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**SPILLOVER EFFECTS:** Prasarana to issue market rate sukuk to finance construction of LRT 3

**FRANCIS DASS**  
KUALA LUMPUR

bt@mediaprima.com.my

**P**RASARANA Malaysia Bhd has appointed a Malaysian Resources Corp Bhd (MRCB)-George Kent (M) Bhd joint venture (JV) as the project delivery partner (PDP) for the light rail transit (LRT 3) project linking Bandar Utama to Klang.

The project would cost RM9 billion with a separate fund to be tapped for land acquisition purposes for the project, said Prasarana Malaysia president and group chief executive officer Datuk Azmi Abdul Aziz.

Work on LRT 3, which will start next year, will have a population reach of two million people along its route when completed in 2020.

“We received approval for Prasarana to issue market rate sukuk

to finance this project with local financial institutions excited to participate in this issuance later. We will raise (funds) as we require,” he told a media conference on financing details of the project, here, yesterday.

On the matter of variation orders (VOs — i.e. cost of land, building materials) going up, Azmi said this would be the responsibility of the PDPs, adding that the idea of having PDP was to manage VOs.

“It will be one of their KPIs (key performance indicators). If they do not manage the VOs, then we will deduct a certain percentage from their fees,” Azmi said.

Details of the land purchase cost would be revealed at a later date, he said.

“The two million people along the

route will have added advantage and options to their travel needs.

“This is also how we can minimise congestion in certain areas and meet the national target of 40 per cent of public transportation model target.”

He said spillover effects will see commercial businesses springing up like shopping malls and hotels.

Azmi also said the few hotspots along the route will be given more attention as Prasarana has put through several alternatives so as to minimise the social impact.

On the cost aspect of the project, Azmi said Prasarana would leverage on the fact that there was an abundance of construction machinery because of the current high level of construction.



From left: MRCB group managing director **Tan Sri Mohamad Salim Fateh Din**, Prasarana Malaysia president and group CEO **Datuk Azmi Abdul Aziz**, chairman **Tan Sri Ismail Adam** and George Kent director **Datuk Prof Dr Ir Keizrul Abdullah** at the media conference yesterday. Pic by Nurul Shafina Jemenon