

Headline	MALAKOFF TO BUY 40PC STAKE IN MSCSB		
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MALAKOFF TO BUY 40PC STAKE IN MSCSB

Deal via acquisition of Khazanah's Desaru Investments for US\$70m

KUALA LUMPUR

MALAKOFF Corp Bhd is acquiring Khazanah Nasional Bhd's 40 per cent stake in Malaysian Shoaiba Consortium Sdn Bhd (MSCSB) for US\$70 million (RM288.40 million), a move that will contribute larger earnings to the company.

Malakoff's indirect wholly-owned subsidiary, Malakoff Gulf Ltd, has entered into a share sale agreement with Khazanah for the acquisition of its entire stake in Desaru Investments (Cayman Islands) Ltd, which in turn owns 40 per cent of MSCSB.

Currently, Malakoff Gulf holds a 40 per cent stake and Tenaga Nasional Bhd a 20 per cent stake in MSCSB.

Malakoff chief executive officer Datuk Ahmad Fuaad Kenali said the acquisition would provide immediate earnings accretion to

the company, as well as increase in cash flows, derived from the remaining contract of 10 years under both Shuaibah Water & Electricity Co Ltd's power and water purchase agreement for Shuaibah 3 Independent Water.

He said this included power plant and Shuaibah Expansion Project Co's water purchase agreement for Shuaibah 3 Expansion Independent Water Plant.

"The proposed acquisition will increase and consolidate Malakoff's total effective generation capacity for power and water to 6,708 megawatts (MW) and 544,375 cubic metre per day (m³/day) from the existing 6,600MW and 420,925 m³/day, respectively, in line with the company's growth strategy," said Ah-

mad Fuaad in a statement.

MSCSB holds a 50 per cent stake in Saudi-Malaysia Water & Electricity Co Ltd, which in turn owns 60 per cent of Shuaibah Water & Electricity and 60 per cent of Shuaibah Expansion Holding Co.

Shuaibah Expansion holds a 97.5 per cent stake in Shuaibah Expansion Project Co (Sepco).

Saudi-Malaysia Water & Electricity also directly holds one per cent in Sepco.

Desaru Investments holds a 20 per cent stake in Al-Imtiaz Operations & Maintenance Co Ltd (AOMC) while Malakoff, via TJSB International (Shoaiba) Ltd, owns 20 per cent of AOMC.

Upon completion of the acquisition, Malakoff's indirect effective equity interest in Saudi-Malaysia Water & Electricity and AOMC will rise to 40 per cent while MSCSB will become its indirect 80 per cent-owned subsidiary.



Datuk Ahmad Fuaad Kenali

VALUATOR

Company(Brand)	Mention	Tone	ROI
Cenviro Sdn Bhd (Cenviro Industry News)	1	0	0
Khazanah Nasional Berhad (Khazanah Nasional Berhad)	1	0	RM
Malakoff Corporation Berhad (Malakoff Corporation Berhad)	19	0	0
Malaysia Projects (Malaysia Projects)	2	0	0
Securities Commission Malaysia (Malaysia Capital Market)	1	0	0
Shuaibah Water & Electricity Co. (Shuaibah Water & Electricity	3	0	0
Tenaga Nasional Berhad (TNB) (Tenaga Nasional)	1	0	RM
Water & Electricity Co (Water & Electricity Co)	7	0	0