

Pestech gets RM399mil sub-contract job in Johor

PETALING JAYA: Pestech International Bhd has bagged a RM399mil job as a sub-contractor for the Gemas-Johor Baru electrified double-track rail project.

In a filing with Bursa Malaysia yesterday, the company said it had received a letter of award from Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (YTL), under a consortium between SIPP Rail Sdn Bhd and YTL joint venture.

It said the contract is related to the electrification system for the electrified double track from Gemas to Johor Baru.

The Gemas-Johor Baru rail double-tracking project is reported to cost RM12.4bil and is expected to be completed in April 2021.

"The project will contribute positively to the revenue and earnings of Pestech in accordance to the stages of project progress to be recognised in the financial years ending June 30, 2019 to June 31, 2020, and is expected to contribute positively to the future earnings and net asset per share of the company," Pestech said.

The establishment of the electrified double track from Gemas to Johor Baru is the final stretch of the West Coast KTMB line to be double tracked and electrified.

The entire project involves the construction of 197km of double tracks, stations, electric trains, depots, land viaducts, bridges, and electrification, signalling and communication systems.

"We do not foresee any exceptional risk other than the normal operational risk associated with the project such as availability and changes in the price of raw materials," Pestech said.

Shares in Pestech closed four sen lower to RM1.45 yesterday.



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SUMMARIES

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