



**YTL POWER INTERNATIONAL BERHAD  
PRESS RELEASE**

## **YTL Power Acquires PowerSeraya Limited from Temasek**

YTL Power International Berhad (“YTL Power”) is pleased to announce that it has today, through a wholly owned Singapore incorporated subsidiary, entered into a sale and purchase agreement with Temasek Holdings (Private) Limited (“Temasek”) for the purchase of 100% interest in PowerSeraya Limited (“PowerSeraya”) for an enterprise value of SGD3.8 billion, comprising an aggregate consideration of SGD3.6 billion and assumption of adjusted net debt of SGD0.2 billion.

PowerSeraya is the third and the last of the three power generating companies (“gencos”) that Temasek put up for sale under its planned divestment of the gencos, which was announced in July 2007. PowerSeraya is the second largest power generation company in Singapore in terms of installed capacity, with a total licensed capacity of 3,100 megawatts (“MW”), representing approximately 25%<sup>1</sup> of Singapore’s total licensed generation capacity. PowerSeraya also operates oil trading and multi-utility businesses.

The transaction is subject to the approval of the shareholders of YTL Power. Subject to such approval, it is expected that completion will occur by 28 February 2009.

DBS Bank Limited, Singapore’s largest bank, is providing SGD2.25 billion of credit facilities to YTL Power to partially fund the purchase.

Tan Sri (Dr) Francis Yeoh Managing Director of YTL Power said, “We are delighted to have this opportunity to acquire PowerSeraya. The 3,100 MW of licensed capacity operated by PowerSeraya will give us significant participation in the Singapore energy market. Its attraction lies both in its strong position in the energy market and its complementary multi-utility business. YTL Power, through its wholly owned subsidiary, Wessex Water in the UK, has considerable expertise in the water sector and the acquisition of PowerSeraya will enable us to grow our utility business in the region. We are very pleased to have been chosen as a partner by Temasek.”

Ms Gwendel Tung, Director, Investment, Temasek said, “We are pleased with the successful outcome of the PowerSeraya divestment. Although the tender process was suspended last week, YTL Power International continued to pursue the sale and put forward an attractive proposal.

YTL Power is an established industry player with a strong track record in power investments and we are confident that their expertise and experience will add significant value to Singapore's electricity market and PowerSeraya in particular.”

Singapore operates a liberalised electricity market under a well established regulatory framework. Electricity generated from the various gencos is sold into the Pool, a competitive wholesale market operated and administered by the Energy Market Company Pte Ltd (“EMC”). Electricity is sold to retail customers by retail energy suppliers of which Seraya Energy Pte Ltd, a wholly owned subsidiary of PowerSeraya, is the leading power supplier with a total market share of 18% for CY2007.

YTL Power believes that its participation in the Singapore electricity market will put it in a prime position to contribute towards the liberalisation of the Malaysian electricity market, currently under study by the Malaysian Government.

2 December 2008  
Kuala Lumpur

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<sup>1</sup> Source: EMA website [http://www.ema.gov.sg/Electricity/generator\\_list.php?cat=licensees](http://www.ema.gov.sg/Electricity/generator_list.php?cat=licensees)



### ***About YTL Power***

YTL Power is an international power and utility investment holding company incorporated and headquartered in Malaysia. Its shares are listed on the Main Board of Bursa Securities Malaysia Berhad.

PowerSeraya would be the single largest power business within the YTL Power Group. The acquisition is in line with YTL Power's strategy of investing in long-term geographically diverse infrastructure assets, whilst concurrently achieving synergies across a portfolio of utility businesses. The acquisition will also enable YTL Power to further diversify the sources and nature of its income-generating activities, which currently encompass power generation and transmission in Malaysia, Australia and Indonesia, and water and sewerage operations in the UK.

PowerSeraya's strategy to be Singapore's leading multi-utility, selling steam, cooling water and other services in addition to power sits well with YTL Power's existing combination of power, and water and wastewater skills. YTL Power's strategy is to become a global multi-utility business, with a key focus on owning and managing infrastructure assets. YTL Power firmly believes that the acquisition represents a significant and viable investment opportunity in a well-developed and mature market.

### ***About Temasek***

Incorporated in 1974, Temasek Holdings is an Asia-centric investment firm headquartered in Singapore. Supported by affiliates and offices around the world, it owns a diversified SGD185 billion (US\$134 billion) portfolio of blue-chip companies and investments as at 31 March 2008, concentrated principally in Singapore, Asia and the OECD economies.

Temasek's investment strategies centre on four themes – Transforming Economies, Growing Middle Class, Deepening Comparative Advantages and Emerging Champions. Its portfolio of companies covers nine major sectors: financial services; telecommunications and media; transportation and logistics; real estate; infrastructure, industrial and engineering; energy and resources; technology; life sciences; and consumer and lifestyle.

Total shareholder return for Temasek since its inception in 1974 has been more than 18% compounded annually in Singapore dollars. It has a corporate credit rating of AAA/Aaa by rating agencies Standard & Poor's and Moody's respectively since 2005.

For further information on Temasek, please visit [www.temasek.com.sg](http://www.temasek.com.sg).

### ***About PowerSeraya***

The principal activities of PowerSeraya are those relating to the full value chain involved in the generation of electricity. These include the trading of physical fuels and trading of fuel-related derivative instruments, tank leasing activities and sale of by-products from the electricity generation process. The principal activities of PowerSeraya's subsidiaries consist of the sale of electricity, oil trading, and oil tank leasing.

PowerSeraya has generation assets with a licensed capacity of 3,100 MW comprising 1,990 MW of oil-fired steam turbines, 732 MW of gas-fired combined cycle plants and 218 MW of diesel-fired open cycle gas turbine plants. PowerSeraya is in the process of constructing 758 MW of new gas-fired co-generation combined cycle plants, which are expected to be operational in 2010.

PowerSeraya also offers retail energy services through its wholly owned subsidiary, Seraya Energy Pte Ltd. PowerSeraya has a generation market share of over 27% of the Singapore market. For the financial year ended 31 March 2008, PowerSeraya recorded revenues of SGD2793 million, EBITDA of SGD355 million, and a net income of SGD218 million. As at 31 March 2008, PowerSeraya had an adjusted net debt of SGD201 million, after adjusting for a SGD100 million dividend paid by PowerSeraya to Temasek in September 2008.



Note to Editor

In March 2008, Tuas Power Limited (“Tuas Power”) was sold by Temasek to China Huaneng Group for cash consideration of SGD4.24 billion. Tuas Power, the smallest of the three gencos sold by Temasek, has a licensed capacity of 2670 MW.

Senoko Power Limited (“Senoko Power”), the second and the largest genco to be auctioned, was sold in September 2008 to Lion Power Holdings Pte Limited (“Lion Power”) for an enterprise value of SGD3.97 billion. Lion Power is a special purpose vehicle owned by a consortium comprising Marubeni Corporation, GDF SUEZ S.A., The Kansai Electric Power Co., Inc., Kyushu Electric Power Co., Inc., and Japan Bank for International Cooperation. Senoko Power has a licensed capacity of 3,300MW.