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## KHAZANAH EXITS MALAYSIAN SHOAIBA WITH 'HEALTHY' PROFIT » PAGE 17

### MALAYSIAN SHOAIBA DIVESTMENT

# 'HEALTHY PROFIT FROM STAKE SALE'

Khazanah says it has achieved commercial objectives of investment

#### KUALA LUMPUR

**K**HANAZAH Nasional Bhd said it has divested its 40 per cent stake in Malaysian Shoaiba Consortium Sdn Bhd for a healthy profit.

The sovereign wealth fund said in a statement yesterday it had achieved the commercial objectives of its investment.

"In accordance with the consortium's shareholders agreement, our 40 per cent stake was offered to existing partners. Malakoff Corp Bhd subsequently took up the offer, which allowed Khazanah to exit with a healthy profit at a value based on future cash flows of the project."

Khazanah had entered into a joint investment with Malakoff and Tenaga Nasional Bhd in 2005 to support Malaysia's entry into Saudi Arabia's independent water and power producer market.

The consortium has a 50 per cent stake in Saudi-Malaysia

Water and Electricity Co Ltd, which in turns owns a 60 per cent stake in Shuaibah Water and Electricity Co Ltd (SWEC) and 60 per cent in Shuaibah Expansion Holding Co.

SWEC owns the Shuaibah 3 independent water and power plant, the first and largest of its kind in Saudi Arabia.

Malakoff chief executive officer Datuk Ahmad Fuaad Kenali had said the stake purchase was earnings-accretive, thanks to the remaining 10 years of contract under Shuaibah Water and Electricity's power and water purchase agreement for Shuaibah 3 plant.

The fund said the proceeds from the stake divestment in the consortium were reinvested or used to repay debts.

Khazanah has also committed RM1.4 billion to investments and reduced overall debt by RM6.4 billion.

"We expect to undertake more investments in the second half of this year," it added.