

## **'Disclose 1MDB-TNB deal to allay bailout fears'**

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The government has been urged to disclose details about Tenaga Nasional Berhad's (TNB) planned takeover of Project 3B from debt-ridden 1MDB to allay fears of a bailout.

Serdang MP Ong Kian Ming pointed out that the government's surprise announcement that TNB would take over the 2,000 megawatt power plant project from 1MDB had sent the former's shares plunging.

"The haphazard fashion in which the minister made this announcement - the government had not even notified TNB of its decision - created massive uncertainty in the stock market and caused TNB's share price to drop by 50 sen from RM13.10 to RM12.60 on the day of the announcement.

"This is because of fears that TNB was being asked to 'bailout' 1MDB," he said, adding that TNB chief executive officer Azman Mohd was forced to clarify that the company will not pay a premium for 1MDB's 70 percent stake in the project.

The revelation was made by Energy, Green Technology and Water Minister Maximus Ongkili on Thursday, when quizzed by Ong.

Ongkili also confirmed there would be a "small revision to the power tariff as the project had been delayed six months and the exchange rate had changed since 1MDB was initially awarded the project.

He also refused to disclose TNB's terms of purchase, stating that it was on a "willing buyer willing seller" basis.

### **No need for purchase**

However, Ong said the minister's excuse was unacceptable as the transaction was a matter of public interest.

"For the sake of transparency and in order to reassure the markets, the Minister must disclose or ask TNB to disclose the terms of the agreement between TNB and 1MDB over the sale of Project 3B," said Ong.

Furthermore, Ong said the purchase may not even be necessary as the license for the project lies with the Energy Commission, which can transfer it directly to TNB as 1MDB had failed to start the project.

"The Energy Commission has the right to fine 1MDB for not being able to start Project 3B on time and it has the right to transfer the license to TNB.

"Those in the electricity generation business, that being the license holders, must know if the Energy Commission is willing to impose harsh fines on those who fail to live up to the terms in the licensing agreement.

"Without these details being made public, other license holders may think it can 'get away' with delays and shortcuts in the fulfilment of the licensing agreement," he said.

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