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Ranhill to expand power business in South-East Asia

Firm also wants to beef up power plant capacity over next 3 years

KUALA LUMPUR: Ranhill Holdings Bhd plans to expand its power business in South-East Asia in a bid to increase its revenue contribution to the group to 50% from the current 30%.

The group also intends to beef up its power plant capacity to 1,000 megawatts (MW) in the next three years from 380MW currently, said its power division chief executive officer Zahrul Faizi Hussien.

He said Ranhill was seriously looking into some potential projects in the region, particularly in Myanmar, Thailand and Cambodia.

"We will announce them when the time comes. We are looking at the most suitable plants that they might need.

"It would be a combined cycle gas turbine (CCGT) for Myanmar and Cambodia.

Normally, we will have a consortium (in the respective country to execute the projects)," he told *Bernama*.

He said the group would allocate between RM100mil and RM150mil for the projects if they were to materialise.

Ranhill recently conducted a media familiarisation trip to its two 190MW combined-cycle gas turbine plants, namely the Teluk Salut power plant and the Rugading power plant in Kota Kinabalu.

The group's presence in Sabah is via its subsidiary, Ranhill Powertron Group, a primary independent power producer (IPP) in the state.

It is the largest contributor to cater to the power needs of Sabah Electricity Sdn Bhd which generates, transmits and distributes electricity in the state and Labuan.

Meanwhile, the Teluk Salut plant, managed by Ranhill Powertron Sdn Bhd, and that of Rugading by Ranhill Powertron II Sdn Bhd, are operating in full swing, contributing 37% maximum load demand to the Sabah grid.

A combined-cycle power plant uses both a gas and a steam turbine simultaneously to produce up to 50% additional electricity than a traditional simple-cycle plant.



Growth opportunities: A file picture showing Ranhill's power plant in Rugading, Sabah. Ranhill is looking into some potential projects in the region, particularly in Myanmar, Thailand and Cambodia.

"We consider our company as a small power generation company with 380MW capacity if you (were to) compare with other IPPs.

"In Sabah, we are big but within Malaysia we are quite small. We think 1,000MW is a doable target, provided that we have to go outside Malaysia," said Zahrul Faizi.

Ranhill has been looking to have an equal revenue contribution from its water and power sectors from the current 70:30.

The water and power-generation group, listed on the Main Market of Bursa Malaysia, has recorded a cumulative RM1.072bil in revenue for the nine-month period ended Sept 30, 2016, while pre-tax profit stood at RM139.3mil.

Of which, the power segment contributed RM239.1 million in revenue and a pre-tax profit of RM43.9mil during the period under

review.

Asked on updates of its third combined-cycle gas plant in Sabah, Zahrul Faizi said the group expected some progress in the next one to two months.

"There are some issues we have to finalise such as gas supply with Petronas," he added.

Ranhill has secured a mandate from the Energy Commission in late September last year to construct, commission and operate a 300MW power plant in Sabah via a consortium of private companies.

The consortium was instructed to commence negotiations with Petronas and the company identified by the government to develop the Trans-Sabah Gas Pipeline to ascertain the terms and conditions of the gas supply required for the project.

Ranhill has a 50% equity interest in one of the private companies. – *Bernama*