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Edra Power not going for listing

Company denies news report it has issued a request for proposal for an IPO

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PETALING JAYA: Edra Power Holdings Bhd, Malaysia's second largest independent power producer (IPP), is not going for a listing anytime soon.

In a statement yesterday, Edra Power Holdings Sdn Bhd, formerly known as Edra Global Energy Bhd, has denied a recent news report that it has issued a request for proposal (RFP) for an initial public offering (IPO).

"Edra Power Holdings wishes to inform and clarify that it did not issue any such RFP," said Edra Power.

A wires report quoting sources on May 3 stated that Edra Power was relaunching its listing plans and has issued a RFP to hire banks for the US\$500mil to US\$1bil (RM2.16bil to RM4.32bil) IPO. The report also added that banks have to respond to the RFP by May 9.

Edra Power had earlier this year withdrew the RFP to hire banks for the IPO shortly after launching it.

Edra Global, Malaysia's second largest independent power producer, was acquired by China General Nuclear Power for US\$2.3bil in 2015.

It was previously owned by 1Malaysia Development Bhd.

Edra Power currently has a portfolio of 15 power and desalination plants in five countries with an effective power generation capacity of about 5,594 MW.

In Malaysia, its notable power plants are located in Malacca and Selangor. The power plants used to be owned by Tanjong and Genting groups respectively.

1MDB had acquired the power plants in 2012 with the view of going for a listing.

In 2013, Edra Power won a bid to construct a 1,400 MW coal fired power plant in Negri Sembilan after a contentious tender exercise. With the additional power plant, Edra was looking at a listing of close to RM10bil.

Late 2014, 1MDB had submitted the listing proposal to the Securities Commission (SC). However by end February 2016, 1MDB withdrew the proposal as it was incomplete.

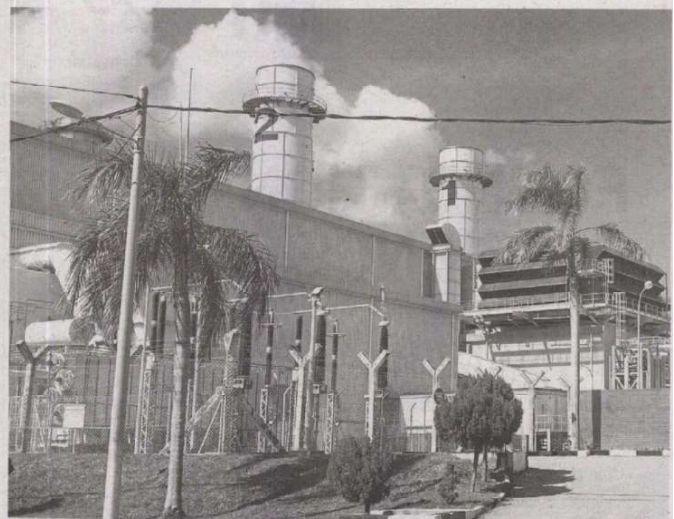
It was then speculated that there were issues with regard to the valuations of the power unit. Subsequently Tenaga Nasional took over the building of the power plant in Negri Sembilan.

In 2015, as part of the debt restructuring of 1MDB, the power generation division was sold after a competitive bid to China General Nuclear.

Analyst when contacted said that there was still appetite for a regional IPP and Edra Power fitted the bill.

"Apart from Malaysia, it has power plants in the region including Bangladesh. There are not many companies with a regional profile," said an analyst.

However the analyst said that to fetch good value from the market, Edra Power has to add on to its existing stable of power plants.



Energy asset: The Powertek plant in Teluk Gong, Malacca. Edra Global was acquired by China General Nuclear Power for US\$2.3bil in 2015. It was previously owned by 1Malaysia Development Bhd.