

# Sanichi partners Petrowangsa to bid for Petronas deals

BY MEENA LAKSHANA

KUALA LUMPUR: Sanichi Technology Bhd has teamed up with licensed Petronas vendor Petrowangsa Sdn Bhd to jointly bid for Petroliam Nasional Bhd's (Petronas) oil storage tank terminal contracts in the oil and gas industry in Malaysia and the region.

The two parties inked a memorandum of understanding (MoU) to form the alliance yesterday, according to Sanichi's bourse filing.

Under the MoU, Petrowangsa will award, subcontract or nominate Sanichi as contractor should it secure contracts in relation to its licences with Petronas, while Sanichi will provide mechanical engineering solutions to Petrowangsa.

Sanichi said the MoU is not expected to have immediate effects on the issued and paid-up share capital, net assets and earnings per share of the Sanichi group for the financial year ending June 30, 2016.

In a press statement, Sanichi managing director Datuk Seri Dr Jacky Pang said the group is "very excited" about the partnership as the value of oil storage terminal projects under Sanichi's radar in Malaysia and around the region is estimated to be above RM1 billion.

Petrowangsa managing director Datuk Azrulnizam Abdul Aziz said the company had the licences from Petronas to commission

floating roofs, fixed roofs and cryogenic storage tanks, as well as to provide mechanical engineering and maintenance of oil storage tanks.

Pang said the Pengerang Integrated Petroleum Complex (PIPC), one of the key growth initiatives under the Economic Transformation Programme, will serve as an important catalyst for future collaboration with Petrowangsa as the PIPC is being developed into a regional oil storage and trading hub.

"The development of Pengerang Deepwater Terminal, a RM5 billion project, will serve as a centralised storage facility for [the] PIPC, offering a storage capacity of five million cubic metres by the year 2020," he added.

Separately, Sanichi updated that negotiations are still ongoing on whether Lembaga Tabung Angkatan Tentera (LTAT) will be taking up a stake in the company.

The automotive mould maker cum property developer cited news reports that should LTAT's acquisition of up to 5% materialise, LTAT will be the second-largest shareholder of the company after Pelaburan Mara Bhd, which owns 8.56%.

Sanichi shares closed unchanged at 14 sen yesterday, with a market capitalisation of RM143.92 million.