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General Announcement

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(Submitted)

GENTING BERHAD ("GENTING" OR "THE COMPANY")

ACQUISITION OF A 40% EQUITY STAKE IN SEPANG POWER SDN BHD ("SPSB") FROM TENAGA NASIONAL BERHAD ("TNB") BY MASTIKA LAGENDA SDN BHD ("MLSB")

1. INTRODUCTION

The Board of Directors of Genting Berhad ("Genting") is pleased to announce that Mastika Lagenda Sdn Bhd ("MLSB"), a 97.7%-owned indirect subsidiary of Genting, has on 21 May 2002 entered into a Share Sale Agreement ("SSA") with Tenaga Nasional Berhad ("TNB") for the purchase from TNB of a 40% interest in Sepang Power Sdn Bhd ("SPSB") comprising 400,000 ordinary shares of RM1.00 each in SPSB for a total cash consideration of RM65.7 million ("The Proposed Acquisition").

2. THE PROPOSED ACQUISITION

2.1 Particulars

The Proposed Acquisition involves the purchase by MLSB of 400,000 ordinary shares of RM1.00 each representing 40% of the issued and paid-up share capital of SPSB ("Sale Shares") from TNB for a cash consideration of RM65.7 million.

2.2 Basis of Arriving at the Purchase Consideration

The purchase consideration of RM65.7 million was arrived at on a willing-buyer willing-seller basis.

2.3 Information on SPSB

SPSB was incorporated in Malaysia on 17 February 1982 as Resource Credit and Leasing Sdn Bhd and subsequently adopted its present name on 2 August 2000. SPSB has an authorised share capital of RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each.

SPSB was given approval by the Economic Planning Unit of the Prime Minister's office ("EPU") via a Letter of Award dated 9 March 2001 to develop and operate a 710 MW gas-fired combined cycle power plant at Mukim Tanjung Duablas, Daerah Kuala Langat.

By an agreement dated 23 November 2001 between TNB and Malaysian Resources Corporation Berhad, TNB agreed to acquire 700,000 ordinary shares of RM1/- each representing 70% of SPSB's issued shares. The balance of 30% of SPSB's issued shares is currently held by Kumpulan Darul Ehsan Berhad ("KDEB").

2.4 Salient terms and conditions

(a) The purchase consideration will be made in the following manner:-

- i) an initial payment of 10% of the purchase consideration will be made within 48 hours of the execution of SSA.
- ii) the balance of 90% will be paid on the Completion Date which is within fourteen (14) days after all the Conditions Precedent are satisfied.

(b) The Proposed Acquisition is subject upon the following conditions precedent being fulfilled within six (6) months from the date of execution of the SSA or such extended period as both Parties may mutually agree:-

- i) the approval of the Economic Planning Unit of the Prime Minister's Department, with regard to the purchase of the Sale Shares and the change in shareholdings in SPSB;
- ii) the approval of the Foreign Investment Committee for the purchase of the Sale Shares;
- iii) the waiver of pre-emption rights from KDEB (if KDEB is still a shareholder of SPSB);
- iv) the approval of the Board of Directors of SPSB to transfer the Sale Shares to MLSB or a company nominated by MLSB and the approval of the shareholders of SPSB, if required, for the sale of the Sale Shares to MLSB; and
- v) the written consent for the resulting change in shareholding of SPSB from Bank Pembangunan Dan Infrastruktur Malaysia Berhad, if required, to be obtained by TNB.

2.5 Information on Disposer

TNB was formed on 12 July 1990 for the purpose of corporatising the operations of the National Electricity Board or Lembaga Letrik Negara (LLN) through the Electricity Supply (Successor Company) Act, 1990. On 1 September 1990 all properties, rights and liabilities to which LLN was entitled or subject to, were transferred to TNB thereby corporatising the generation, transmission and distribution of electricity in Peninsula Malaysia. TNB was listed on the Main Board of the KLSE on 28 May 1992.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with Genting's objective to acquire investments with good earnings potential.

4. FINANCIAL EFFECTS

4.1 Share Capital

a)The Proposed Acquisition will not have any effect on the share capital of Genting.

b)The Proposed Acquisition will render SPSB a 40% associated company of MLSB.

4.2 Net Tangible Asset

The Proposed Acquisition is not expected to have any material effect on the net tangible asset per share of Genting.

4.3 Earnings

The Proposed Acquisition is not expected to have any material effect on the earnings per share of Genting.

5. **DIRECTORS' AND/OR MAJOR SHAREHOLDERS' INTERESTS**

None of the directors or persons connected to the directors of the Company has any interest, direct or indirect, in the Proposed Acquisition. To the best of the knowledge of the directors, none of the major shareholders or persons connected to the major shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

6. **DIRECTORS' RECOMMENDATION**

The Board of Directors of Genting is of the opinion that the Proposed Acquisition is in the best interest of the Company and its shareholders.

Yours faithfully
GENTING BERHAD

TAN WOUI MENG
Group Company Secretary