



## *Media Release*

16 August 2023

*For immediate release*

### **MALAYSIA AIRPORTS ISSUES NOTICE OF TERMINATION TO PESTECH TECHNOLOGY FOR AUTOMATED PEOPLE MOVER PROJECT AT KL INTERNATIONAL AIRPORT**

**SEPANG** - Malaysia Airports (Sepang) Sdn Bhd (MA Sepang), a wholly-owned subsidiary of Malaysia Airports Holdings Berhad (MAHB), has issued a notice of termination on 16 August 2023 to PESTECH Technology Sdn Bhd (PTSB), in respect to the contract for the Design, Supply, Installation, Testing and Commissioning for the Automated People Mover (APM) at KL International Airport (KLIA). PTSB had been appointed by MA Sepang as the Design and Build (D&B) contractor for the KLIA Aerotrain Replacement Programme on 14 December 2021 through an open tender process.

The termination is due to amongst others PTSB's non-performance, compromising significant project milestones and risking delays to deliver the project within the required deadline. This decision was taken by MAHB's Board of Directors, in adherence to MAHB's principles of governance and based on rigorous monitoring of the progressive development of the APM project by MAHB's management and its independent consultants. PTSB has been found to be in material breach of its obligations under the contract and had failed to remedy the same within the specified time period.



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Following this Notice of Termination, which was preceded by a Notice of Default to PTSB, MA Sepang will be enabled to recommence and complete the works through the engagement of other relevant parties, with a focus on ensuring the project is completed on schedule.

MAHB remains committed to assign the necessary resources in order to minimise any potential delays to the APM Project. With immediate effect, MA Sepang will expedite consultation and discussions with all existing stakeholders who are presently involved in the APM Project for continuity and to mitigate any delays. These include working closely with all relevant parties involved in the replacement project of the train's tracks and system, as well as identifying an experienced and credible third-party contractor to ensure consistent progress of all project components.

"This project is of significant importance to ensure the comfort and convenience of our passengers travelling through KL International Airport. Our focus moving forward is on the timely delivery of the aerotrain while observing stringent quality control and safety standards of the project, with no compromise to our operations and governance processes," said Dato' Sri Iskandar Mizal Mahmood, Managing Director of MAHB.

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### **About Malaysia Airports**

Malaysia Airports is one of the world's largest airport operator groups in terms of number of passengers handled. It manages and operates 39 airports in Malaysia and one international airport in Istanbul, Turkey. The 39 airports in Malaysia comprise five international airports, 17 domestic airports and 17 Short Take-Off and Landing Ports (STOLports). Its flagship airport, KL International Airport (IATA Code: KUL) is among the region's preferred aviation hub.

Apart from operating and managing airports, the Group also drives airport development under its Aeropolis initiative focusing on three core clusters: air cargo and logistics, aerospace and aviation, and MICE and leisure. Its flagship airport, KUL, is currently set up to be a regional distribution centre for eCommerce with the presence of the first global eWTP (electronic world trade platform) hub. Meanwhile, Sultan Abdul Aziz Shah Airport (IATA Code: SZB) or better known as Subang Airport is being developed into a preferred aerospace and business aviation hub in Asia Pacific. It is currently the 2nd most preferred in Asia and 4th globally for business aviation MRO.

Malaysia Airports Holdings Berhad is listed on the Main Board of Bursa Malaysia Securities Berhad (Bursa Malaysia). For more information on MAHB, please visit [www.malaysiaairports.com.my](http://www.malaysiaairports.com.my).

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