

Headline	Cypark wins three contracts worth RM28.48mil		
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Cypark wins three contracts worth RM28.48mil

PETALING JAYA: Cypark Resources Bhd has clinched three letters of award from the National Solid Waste Management Department totalling RM28.48mil for the operation of the leachate treatment plants for landfills in Negri Sembilan and Pahang.

In a filing with Bursa Malaysia, the integrated environmental engineering and technology provider said two of the contracts involved the operation of the leachate treatment plants in Nilai and Port Dickson, Negri Sembilan.

The contracts, worth RM12.15mil and RM11.37mil, respectively, have a five-year duration commencing from April 3, 2017 to April 2, 2022.

The third contract, worth RM4.95mil, involves the operation of a leachate treatment plant in Kuantan, Pahang with a three-year duration commencing from April 3, 2017 until April 2, 2019.

Leachate refers to any liquid that has percolated through a solid and that has leached out some of the constituents.

In a research report earlier this year, CIMB Research said the completion of Cypark's waste-to-energy (WTE) plant by end-2017 would be a key potential rerating catalyst for the company.

The research house expects a strong performance from the company from the financial year ending Oct 31, 2017 onwards.

CIMB Research added that Cypark expected the WTE project in Tanah Merah, Negri Sembilan to be completed by the end of 2017.

According to CIMB Research, Cypark expects the plant to contribute no less than RM80mil in revenue per annum once it commences full operations.

As at October 2016, the plant had a book value of around RM500mil, accounting for slightly more than half of Cypark's total asset value.

Excluding an unrealised foreign-exchange gain of RM200,000, Cypark's core net profit for the fourth quarter of 2016 rose 26% year-on-year (y-o-y), driven by stronger environmental engineering (EE) and renewable energy earnings.

Its EE pretax profit rose 17% y-o-y to RM11mil in the fourth quarter of 2016 due to increased work activities for the second phase of the WTE project.