

Steel Mill Deal for Hiap Teck Subsidiary

Eastern Steel Sdn Bhd, Hiap Teck Ventures Bhd's 55% owned subsidiary, has entered into an engineering and procurement contract worth RM417.83 million, and a construction contract worth RM232 million, with China Shougang International Trade and Engineering Corp for the design, procurement and construction of the first phase of an integrated steel mill in Teluk Kalung, Kemaman, Terengganu. The integrated steel mill will have an annual capacity of 0.7 million tonnes of steel while the completed integrated steel mill will have a total annual capacity of 3.5 million tonnes of steel. The project plant is expected to be completed by 2013. Hiap Teck will fund its 55% portion via a fund raising exercise involving a proposed right issue with warrants and the proposed issuance of convertible bonds. Hiap Teck will also issue 32.2 million of Hiap Teck shares to China Shougang or its nominated affiliates as placement shares at an issue price to be agreed upon as a condition to the engineering procurement contract and the construction contract.

(Sourced from The Star)

RM6 Billion West Coast Highway Project to Start in December

The construction of the 286km-long West Coast Highway linking Banting in Selangor and Changkat Jering in Perak will begin by December. The Works Ministry was in the final stages of completing the highway alignment works. The highway, which was estimated to cost around RM6 billion, would enhance connectivity and cut travelling time between towns located along the stretch. The West Coast Highway project was one of the six Public-Private Partnership initiatives to be carried out under the 10th Malaysia Plan on a build-operate-transfer basis.

(Sourced from BERNAMA)

China Shows Interest in Klang River Rehabilitation Project

China has shown interest in participating in the RM10 billion Klang River rehabilitation project. A delegation from China State Construction Engineering Corp (CSCEC), the largest construction company and the largest international general contractor in China, was scheduled to make a visit to Malaysia to conduct a survey and feasibility study on the project. The Selangor Government, in its economic stimulus package, has identified six major areas to spur economic growth, namely, cleaning and rehabilitating the Klang River; expanding the transportation system; upgrading and replacing water assets; urban renewal programme; reviving abandoned housing projects; and increasing paddy yield.

(Sourced from BERNAMA)

SEB to Consider Rerouting Transmission Line for SCORE to Build another Dam

Sarawak Energy Bhd (SEB) is studying a plan to reroute a 275kV transmission line, currently being built to channel electricity generated by the RM3 billion Murum hydro dam to the Sarawak Corridor of Renewable Energy (SCORE), to facilitate the construction of another dam in Balepoh. The latter, located in the upper reaches of the Balui River where the 944MW Murum dam is being built, can generate 110MW. The RM100 million transmission line, originally scheduled for completion in the third quarter of 2012 – a year ahead of the first power to be commercially produced by the Murum dam, would connect the latter to the transmission system near Bakun.

The Murum dam project, which was 44% completed, is located about 60km upstream of the Bakun dam. SEB has also identified other hydro dam projects upstream of the Balui River, namely, Linau (290MW) and Danun (200MW). Undertaken by Three Gorges Development Corp (M) under a single contract with SEB, the Murum dam comprises several key components, namely, a 145m high roller-compacted concrete dam, intake and 2.7km long tunnels supplying water to a 944MW power house. The Murum dam is a key part of the SCORE project and would be the next major hydro generation project to be commissioned after the Bakun dam. Murum electricity power is slated to come in time to take up the power demand from SCORE industries which the Bakun dam is unable to meet.

(Sourced from BERNAMA)

Additional 20MW of Electricity Generating Capacity for Sabah

The signing of a renewable electricity purchase agreement (REPA) between SESB Sdn Bhd and ECO Biomass Power Sdn Bhd has led to an increase of another 20MW for Sabah's electricity generating capacity. The RM164.9 million project by ECO Biomass was expected to start operations by end of 2012. Under the REPA, Eco Biomass would supply electricity generated using oil palm empty fruit bunches to SESB for 21 years. It was the fourth biomass project in Sabah after TSH Power in Tawau, and Seguntor Power and Kinabio Power in Sandakan whose generating capacity was 10MW each. Since 2002, SESB had signed five REPAs with independent power producers and was in discussion with 10 more companies on the development of renewable energy-based power stations such as biomass, biogas, hydro and geothermal. To date, three companies that use biomass and one that operates a hydroelectric station has supplied 32MW to the Sabah Grid System, which represented 2.8% of the state's generating capacity and only 0.5% of the national capacity.

(Sourced from BERNAMA)