

ITMAX gets RM105mil DBKL variation order

PETALING JAYA: ITMAX System Bhd has been awarded a variation order (VO) worth RM105.33mil from the Kuala Lumpur City Hall (DBKL).

The VO includes an extension of the company's contract to provide closed-circuit television (CCTV) and video messaging signage (VMS) for the Integrated Transport Information System (Itis) in the Klang Valley.

ITMAX supplies, installs, and provides networked systems for public spaces.

It specialises in providing and installing networked traffic management and lighting systems, as well as providing network facilities that include communications and video surveillance networks.

In a filing with Bursa Malaysia, the company noted that the first phase of the CCTV and VMS Itis contract was originally set to conclude by 2026.

However, via the extension under the VO, ITMAX will continue to provide its services for another 33 months starting Jan 1, 2027 to Sept 30, 2029.

The company added that DBKL will be providing a letter of instruction to start work and will impose liquidated ascer-

tained damages (LAD) if the company fails to deliver work within the stipulated time-frame.

ITMAX managing director and chief executive officer William Tan Wei Lun said the group will enhance existing integrated digital infrastructure and systems to meet the evolving needs of its clients, all while driving digital transformation.

"This VO includes extension to the first phase of the contract, which is a testament to the solutions we provided to the city of Kuala Lumpur and, most importantly, the trust that DBKL has placed in us," he said in a statement.

In February 2024, ITMAX was awarded another VO worth RM47.19mil from DBKL for the replacement of broken and expired light-emitting diode (LED) street lights in Kuala Lumpur.

ITMAX stated the completion date of the contract was extended to July 31, 2026.

Apart from this recent contract, Southmax Sdn Bhd, a 65%-owned subsidiary of ITMAX, had entered into a memorandum of understanding (MoU) with JLand Group Sdn Bhd (JLG) in April 2024 to

explore the potential opportunities in the development and deployment of smart city and smart integrated facilities management solutions for township and industrial-park developments, including those undertaken by JLG Group.

"This collaboration leverages ITMAX's position as a recognised integrated digital infrastructure company, as well as JLG's position as the leader in Johor's real estate and infrastructure businesses," it said in a statement. JLG is the real estate arm of Johor Corp.

Hong Leong Investment Bank Research favours ITMAX following the signing of the MoU with JLG for smart city and integrated facilities management.

"This is a recognition of ITMAX's capability and experience in the integrated digital infrastructure solution space. We are positive and see great potential based on JLG's vast project portfolio, including Ibrahim Technopolis and Sedenak Tech Park projects in Johor," the research house said in a report on ITMAX.

HLIB Research has a "buy" call on ITMAX with a target price of RM2.90 per share.