

OTHERS ACQUISITION OF ADDITIONAL 19% EQUITY INTEREST IN SOUTHERN POWER GENERATION SDN. BHD. AND 13% CLASS B REDEEMABLE PREFERENCE SHARES FROM SIPP ENERGY SDN. BHD.

TENAGA NASIONAL BHD

Type	Announcement
Subject	OTHERS
Description	ACQUISITION OF ADDITIONAL 19% EQUITY INTEREST IN SOUTHERN POWER GENERATION SDN. BHD. AND 13% CLASS B REDEEMABLE PREFERENCE SHARES FROM SIPP ENERGY SDN. BHD.

Tenaga Nasional Berhad wishes to announce that it has today acquired an additional 19% equity interest in its subsidiary, Southern Power Generation Sdn. Bhd. and 13% Class B Redeemable Preference Shares from SIPP Energy Sdn. Bhd. ("the Acquisition") for a total consideration of RM283 million ("Purchase Consideration").

Please refer to the attachment for details of the Acquisition.

This announcement is dated 28 September 2020.

Please refer attachment below.

Attachments



ACQUISITION OF ADDITIONAL EQUITY INTEREST IN SOUTHERN POWER GENERATION SDN. BHD. AND CLASS B REDEEMABLE PREFERENCE SHARES FROM SIPP ENERGY SDN. BHD..pdf

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Announcement Info

Company Name	TENAGA NASIONAL BHD
Stock Name	TENAGA
Date Announced	28 Sep 2020
Category	General Announcement for PLC
Reference Number	GA1-28092020-00048

BURSA ANNOUNCEMENT

ACQUISITION OF ADDITIONAL 19% EQUITY INTEREST IN SOUTHERN POWER GENERATION SDN. BHD. AND 13% CLASS B REDEEMABLE PREFERENCE SHARES FROM SIPP ENERGY SDN. BHD.

1. INTRODUCTION

Tenaga Nasional Berhad (“**TNB**”) wishes to announce that it has today acquired an additional 19% equity interest in its subsidiary, Southern Power Generation Sdn. Bhd. (“**SPG**”); and 13% Class B Redeemable Preference Shares from SIPP Energy Sdn. Bhd. (“**the Acquisition**”) for a total consideration of RM283million (“**Purchase Consideration**”).

As a background, SPG was incorporated on 12 August 2016 as a special purpose vehicle company for the development of a Combined Cycle Gas Turbine Power Plant in Pasir Gudang, Johor (“**the Project**”). The major construction works of the Project have been completed with overall project progress of 99.3% as at end of August 2020.

Currently, TNB owns 51% Ordinary Shares in SPG, while SIPP Energy holds the remaining 49%. Other than Ordinary Shares, TNB and SIPP Energy also subscribed for Redeemable Preference Shares issued by SPG. Upon completion of the Acquisition, TNB will hold 70% Ordinary Shares in SPG and SPG will remain a subsidiary of TNB.

This is a voluntary announcement under Paragraph 10.05(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

2. PARTICULAR OF THE ACQUISITION

2.1 Salient Terms and Conditions of the Acquisition:

- (i) TNB acquires 19% of the entire Ordinary Shares comprising 1,900,000 Ordinary Shares in SPG and 13% Class B Redeemable Preference Shares comprising 36,790,000 from SIPP Energy for the Purchase Consideration.
- (ii) The Purchase Consideration shall be paid by TNB to SIPP Energy on completion of the Acquisition.
- (iii) Upon payment of the Purchase Consideration by TNB to SIPP Energy, SIPP Energy will deliver the duly executed but undated and unstamped Form of Transfer of Securities (Section 105 of the Companies Act 2016) for the relevant shares to TNB, together with the original share certificates.
- (iv) SIPP Energy and TNB shall do or cause to be done all acts and execute all documentation and obtain all consents to effect the registration of transfer of the relevant shares from SIPP Energy, as the transferor, to TNB, as the transferee.

2.2 Sources of Fund

TNB will utilise its internal funds to pay the Purchase Consideration.

2.3 Liabilities to be assumed by TNB arising from the Acquisition

There is no liability, including contingent liabilities and guarantees to be assumed by TNB arising from the Acquisition.

3. DETAILS OF THE CONSIDERATION

Basis and Justification of arriving at the Purchase Consideration

The Purchase Consideration was derived based on:

- (i) issued Ordinary Shares capital in SPG for the 19% Ordinary Shares;
- (ii) valuation based on discounted cash flow method for the 13% Redeemable Preference Shares after taking into consideration the progress of the Project is nearing completion and most of the construction risks at the point of Acquisition have been mitigated.

4. FINANCIAL EFFECTS OF THE ACQUISITION

The Acquisition will not have any effect on the issued share capital and the substantial shareholdings of TNB. Based on the latest consolidated statements of TNB for the Financial Year ended 31 December 2019, the Acquisition is not expected to have a material effect on the net assets and gearing of TNB.

5. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSON CONNECTED

None of the Directors and/or major shareholders of TNB and/or any persons connected to them have any interest, direct or indirect, in the Acquisition.