

MMC to fully own Penang Port

PETALING JAYA: MMC Corp Bhd has proposed to acquire the remaining 51% equity interest in Penang Port Sdn Bhd from Seaport Terminal (Johore) Sdn Bhd for RM220 million cash.

In a filing with Bursa Malaysia yesterday, MMC said its wholly owned subsidiary MMC Port Holdings Sdn Bhd has entered into a conditional share sale and purchase agreement with Seaport Terminal.

MMC said the proposed acquisition would enable it to be in full control of Penang Port and be in the position to determine its future strategic direction, which is in line with its initiative to make further strategic investments in ports and logistics.

The proposed acquisition will also aid the group in its effort to

maintain its position as a key player in the ports industry. To date, MMC operates three major ports namely Port of Tanjung Pelepas, Johor Port and Northport.

Note that the group is in the process of acquiring 70% ordinary equity interest in KMB Seaport, a company that holds a port operating licence to operate Tanjung Bruas Port in Malacca.

The purchase consideration takes into account the valuation of estimated range of fair market values of Penang Port between RM327.4 million and RM490.1 million as appraised by Deloitte Corporate Advisory Services Sdn Bhd.

The valuation is arrived at on the basis of Penang Port having completed the disposal of its ferry

business at the time of completion of the proposed acquisition, which will be funded via internally generated funds and/or bank borrowings.

The proposed acquisition is expected to be completed by October 2017 and contribute positively to the future earnings of the group for the financial year ending Dec 31, 2017.

It is subject to approvals from MMC shareholders, Public Private Partnership Unit, Penang Port Commission, lenders of Penang Port and any other relevant authorities.

MIDF Amanah Investment Bank Bhd has been appointed as the independent adviser to advise the board and non-interested shareholders of MMC.

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