

Gamuda to begin huge Penang job

Reclamation project to add RM5bil to its order book

CONSTRUCTION

By INTAN FARHANA ZAINUL
intanzainul@thestar.com.my

PETALING JAYA: Gamuda Bhd is aiming to start the first reclamation works for the massive Penang South Island (PSI) project as early as next month after it received the green light from the state government.

Deputy group managing director Mohammed Rashdan Yusof told *StarBiz* that Gamuda is currently finalising the details of the funding with several banks.

"The first phase of the PSI project would involve the reclamation of 1,200 acres of land spanning over five years with an estimated cost of RM6bil to RM7bil, including road and bridge development," he said yesterday.

"The reclamation project will add RM5bil to Gamuda's order book over the next five years," he added. At the moment, Gamuda has an order book of RM5.5bil.

Mohammed Rashdan said the PSI project is a game-changer for Penang to attract both local and global companies to cater to the technology industry with the master plan and design concepts that include the ESG or environmental, social and corporate governance principles.

Under the PSI project, a total of 700 acres of land has been allocated for Green Tech Park, targeted at high-value E&E players on Island

"The Island A will be like Bayan Lepas 2.0, but it will be an ESG-centric development emphasising on green and sustainable elements."

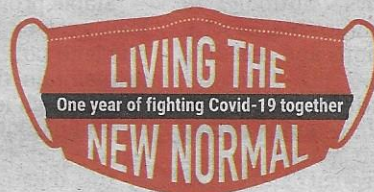
Mohammed Rashdan Yusof

A that would complement the industrial ecosystem of Bayan Lepas.

"The Island A will be like Bayan Lepas 2.0, but it will be an ESG-centric development emphasising on green and sustainable elements," Mohammed Rashdan said.

The PSI project consists of three islands located at the south of Penang Island, which is next to the Bayan Lepas airport.

Yesterday, Gamuda announced that its 60%-owned subsidiary SRS Consortium Sdn Bhd, which is the project delivery partner (PDP) for the Penang Transportation Master



Plan (PTMP), will undertake the development of the first Island in PSI, known as "Island A".

In a filing with Bursa Malaysia, Gamuda said the Penang state government had accepted the terms of project development of Island A on March 25.

The project will be implemented via a project development model through a joint venture (JV) with the Penang state government.

The project cost will be fully funded by the consortium through internally generated funds and bank borrowings.

According to Gamuda, a project development company will be formed on a JV basis between the entity nominated by the Penang state government (PSG nominee) and a special purpose vehicle to be set up by SRS (SRS PD), on the basis of 30:70 respectively.

"SRS PD will fund all the equity capital required and arrange for the necessary borrowings which may be required by the project developer to undertake and fulfil all its obligations under the project development," it said.

> TURN TO PAGE 2