KEMENTERIAN TENAGA DAN SUMBER ASLI

KERATAN SURAT KHABAR

SURAT KHABAR	:	NST			
TARIKH	:	9/11/2021 (SELASA)	MUKA SURAT	:	19
JABATAN	:	TNB			

RM12.42 TARGET PRICE

PUBLICINVEST: 'OUTPERFORM' ON TNB STAYS

Company's earnings per share may fall by 6 sen following IRB's tax claims on KEV

FARAH ADILLA
KUALA LUMPUR
bt@nst.com.my

TENAGA Nasional Bhd's (TNB) earnings per share could be lowered by six sen if it has to pay in full the Inland Revenue Board's (IRB) assessment on the group's jointly owned unit with Malakoff Corp Bhd, said Public Investment Bank Bhd (PublicInvest).

TNB and Malakoff announced on Friday that Kapar Energy Ventures Sdn Bhd (KEV) had received notices of assessment from the IRB amounting to RM596 million.

KEV is a 60 per cent-owned subsidiary of TNB.

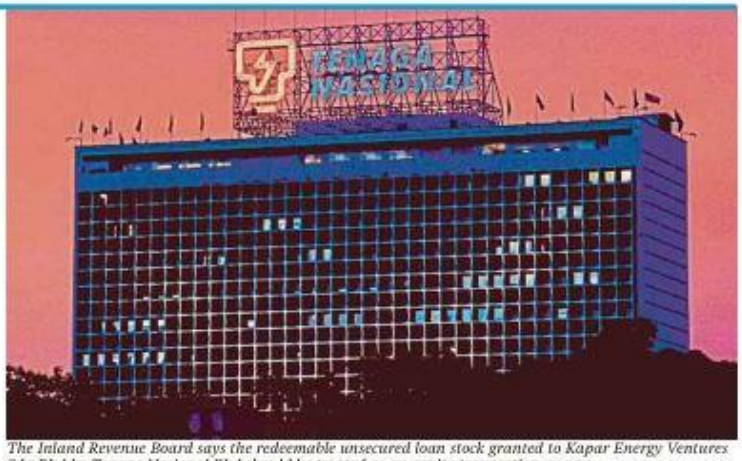
"We understand that the IRB took the position that the redeemable unsecured loan stock (RULS) granted to KEV by TNB and Malakoff to finance the acquisition and operation of Sultan Salahuddin Abdul Aziz power plant in Kapar should be treated as an equity transaction.

"Thus, that is capital in nature and, as such, the interest expenses incurred by KEV in relation to the RULS are not allowed by the IRB as deductible expenses.

"But we understand that based on the legal advice obtained from its tax solicitors, TNB is of the view that it has a good basis in law to contend that the assessments were incorrectly raised by the IRB," it said in a note yesterday.

PublicInvest said separately, it had adjusted TNB's financial year 2022 net profit downwards by 11 per cent to factor in higher tax from the "Cukai Makmur" announced in the 2022 Budget recently.

The research firm has maintained its "outperform" call on TNB with an unchanged target price of RM12.42.



The Inland Revenue Board says the redeemable unsecured loan stock granted to Kapar Energy Ventures Sdn Bhd by Tenaga Nasional Bhd should be treated as an equity transaction. FILE PIC