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Leader gets US\$65m loan

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GEORGE TOWN: Leader Universal Holdings is financing its build-own-transfer (BOT) power transmission project with a US\$65mil loan, secured from the Export-Import Bank of Malaysia (Exim Bank).

Group managing director Datuk Sean H'ng Chun Hsiang said the loan demonstrated Exim Bank's strong support of Malaysian investment abroad and especially the export of Malaysian products and expertise.

"It is a 13-year Islamic financing facility under the Islamic principle of Istisna.

"The financing is to partly finance our BOT transmission project from North Phnom Penh to Kampong Cham, with the balance to be financed by internally-generated funds.

"With the financing in place, we will commence the construction of the project when we have complied with all the conditions, estimated to be soon after the Chinese New Year," H'ng said, adding that this was the group's third power concession project in Cambodia.

Leader recently inked the deal for the project with state-owned power company Electricite du Cambodge (EDC), which commissioned the group to build a 230Kv power transmission system from North Phnom Penh to Kampong Cham on a build-operate-transfer basis.

Under the agreement, Leader will build, manage and maintain the transmission line for 25 years before returning it to the government.

The master plan for power generation in Cambodia allows for a four-fold increase in installed capacity over the next five years, according to H'ng.

"The forecast for the power load in Cambodia is that it will grow to 2,315MW in 2024 from 740MW in 2010, which is more than a three-fold increase within 14 years, growing at an 8.5% annual growth rate," he said.

On Leader's 100MW coal-fired power project in Sihanoukville, H'ng said it should be operational in 2012.

"We have a 30-year build-own-operate concession to supply electricity to EDC," he said.