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MALAKOFF SEES SLIGHT IMPROVEMENT IN NEXT YEAR'S PROFIT

LUMUT, May 15 (Bernama) -- Malakoff Bhd, which successfully developed its Lumut Power Plant Block Two, six months ahead of schedule, expects slightly higher profits for the current year compared with last year's profit of RM38.83 million, managing director Ahmad Jauhari Yahya said.

"Malakoff not only anticipates to meet its forecast this year but also expects to exceed it slightly," he told a press conference after Prime Minister Datuk Seri Dr Mahathir Mohamad officially launched the RM3.7 billion plant near here today.

However, Ahmad Jauhari declined to disclose the percentage increase anticipated for the current year.

Malakoff, a member of the Malaysian Resources Corporation Bhd (MRCB) group of companies, owns 75 percent of Segari Energy Ventures (SEV) Sdn Bhd, which developed the 1,303 megawatt gas-fired combined cycle power station near here.

He said the company would diversify its activity to undertake land reclamation work along 40 km of coastal area in Perak and turn the reclaimed land into industrial, commercial, residential, leisure and tourism developments.

Ahmad Jauhari also said that the project, which will be undertaken by its subsidiary, Desa Kilat Sdn Bhd, has the potential to create a total reclamation area of approximately 8,093 ha of land.

He however added that the power sector will still remain the company's core activity.

"What is important is to increase the company's turnover and not be dogmatic about it," he added.

Apart from that, the company also plans to set up its third co-generation plant, details of which will be announced by the end of the year, Ahmad Jauhari said.

The existing two co-generation plants are located at KL Sentral in Kuala Lumpur and at the venue of the Malaysian Newsprint Industries Sdn Bhd (MNI) in Kuantan, Pahang.

MNI is a joint venture between New Straits Times Press Malaysia Bhd (30 percent), Hong Leong Group (30 percent), Rimbunan Hijau Group (20 percent) and Fletcher Challenge of New Zealand (20 percent).

The co-generation plants, which use waste heat from power generation to produce more energy, usually in form of steam, emanates greater power and therefore encourages more efficient usage of fuel.

Ahmad Jauhari added that the company saw tremendous opportunities in the power generation industry despite the onslaught of the mammoth Bakun Hydro Electric Dam in Sarawak.

Meanwhile, Malakoff is expected to submit soon, an application for the initial public offer of its subsidiary, PD Power Plant Sdn Bhd which he expected to be listed by this year, he said.

The Lumut power plant is operated and maintained by Teknik Janakuasa Sdn Bhd, which underwent a technically intensive hands-on training under the supervision of SEV's turnkey contractor, ABB Power Generation Sdn Bhd.

The plant must make available 86 percent of its installed capacity to Tenaga Nasional Bhd. -- BERNAMA

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