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Bidders explain role in Silterra sale saga

Green Packet a funder to bidding bumiputra parties while DNeX says no agreement inked yet

KUALA LUMPUR: Green Packet Bhd and Dagang Nexchange Bhd (DNeX) have made filings with Bursa Malaysia that shed more light on the sale process of Silterra Malaysia Sdn Bhd, the semiconductor fabricating company owned by Khazanah Nasional Bhd.

Media reports have speculated that both Green Packet and DNeX were the last remaining bidders for the loss-making Silterra, in a sale process that began early last year.

However, Green Packet has disclosed that it is merely playing a funding role in supporting bumiputra parties who are bidding for Silterra.

In a filing which came in response to an article by a business weekly, Green Packet said that an entity called Nuglobal Ventures Sdn Bhd (NGV) has submitted a bid for Silterra.

Green Packet explained that NGV is jointly owned by majority local bumiputra shareholders and minority China-based shareholders. "NGV is not an associate company or subsidiary company of Green Packet," the statement said.

Green Packet said that funding for the majority local bumiputra shareholders would be provided by a technology fund promoted by Green Packet. "This will be under an arm's length commercial instrument, which will be paid down over time through returns from the investment or other alternative funding secured in the future, in return for periodic dividends from the majority local bumiputra shareholders," Green Packet said.

Green Packet added that the bid is subject to a strict confidentiality agreement with Khazanah and that no details can be disclosed as the bid is still pending. In DNeX's filing, meanwhile, the company said the business weekly article, which speculated that DNeX had offered a certain amount of money for a 100% stake in Silterra, is inaccurate.

DNeX added that it has not entered into any agreement to acquire Silterra. It is unclear whether this means that DNeX has not submitted any bids for Silterra or that it has yet to win the bid and hence not inked a definitive agreement for the acquisition.

Media reports have speculated that Khazanah was to have made a decision on Silterra's sale early this week but as at the time of writing, no announcement has been made.

Previous articles, which speculated that DNeX was in the running to acquire Silterra, have pegged their offer price at RM240mil for a 100% stake in Silterra, in which it will hold a 60% stake and its partner Beijing CGP Investment Co Ltd the remaining 40%.

In comparison, it is speculated that NGV's bid for Silterra comes with two options. The first is an offer of RM270mil with effective local ownership of 55%, while the second is an offer of RM335mil with the flexibility of future new capital injection from both local and foreign investors to address Silterra's business expansion needs and to stay competitive globally.