

Leader unit gets loan to fund Cambodia power plant

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SIHANOUKVILLE, CAMBODIA: Leader Infrastructure (Labuan) Ltd, a wholly owned subsidiary of Leader Universal Holdings Bhd, has secured a US\$140mil syndicated term-loan facility from a consortium of four banks to finance the bulk of its coal-fired 100MW power plant in Sihanoukville, Cambodia.

OCBC Bank (Malaysia) Bhd was the sole book runner and one of the mandated joint lead arrangers of the loan. The other mandated joint lead arranger was Malayan Banking Bhd, while AmBank (M) Bhd and Bank of

China were joint lead managers.

Leader Universal managing director and chief executive officer Datuk Sean H'ng said the loan would be utilised to part-finance the construction of two units of 50MW coal-fired electric power generating facility and other ancillary facilities.

"The total cost of building the 100MW power plant is about US\$170mil. The banks are financing us US\$140mil and the remaining US\$30mil will be jointly financed by Leader Universal and our joint-venture partner Cambodia International Investment Development Group Co Ltd (CIIDG)," he said after the syndicated term-loan signing ceremony

between Leader Universal, CIIDG and the four banks here yesterday.

CIIDG comprises a group of Cambodians who will provide the land for the construction of the coal-fired power plant in Sihanoukville.

H'ng said Leader Infrastructure has an 80% stake in the 100MW coal-fired power plant, which is the first coal-fired power plant in the country, with the balance 20% stake held by CIIDG.

"We expect the 100MW power plant to be completed and operational by fourth quarter of 2012," he said.

H'ng also said Leader Infrastructure was exploring the possibility of building another coal power plant with its partner CIIDG in Sihanoukville.

"But this coal-fired power plant will have a smaller capacity - around 700MW if constructed," he said, adding that discussion on the second coal-fired power plant was still at the early stage and was subject to power demand and financing.

On the group's other projects, H'ng said Leader Universal was also involved in the construction of a power transmission system and two substations in Cambodia.

"We expect the 100MW coal-fired power plants and the power transmission system to contribute more significantly to Leader Universal's overseas revenue when they are fully operational," he said.