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General Announcement

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(Submitted)

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

PROPOSED ACQUISITION OF A 20% EQUITY STAKE IN GENTING SANYEN POWER SDN BHD FROM TENAGA NASIONAL BERHAD ("TNB") BY MASTIKA LAGENDA SDN BHD ("MLSB"), A 97.7%-OWNED INDIRECT SUBSIDIARY OF GENTING ("PROPOSED ACQUISITION")

MEMORANDUM OF AGREEMENT BETWEEN TNB AND MLSB TO AFFIRM UNDERTAKING TO RESPECTIVELY SELL AND ACQUIRE TNB'S 40% STAKE IN SEPANG POWER SDN BHD ("SPSB")

1. INTRODUCTION

The Board of Directors of Genting Berhad ("Genting") is pleased to announce that Mastika Lagenda Sdn Bhd ("Mastika"), a 97.7%-owned indirect subsidiary of Genting, has on 26th April 2002 entered into a Sale and Purchase Agreement ("SPA") with Tenaga Nasional Berhad ("TNB") for the purchase of TNB's entire 20% equity interest in Genting Sanyen Power Sdn Bhd ("GSP") for a total cash consideration of RM240 million ("The Proposed Acquisition"). The SPA is subject to approvals from all relevant authorities.

Mastika has also on 26th April 2002 entered into a Memorandum of Agreement with TNB, to affirm the Parties' undertaking to sell and acquire, subject to terms and conditions to be finalised, of TNB's 40% stake in Sepang Power Sdn Bhd ("SPSB") for a proposed consideration of RM65.7 million. The proposed sale and purchase of TNB's 40% stake in SPSB is subject to the completion of TNB's acquisition of MRCB's stake in SPSB under the Sale and Purchase agreement signed in November 2001, between TNB and MRCB for RM115 million and subject to approvals from all relevant authorities.

The understanding is embodied under the Memorandum of Agreement ("MoA") signed on 26th April 2002 between Mastika and TNB. In the MoA, both parties have agreed that subject to the approval of all relevant authorities, SPSB's power plant will be developed as a coal fired power plant instead of a gas fired power plant as originally approved and that SPSB will be commissioned no earlier than Year 2007.

The SPA and MoA are not subject to the approval of the shareholders of Genting.

2. THE PROPOSED ACQUISITION

2.1 Particulars

The Proposed Acquisition involves the purchase of 4,000,000 ordinary shares of RM1.00 each representing 20% of the issued and paid-up share capital of GSP (“Sale Shares”) from TNB for a cash consideration of RM240 million.

2.2 Basis of Arriving at the Purchase Consideration

The purchase consideration of RM240 million was arrived at on a willing-buyer willing-seller basis taking into account the present value of the projected earnings of GSP.

2.3 Information on GSP

GSP was incorporated in Malaysia on 15 October 1990 and has an authorised share capital of RM25,000,000 comprising 25,000,000 shares of RM1.00 each and an issued and paid-up share capital of RM20,000,000 comprising 20,000,000 ordinary shares of RM1.00 each. Mastika, a 97.7%-owned indirect subsidiary of Genting currently holds a 40% stake in GSP.

GSP is an independent power producer which owns a 720 MW power plant in the District of Kuala Langat.

2.4 Salient terms and conditions

- a) The purchase consideration will be satisfied in the following manner:-
 - i) an initial payment of RM24,000,000 or 10% of the purchase consideration upon execution of SPA.
 - ii) the balance of 90% will be paid on the Completion Date which is ten (10) days after the Conditions Precedent are satisfied.
- b) The Proposed Acquisition is subject to the following:-
 - i) the approval of the Foreign Investment Committee;
 - ii) the approval of the Economic Planning Unit of the Prime Minister’s Department, if required;
 - iii) the approvals of other regulatory authorities and notification of other parties, if required;

iv) the notification by GSP that its remaining shareholders namely Worldwide Holdings Bhd and BG Overseas Holdings Ltd are not exercising their respective right of refusal to purchase the Sale Shares pursuant to the Shareholders' Agreement dated 24 January 1994 of GSP; and

v) The Malaysian Code on Take-Overs and Mergers 1987 ("the Code"). Accordingly Mastika will seek an undertaking from each of the other shareholders not to accept any obligatory offer by Mastika to acquire their shares under the Code.

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.

Currently, TNB has a production capacity of 7,100 MW. Its operations spread across all states of Peninsular Malaysia and Sabah. In Malaysia, combined total electricity sales amounts to 32,773 GWh or 66.45% of market share as at end 1999.

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 GSP a 60% owned subsidiary of Mastika.

4.2 Net Tangible Asset

The Proposed Acquisition is not expected to have any material effect on the net tangible assets 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

DATO' LIM KOK THAY

Managing Director