

George Kent consortium to bid for HSR project


CORPORATE NEWS

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PETALING JAYA: [George Kent \(M\) Bhd](#)  has joined forces with four foreign companies to form a consortium to bid for the Kuala Lumpur-Singapore high-speed rail (HSR) project.

In a filing with Bursa Malaysia yesterday, George Kent said it would collaborate with Siemens, Alstom, Ferrovie dello Stato Italiane and the PORR group to form an engineering, procurement and construction, and operations and maintenance consortium to bid for the AssetsCo or asset company tender of the project.

It is said that the AssetsCo would be responsible for the design, build, finance and maintenance of rolling stock, and to design, build, finance, operate and maintain rail assets.

The AssetsCo tender will be jointly tendered out by both Malaysia and Singapore.

This comes on the back of George Kent's announcement last October that it would partner Siemens in preparing a joint offer for the HSR project.

In a joint statement, the companies said the partnership would combine European technology and project experience with local expertise.

It added that Siemens and Alstom have decades of experience in delivering complex cross-border HSR projects, while Ferrovie dello Stato Italiane will contribute its expertise in railway operations and a vast global footprint.

Meanwhile, George Kent is partnering with PORR, a leading Austrian infrastructure company that offers slab track technology proven on HSR projects.

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"We aim to facilitate technology transfer and maximise the local content, resources and human capital in line with Malaysia's aspiration of developing a resilient and vibrant rail industry," said George Kent chairman Tan Sri Tan Kay Hock.

Analysts estimate the AssetsCo tender portion would comprise RM20bil of the overall RM60bil HSR cost. The ambitious KL-Singapore HSR planned track alignment tracks the North-South Expressway closely.

Trading in George Kent shares was halted at 2.30pm yesterday and resumed at 3.30pm.

Another contender, [MMC Corp Bhd](#)  said in July that it was bidding for the AssetsCo tender of the HSR with a Japanese consortium.


Shares in George Kent closed one sen lower to RM3.76 yesterday.

Meanwhile, RHB Research has revised its earnings forecast on George Kent on a higher contract win possibility.

The research house said it has upgraded George Kent's order book replenishment assumptions to RM5.5bil this year, which would almost double the group's order book to RM11.3bil from RM5.8bil currently.

"Consequently, we revise our financial year 2019 and 2020 earnings higher by 10% and 27%.

"This is to reflect our optimistic view on George Kent's order book replenishment outlook and its strengthening position as the proxy play for domestic rail-related infrastructure investments," RHB Research said in a report yesterday.

It pointed out that George Kent's consortium with MMC Corp Bhd and [Gamuda Bhd](#)  had "a very good chance" of winning the MRT3 project.

RHB Research said George Kent also stood a better chance of securing a project to build four new hospitals by the government and the East Coast Rail Link as announced under Budget 2018.

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