



Pestech aims to raise up to RM500m

BY SAMANTHA HO

KUALA LUMPUR: Pestech International Bhd is aiming to raise between RM300 million and RM500 million to meet working capital needs as it targets to expand its operations across the region.

Its executive chairman Lim Ah Hock said the fundraising exercise will be based on the group's needs and may take the form of bank borrowings or a rights issue.

The group, which has an active presence in Malaysia, Cambodia and the Philippines, is also bidding for substation contracts in Myanmar that are worth about US\$20 million (RM83.8 million).

"Our total tender book is easily over RM1 billion," said Lim, adding that the group will embark on the fundraising exercise if its bids are successful.

Another sector Pestech is in talks to branch into is solar energy, as it

hopes to get a slice of the 500mw large scale solar tender to be launched by the government next year.

The group is currently in talks with several local and foreign partners, although its priority is to secure land in order to build solar farms, Lim said.

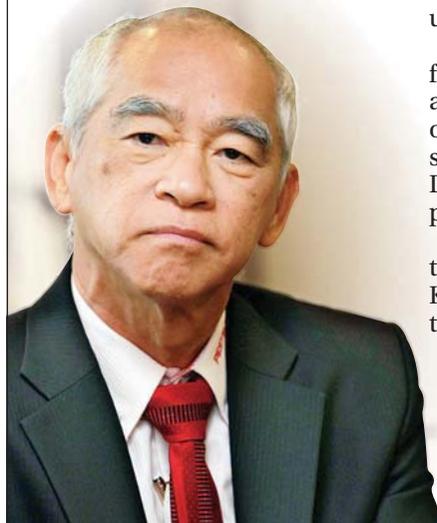
"We are looking for partners who have land," said Lim, adding that it would target to build a farm with a capacity of between 30mw and 50mw.

Pestech, which is largely involved in electrical rail and transmission work, is targeting to record more than RM1 billion in revenue for its current financial year ending June 30, 2019. It expects to continue recording a profit before tax margin of 9% to 10%.

Having recently secured a RM75 million signalling system work sub-contract for the Johor Baru-Gemas electrified double track project from Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, Pestech's order book currently stands at RM2.1 billion and gives it earnings visibility until 2021.

Pestech also expects to benefit from a rollout of rail projects locally and regionally over the next couple of decades, which will include the second phase of the Klang Valley Double Track (KVDT) rail upgrading project that was recently cancelled.

Lim said that Pestech would participate in the new tender for the KVDT, which the transport minister has said would be called at the end of the year.



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Page 2 of 2

SUMMARIES

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