8) enterprises for infringing section 4 of the Competition Act 2010 (Act 712) by participating in a bid rigging cartel in relation to two (2) tenders of the Public Works Department (JKR) namely *Central Spine Road; Pakej 3: Gua Musang Kelantan ke Kg Relong, Kuala Lipis Pahang Seksyen 3B dan 3C KM 180.5 FT08 ke Bulatan Gua Musang* (TENDER CSR: 3B & 3C) and *Central Spine Road Pakej 3: Gua Musang Kelantan ke Kg Relong, Kuala Lipis Pahang Seksyen 3J Kampung Seberang Jelai ke Kg Relong* (TENDER CSR: 3J) and one (1) tender under the Department of Drainage and Irrigation (JPS) namely *Rancangan Tebatan Banjir Sungai Buloh, Selangor Darul Ehsan* (TENDER RTB: SG BULOH), worth around RM474 million in 2019.

The infringing enterprises are as follows: -

ENTERPRISE	NUMBER OF TENDERS	DESCRIPTION OF TENDER
Dutamesra Bina Sdn. Bhd.	3	<ul style="list-style-type: none">• CSR 3B & 3C• CSR 3J• RTB Sg Buloh
IDX Multi Resources Sdn. Bhd.	3	<ul style="list-style-type: none">• CSR 3B & 3C• CSR 3J• RTB Sg Buloh
Mangkubumi Sdn. Bhd.	3	<ul style="list-style-type: none">• CSR 3B & 3C• CSR 3J• RTB Sg Buloh
Menang Idaman Sdn. Bhd.	3	<ul style="list-style-type: none">• CSR 3B & 3C• CSR 3J• RTB Sg Buloh

Meranti Budiman Sdn. Bhd.	3	<ul style="list-style-type: none">• CSR 3B & 3C• CSR 3J• RTB Sg Buloh
Pintas Utama Sdn. Bhd.	3	<ul style="list-style-type: none">• CSR 3B & 3C• CSR 3J• RTB Sg Buloh
NYL Corporation Sdn. Bhd.	2	<ul style="list-style-type: none">• CSR 3B & 3C• CSR 3J
Kiara Kilat Sdn. Bhd.	1	<ul style="list-style-type: none">• CSR 3B & 3C

Timeline of investigation, representation and decisions

MyCC initiated a formal investigation in response to a complaint concerning alleged bid rigging in the tender of CSR: 3B & 3C, and CSR: 3J. During the investigation into both tenders, MyCC found that the same enterprises were also engaged in bid rigging activities in TENDER RTB: SG BULOH. In this regard, MyCC conducted dawn raids, collected statements, requested information and performed multiple in-depth analysis of the relevant evidence. On 22 April 2024, MyCC issued a Proposed Decision to the 8 enterprises and subsequently received their representations. After thoroughly reviewing these representations, MyCC issued an Infringement Decision against all 8 enterprises on 27 February 2025.

Cartel behaviours by the enterprises

MyCC, in its investigation, found that the modus operandi employed by the cartel group was masterminded by Mangkubumi Sdn. Bhd. (Mangkubumi) and the operation was centralised at Pintas Utama Sdn. Bhd. (Pintas Utama). In fact, during the raid by MyCC, almost all the evidence was found at Pintas Utama's premises.

The investigation found that the arrangement to bid the tender by the enterprises was conducted through information sharing via emails, meetings and preparation of physical tender documents mainly at Pintas Utama's premises. This modus operandi was adopted by the cartel group throughout these three projects.

MyCC also discovered that as soon as IDX Multi Resources Sdn. Bhd. (IDX Multi Resources) was awarded the project for TENDER CSR: 3B & 3C and Menang Idaman

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Sdn. Bhd. (Menang Idaman) was awarded the project for TENDER CSR: 3J, they then subcontracted both tenders to Mangkubumi. Further to this arrangement, Mangkubumi was to act as the main contractor on behalf of IDX Multi Resources and Menang Idaman and subsequently subcontract these projects to another enterprise, namely YCH Sdn. Bhd. (YCH). However, in the TENDER RTB: SG BULOH project, MyCC found that IDX Multi Resources, upon being awarded the project, subcontracted this project directly to YCH.

Financial Penalty

Act 712 allows MyCC to impose a financial penalty of not more than 10% of the worldwide turnover of the enterprises. Based on MyCC's calculation which took into account aggravating and mitigating factors, the eight infringing enterprises have been imposed a total financial penalty of **RM92,876,078.90**, with the breakdown as follows:

ENTERPRISE	NUMBER OF TENDERS	FINANCIAL PENALTY
Dutamesra Bina Sdn. Bhd.	3	RM 6,627,658.75
IDX Multi Resources Sdn. Bhd.	3	RM 6,053,100.33
Mangkubumi Sdn. Bhd.	3	RM 21,860,697.39
Menang Idaman Sdn. Bhd.	3	RM 2,668,261.30
Meranti Budiman Sdn. Bhd.	3	RM 3,528,292.70
Pintas Utama Sdn. Bhd.	3	RM 48,635,588.42
NYL Corporation Sdn. Bhd.	2	RM 113,087.91
Kiara Kilat Sdn. Bhd.	1	RM 3,389,392.10
TOTAL		RM 92,876,078.90

In the Budget 2025 speech tabled in Parliament on 18 October 2024, the government announced an increased allocation for MyCC, resulting into RM27 million budget for MyCC, with the objective to strengthen its efforts in cracking down cartels. In line with this mandate and the spirit of Malaysia MADANI, MyCC stands resolute in its mission to eradicate devious cartel practices, particularly bid rigging, which undermines the integrity of public procurement.

“Bid rigging distorts the procurement process, leading to inflated costs that ultimately burden the rakyat as well as the government. This is why, in addition to today’s decision, we are currently investigating 13 bid-rigging cartels involving 561 enterprises across tenders worth RM2.37 billion. Furthermore, we are assessing complaints related to 463 enterprises linked to tenders valued at RM9.27 billion,” said Iskandar Ismail, Chief Executive Officer of MyCC.

“Cartel is the supreme evil of competition law. In this fight against bid rigging cartels, we commend the Ministry of Finance and the Ministry of Works for their cooperation and commitment in standing with us against these intolerable activities. We urge other ministries and agencies to follow their example. If any government body suspects bid rigging in its tendering processes, we strongly encourage them to step forward and collaborate with MyCC,” he added.

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About the Malaysia Competition Commission (MyCC)

Established in June 2011, MyCC is an independent statutory body responsible for enforcing the Competition Act 2010, which was implemented to create healthy competition which would, in turn, stimulate productivity and innovation, thus creating wider choices of products for consumers with better quality and reasonable prices.

The Act applies to all commercial activities undertaken within and outside of Malaysia that affect competition in the Malaysian market. It provides a regulatory framework including powers to investigate, adjudicate and impose penalties on the perpetrators of the competition laws.

On 1 April 2025, MyCC will be in operation for 14 years and to date, MyCC has taken decisive action against over 100 companies relating to cartels and abuse of dominant positions resulting in a cumulative penalty of more than RM662 million. MyCC's current priorities include amending the Act to introduce the merger control regime, actively targeting bid rigging cartels and cartels in the food and agriculture sectors as well as focusing on the challenges brought by the digital economy to competition law and policy.

For more information on the Act and MyCC activities, log on to www.mycc.gov.my