

SE Top Stories
 HD **S'pore Power completes sale of Australian stakes**

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 19.9% in SP AusNet, 60% in SPIAA sold to a unit of **China's** State Grid
 Singapore

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 SINGAPORE Power subsidiary Singapore Power International (SPI) has completed two landmark deals - earlier estimated to be worth a total of more than A\$5 **billion** (S\$5.63 **billion**) - for the **sale** of **equity** stakes in SP AusNet and SPI (Australia) Assets (SPIAA) to a unit of State Grid Corporation of **China** (SGCC).

Announcing the close of the transactions yesterday - seven months after they were first disclosed - SP said it remained a committed long-term investor in Australia's electricity and gas transmission and distribution network.

"Australia continues to be a strategic focus for SP through SPI's remaining 40 per cent interest in SPIAA and 31.1 per cent security interest in SP AusNet," it said.

This follows its **sale** of a 19.9 per cent **stake** in SP AusNet to the **Chinese** state-owned **company's** subsidiary, State Grid International Development (SGID), for A\$824 **million**, together with another 60 per cent **stake** in SPIAA, a private **company**, for an undisclosed amount.

SP's assurances about staying the course in Australia follow news reports suggesting that there seemed to be an exodus of Singapore state-owned firms from the country, with SingTel's review of its Optus satellite business there and CapitaLand's relook at its Australand Property Group **stake**.

SP AusNet is the largest diversified **energy** network business in Victoria, owning and operating more than \$10 **billion** of electricity and gas distribution assets, including the state-wide electricity transmission network.

SPIAA owns various electricity, gas and transmission assets in several states, including Victoria, Melbourne, New South Wales and Queensland.

SP said a major consideration in partnering SGID was the latter's significant capability and strong operational track record.

Said Group CEO Wong Kim Yin: "SP is very pleased with the successful completion of the transactions. I am confident that with the strong support from SGCC and SP, the Australian businesses will be well positioned for further opportunity and growth. The outcome has also affirmed Australia's strong support for businesses and foreign investments."

SP's latest annual report also cited chairman Mohd Hassan Marican as saying that "Australia forms a critical part of SP's growth strategy and will remain firmly so". He added that the deals with SGCC will help enhance investment value and position it for future strategic growth.

SP AusNet invested \$881.4 **million** over the past year in capital expenditure to strengthen and expand its network. It also improved supply reliability, reducing the time that customers were without electricity by 13.7 per cent and gas by 11.7 per cent, he said.

ART LONG-TERM INVESTMENTS SP said that 'Australia continues to be a strategic focus' through SPI's remaining interests in SPIAA and SP AusNet. - PHOTO: BLOOMBERG

CO spauen : SP AusNet | stgcoc : State Grid Corporation Of China | sinpow : Singapore Power Ltd | tmasek : Temasek Holdings Pte Ltd

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