

Headline	TNB unit plans to buy 50pc in Vortex Solar		
MediaTitle	The Star		
Date	07 Jan 2017	Language	English
Circulation	338,368	Readership	1,032,000
Section	Star BizWeek	Page No	8
ArticleSize	174 cm <sup>2</sup>	Journalist	N/A
PR Value	RM 12,480		



# TNB unit plans to buy 50% in Vortex Solar

**PETALING JAYA:** Tenaga Nasional Bhd's (TNB) unit has proposed to buy a 50% stake in Vortex Solar Investments S.a.r.l. for £86mil (RM474mil) cash under its five-year international expansion roadmap to boost its power generation capacity, including renewable power.

The national utility said the purchase would enable it to have a stake in Vortex Solar, which holds certain interest of solar photovoltaic (PV) project companies that own and operate solar PV projects in the UK with a combined net installed capacity of about 365MW.

"The transaction is expected to be completed by the third quarter of the calendar year 2017 and will

be immediately earnings accretive," TNB said in a statement.

In a filing with Bursa Malaysia, TNB said its wholly owned subsidiary, TNB International Sdn Bhd (TNBI), had entered into a subscription and funding agreement with Beaufort, a wholly owned subsidiary of EFG Hermes Holding, for the deal yesterday.

"TNBI and Beaufort, each will subscribe a 50% equity interest from Vortex Solar and Vortex Solar, in return, through its indirect wholly owned subsidiary Vortex Solar UK, will acquire 100% of the target's total share capital," TNB said.

It added that the proposed subscription of shares would be

funded through a combination of internally generated funds and/or borrowings.

TNB said the proposed subscription was in line with its five-year International Expansion Roadmap, which aims to secure up to 5,000MW new generation capacity internationally by 2020. This included the need to secure up to 250MW of renewable energy (RE) projects.

"The proposed subscription enables TNB to realise the RE part of the plan ahead of schedule. The solar energy assets are a unique portfolio of young and sizable asset with an average asset age of two years and an estimated useful life of 30 years.

"They are immediately earning accretive on completion of the acquisition and currently delivering a high performance ratio. They are backed by a 15-year power purchase agreements secured with creditworthy off-takers and supported by renewable obligation certificates for 20 years," TNB explained.

Beaufort formed Vortex Solar to finance in part the acquisition by Vortex Solar UK Ltd, an indirect unit of Vortex Solar, of all the shares of TerraForm UK 2 Intermediate Holdings Ltd and TerraForm UK 3 Intermediate Holdings Ltd (target companies) and redeem a loan note extended to the target companies.