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KUALA LUMPUR: Hong Leong Investment Bank (HLIB) has raised George Kent (M) Bhd's financial year 2017 new potential job wins to RM840 million from RM350 million previously after the company bagged a Mass Rapid Transit (MRT) 2 contract worth RM1 billion late last month.

HLIB also decided to remove the 50 per cent discount on George Kent's project delivery partner fees with the Light Transit Rail (LRT) 3 officially launched.

"Overall, financial years 2018 and 2019 earnings (forecasts) are raised by 30 and 27 per cent, respectively," it said.

HLIB said with its 49 per cent stake in the joint venture (JV), George Kent's share of the MRT2 track works amount to RM494 million, enhancing its order book by 10

per cent to RM5.5 billion.

"This translates to an explosive cover ratio of 13.5 times on financial year 2015 construction revenue, the highest in our sector coverage."

Besides that, HLIB said George Kent had also sent its letter of intent for a hospital job in Putrajaya worth RM300 million to RM350 million, which could materialise to an award by year-end.

"Aside that, George Kent is also working to secure another hospital job in the Klang Valley, potentially worth RM200 million to RM250 million," it said.

HLIB said with the LRT3 officially launched last month, it expects the MRCB-George Kent JV to ink the PDP agreement with Prasarana Malaysia Bhd soon and major con-

tract awards between the fourth quarter of this year and the third quarter of next year.

The company recently also tendered for the sole supply of water metres in Malacca, whereby its bid was one of the lowest. In Selangor, George Kent is eyeing to participate for next year's supply tender.

"Selangor was previously inaccessible to George Kent, given the exclusive supply rights granted to Puncak Niaga Holdings Bhd, which has now lapsed following the recent water asset restructuring.

"If successful, George Kent could supply 250,000 units of water metres to both states annually versus its capacity of 2.4 million," it said.

HLIB has maintained its "buy" call on George Kent with a revised target price of RM4.01.