Headline	1MDB sells energy assets to China firm		
MediaTitle	New Straits Times		
Date	24 Nov 2015	Language	English
Circulation	74,711	Readership	240,000
Section	Local News	Page No	9
ArticleSize	261 cm²	Journalist	Amir Hisyam Rasid
PR Value	RM 26,991		

1MDB sells energy assets to China firm

RM9.83 BILLION:

Transaction first major milestone in company's rationalisation plan says Arul Kanda

AMIR HISYAM RASID
KUALA LUMPUR
news@nst.com.my

1MALAYSIA Development Bhd (1MDB) is selling its 100 per cent stake in its energy assets to China General Nuclear Power Corp (CGN) for RM9.83 billion.

The strategic development company said 1MDB, Edra Global Energy Bhd and its subsidiaries had executed a share sale and purchase agreement with CGN and its subsidiaries for the 100 per cent sale of 1MDB's ultimate ownership in all its energy assets — Edra Solar Sdn Bhd, Edra Energy Sdn Bhd, Powertek Energy Sdn Bhd, Jimah Teknik Sdn Bhd, Jimah O&M Sdn Bhd, Mastika Lagenda Sdn Bhd and Tiara Tanah Sdn Bhd.

"CGN will pay an equity value of RM9.83 billion and will assume the relevant gross debt and cash of the Edra operating companies, based on a valuation date as at March 31.

"The transaction is expected to be completed in February 2016," it said.

The RM9.83 billion is cash equity without debt. The overall price, including debt assumed by the buyer, will be more than RM17 billion.

The company said indicative offers for the energy assets were first received in June via a rigorous, competitive and international tender process run by 1MDB's financial adviser, Maybank Investment Bank Bhd.

"Rothschild acted as financial adviser to Edra. The sale is the largest announced merger and acquisition (M&A) transaction in Malaysia and one of the largest in the Asian power sector, year to date."

1MDB president and group executive director Arul Kanda Kandasamy said the transaction marked the achievement of the first major milestone in the 1MDB rationalisation plan, as presented to the cabinet on May 29.

CGN was a clear winner in this international tender based on the objectives announced by 1MDB, namely value maximisation, acceptable commercial terms and certainty of transaction execution.

"The purchase by CGN brings a significant foreign direct investment (FDI) commitment to Malaysia and is a clear vote of confidence in the Malaysian economy," he said.

Edra president and executive director Datuk Mark Ling said Edra had integrated what was originally 13 power plants across five countries, into one cohesive and strong platform that practised the highest international standards.

"I am proud that the value created in our operating assets have been recognised by CGN, a major international operator with significant global operations.

"Edra senior management and staff are committed to continue performing our role as a key independent power producer in Malaysia, Egypt, Bangladesh, Pakistan and the United Arab Emirates," he said.

CGN chairman He Yu said the investment represented a major commitment by CGN as part of a long-term, global diversification initiative.

"We are impressed by the highly regulated, stable and transparent independent power producer framework in Malaysia, which has given us the confidence to make a long-term investment in the country. CGN is a responsible and involved investor.

"We will work closely with Edra, a Malaysia-based and Malaysian-run global platform, and, together, will take it to the next level.

"Most important of all, we will ensure uninterrupted power supply, using environmental-friendly technologies and adhere to the fixed terms of the power purchase agreements, for the benefit of the people of Malaysia."

Powered by: iSENTIA