

## Sembcorp Salalah Power & Water Company

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### MSM holds investor meet on Sembcorp IPO



Sembcorp Salalah CFO David Guy (left) and CEO Lim Yeow Keong (second left) with other panelists at the investors' seminar on Sunday (Muscat Daily)

#### Our Correspondent

Muscat

The Muscat Securities Market (MSM) held an investors' seminar on Sunday to introduce the initial public offering (IPO) of Sembcorp Salalah Power and Water Co and welcome retail investors from throughout the sultanate.

The bourse hosted the event as part of its commitment to develop awareness of the opportunity for Omanis to invest in IPOs.

Sembcorp Salalah officials gave presentations on the com-

pany and made a case on why investors should consider supporting its offering.

Joining the panel, which included representatives from the Capital Market Authority (CMA) and the Muscat Clearing and Depository Co (MCDC), were Lim Yeow Keong, CEO of Sembcorp Salalah, and David Guy, CFO of Sembcorp Salalah.

Lim said the IPO is expected to raise RO53mn, which would make it the biggest share offering in Oman so far in 2013.

The company has forecast a dividend yield of 9.9 per cent for

2013 and 2014 based on the offer price.

The average dividend yield has been projected at nine per cent for the period 2013-2018. The dividend yield for 2013 is an annualised number based on a one-month post-IPO holding.

Sembcorp Salalah has a contracted power capacity of 445MW and contracted water capacity of 15MIGD.

"Sembcorp Salalah supplies approximately 72 per cent of the power dispatch and 100 per cent of the net installed water capacity of Dohfar governorate," Lim

said.

Company officials propose to admit the shares for trading on or around October 10.

Lim added, "The MSM, along with the CMA, does so much to raise awareness of its critical work and we are thrilled to have been asked to take part in this seminar. A thriving stock exchange is part of any modern economy and we are very much looking forward to being listed on the MSM."

The offer period for the IPO commenced on August 28 and will end on September 26.

## Sembcorp Salalah Power & Water Company

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# 'Sembcorp Salalah IPO offers good prospects'

The IPO commenced on August 28 and will close on September 26 and the shares will commence trading on the Muscat Securities Market on or around October 10

#### STAFF REPORTER

**MUSCAT:** The Sembcorp Salalah Power and Water (Sembcorp Salalah), strategically important to Oman's fast growing power and water industry, offers an investment opportunity for Omanis and non-Omanis, it was revealed.

At a discussion forum held here yesterday at MSM, Lim Yeow Keong, CEO of Sembcorp Salalah, making a presentation said, "Sembcorp Salalah which has a contracted power capacity of

The initial public offering is expected to raise around OMR53 million, which will make it the biggest share offer in Oman so far in 2013

445MW and a contracted water capacity of 15MIGD, commenced its IPO on August 28 and will end on September 26 at the end of the working hours of the collecting banks. It is proposed that the shares will be admitted to trading on the Muscat Securities Market on or around 10 October."

Making a strong pitch for people to invest in Sembcorp Salalah, Lim Yeow Keong said, "Sembcorp Salalah revenues are largely fixed given its take or pay contracts and as such any changes in the market

dynamics will have a minimum impact on SSPWCC within the PWPA (power and water purchase agreement) period."

"Investors in our shares will have access to an established operator with strong Omani government support, a stable business model with low operational risk, strong predictability of stable cash flows and opportunities for growth."

Further listing out the key competitive strengths, David Guy, chief financial officer, Sembcorp Salalah, said, "Sembcorp Salalah has a strong predictability of stable cash flows that are not affected by the amount of power and water actually required by Oman Power and Water Procurement Company (OPWP) as the Sembcorp is paid on an availability basis, based on the power and water that is made available. Sembcorp's project represents one of the 12 independent power and/or water production projects to be implemented by the government through OPWP on a 'build, own and operate' basis and benefits from a well-established contractual framework."

He further added, "Some other highlights that would make people attracted to Sembcorp include: Excess capacity and outage

allowance to ensure an extended plant lifespan, extensive experience of the Project sponsors - the Sembcorp Utilities and Oman Investment Corporation; and experienced and skilled operational personnel." The IPO is expected to raise around OMR53 million, which would make it the biggest share offer in Oman so far in 2013.

MSM hosted the event as part of its commitment to developing awareness of the opportunity for Omanis in investing in IPOs in the Sultanate.

#### Power and water demand

Oman power and water procurement company forecasts that peak demand for electricity in the Salalah system is expected to grow from 424 MW in 2013 to 848 MW by 2019, at an average annual growth rate of 12 per cent.

The government of Oman, which is responsible for the water system in the Dhofar governorate has projected that the water demand in the Salalah/Taqah/Mirbat area is expected to increase at an average annual growth rate of 6 per cent. Sembcorp Salalah Power and Water Co is located 50kms from Salalah between Taqah and Mirbat. The plant has been fully operational since May 2012.