

# George Kent bids for HSR jobs

Tan Kay Hock also makes MGO for Johan Holdings

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**PETALING JAYA:** Tan Sri Tan Kay Hock, who has fast made a name for himself in the competitive rail transportation business through George Kent (Malaysia) Bhd, has made a bid for a slice of the lucrative, multi-billion ringgit Kuala Lumpur-Singapore High Speed Rail (HSR) project.



It is the first group to bid for the rail project. George Kent told the stock exchange yesterday that it had entered into a pre-consortium agreement with Siemens Aktiengesellschaft, Germany and Siemens Pte Ltd, Singapore.

George Kent and Siemens will form an engineering, procurement and construction (EPC) pre-consortium to prepare a joint offer at the EPC level via a special purpose company (SPC).

They will bid for the development, financing, construction, technical operations and maintenance of the HSR.

“The agreement may lead to the participation of the company in the KL-Singapore HSR project which could contribute positively to the company’s earnings and net assets in the future,” it said.

Tan, who is George Kent chairman and controls 37.44% of it, said the HSR project is one of the most prestigious and coveted projects in the rail industry as it is the first cross-border high speed rail project in South-East Asia.

“George Kent is pleased to be partnering with Siemens who have one of the most impressive track records in delivering successfully the safest and most reliable high speed rail systems in the world,” he said.

Late last month, Malaysia and Singapore held a second industry briefing in London to share more information on the high-speed rail project.

The company, known as among the world’s largest manufacturers and suppliers of water meters, is said to be gunning for more rail jobs such as systems work for the RM55bil East Coast Railway Link.

George Kent shot into prominence in the rail business after being awarded the systems work for the RM1.1bil Ampang light rail transit (LRT) line extension project with its consortium partner Lion Pacific Sdn Bhd in July 2012. Currently the company, together with Malaysian Resources Corp Bhd, are the project delivery partners (PDP) for the Light Rail Transit Line 3 (LRT3).

George Kent is also a contractor for the mass rail transit (MRT).

On a day when he has thrown his name in the hat for one of the largest infrastructure projects in recent years, the low profile tycoon also made news at another vehicle controlled by him – Johan Holdings Bhd.

Johan announced to Bursa Malaysia that it has received a conditional mandatory takeover offer of 25 sen per share from its substantial shareholder and chief executive officer Tan, after he raised his shareholding in the ceramics maker turned property developer.

Johan said Tan's shareholding increased to 48.17% from 45.76% previously after he bought an additional 15 million shares or 2.41% of the voting shares in the group for RM3.75mil, or at 25 sen a share via Mustika Manis Sdn Bhd (MMSB) in a business transaction.

Tan and Puan Sri Tan Swee Bee, who is also a director of Johan, owns 50% each in MMSB.

The offer price of 25 sen apiece was at a 4% discount to the company's last traded price of 26 sen. The offerors intend to maintain Johan's listing status on Bursa Malaysia.

Johan's core businesses include the franchise operator for Diners Club charge and credit cards, travel and tours, manufacture of ceramics wall and floor tiles, property development, resorts and hotels.

Earlier in August, the company said it is winding down its ceramic wall and floor tiles manufacturing business parked under Prestige Ceramics Sdn Bhd, which has been making losses for the last six years.

For the second quarter ended July 31, 2017 it made a net loss of RM9.95mil on the back of RM43.6mil revenue.

In contrast, George Kent has been growing steadily and has an order book of RM6bil, according to RHB Research.

As at the second quarter ended July 31, its net profit was up by close to a quarter year-on-year to RM25.37mil, while cash at that period stood at RM419.65mil.

Shares of George Kent closed 12 sen higher at RM3.23, giving it a market cap of RM1.82bil.

Its share price has increased close to 63% since the beginning of the year, and trading at an all-time high.

Johan's market cap, meanwhile, stood at RM162mil based on yesterday's closing price of 26 sen.