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Destini bags first rail contract worth RM62m

BY BILLY TOH

KUALA LUMPUR: Destini Bhd has bagged a RM62 million contract from the transport ministry to build a new motor trolley and road rail vehicle.

In a filing with Bursa Malaysia yesterday, Destini said its wholly-owned subsidiary System Enhancement Resources & Technologies Sdn Bhd has accepted a letter of award from the ministry for the proposed project.

In a separate statement yesterday, Destini said the new motor trolley and road rail vehicle are for national railway operator Keretapi Tanah Melayu Bhd.

The contract is expected to last for two years, with completion in July 2018.

“Leveraging on the group’s expertise in the aviation and marine sector, we had set our sights on the rail sector. We are pleased that our efforts have come to fruition as this contract award signifies our maiden foray into the rail sector,” its managing director Datuk Rozabil Abdul Rahman said.

He added that the group is submitting tenders for more rail leading maintenance, repair and overhaul and manufacturing projects, and hopes to clinch more contracts within this year.

“Once we have established a strong base locally, we will naturally be expanding to look at rail-related opportunities overseas in time to come,” he said.

This is another positive news for the group after posting an eightfold increase in its net profit for the first quarter of the financial year ended March 31, 2016 to RM7.17 million from RM853,000 a year ago.

However, Destini’s share price has been trading southward with a fall of 13.64% year to date, while it has slipped by 3.39% from a year ago to close at 57 sen yesterday, valuing the stock at RM556.87 million.