



KEMENTERIAN TENAGA DAN SUMBER ASLI

KERATAN SURAT KHABAR

SURAT KHABAR	:	NST - Business			
TARIKH	:	14/6/2021	MUKA SURAT	:	17
JABATAN	:	KeTSA			

RENEWABLE ENERGY SECTOR EXPANSION

Reservoir Link to buy 51pc stake in FESB

KUALA LUMPUR: Reservoir Link Energy Bhd has signed a conditional share sale agreement with Lee Seng Chi, the sole shareholder and director of Founder Energy Sdn Bhd (FESB), to acquire a 51 per cent stake in the latter for RM21.2 million.

Lee has guaranteed that FESB will achieve an aggregate net profit of RM13.8 million over 24 months post-completion of the acquisition.

Upon completing this acquisition, FESB will account for over 25 per cent of Reservoir Link's net profit based on the annualised profit guarantee.

Reservoir Link executive director Thien Chiet Chai believes this synergistic acquisition will let the company continue to increase its value and maximise the returns from the venture into renewable energy.

"We are partnering with a reputable solar renewable energy operator with vast experience and track record both locally and regionally.

"In line with our mission to thrive through the energy transition, we intend to expand our footprint in the renewable energy business as our new income stream," he said in a statement.

The purchase price represents an implied price-to-earnings multiple of six times based on the profit guarantee.

The purchase will be satisfied by RM8.5 million cash while the remaining RM12.7 million will be via the issuance of 18.2 million new Reservoir Link shares at 70 sen each.

The company will issue the shares in two tranches.

Reservoir Link is an upstream oil and gas well-related services provider, while FESB is a special-purpose vehicle incorporated to undertake solar renewable energy projects in Malaysia.