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**PCC approves SMC Global Power's acquisition of shares
in Masin-AES, AES Transpower and AES Philippines to add in power gen
and retail electricity portfolio**

The Philippine Competition Commission (PCC) has cleared the acquisition by SMC Global Power Holdings Inc of shares in Masin-AES Pte. Ltd., AES Transpower Pte. Ltd., and AES Philippines Inc.

In the Commission Decisions signed on February 23, the Mergers and Acquisitions Office (MAO) of the PCC found that the transaction does not result in substantial lessening of competition in the power generation and retail electricity markets.

"There remains sufficient competitive restraints from competitors in the relevant markets after the acquisition," according to the PCC decision.

"The transaction is not likely to substantially increase the likelihood that the parties will engage in a coordinated behavior," it added.

The antitrust commission cited that its review found "neither increased ability nor incentive to engage in anti-competitive foreclosure after the transaction."

The proposed transaction involves the acquisition of SMC Global Power Holdings Corporation of (a) 51% and 49% equity interests of AES Phil Investment Pte. Ltd. and Gen Plus B.V., respectively, in Masin-AES Pte. Ltd., (b) 100% equity interest of the AES Corporation in AES Transpower Pte. Ltd., and (c) 100% of equity interest of AES Phil in AES Philippines Inc.

As a result of the transaction, SMC Global shall become the 100% owner of each of Masin-AES Pte. Ltd., AES Transpower Private Ltd. and AES Philippines Inc.

SMC Global's portfolio in the relevant market currently includes Sual Power Plant in Sual, Pangasinan; San Roque Hydroelectric Multipurpose Power Project in San Manuel, Pangasinan; Ilijan Power Plant in Ilijan, Batangas; Limay Greenfield Clean

Coal Plant in Limay, Bataan; Angat Hydroelectric Power Plant in Angat, Bulacan; and Greenfield Powerplants in Malita, Davao del Sur and Limay, Bataan.

AES, on the other hand, owns Masinloc Coal-Fired Thermal Plant and Masinloc Battery in Zambales and Kabankalan Battery Storage System in Kabankalan, Negros Occidental.

SMC Global reported that its acquisition hopes to improve its baseload capacity to provide affordable and reliable supply of power to its customers, while AES Corporation aims to re-shape its global portfolio of businesses and markets to be consistent with its new strategy. As to Gen Plus B.V., they intend to focus on their existing power plant mix in the Luzon market and to pursue new development and investment opportunities for thermal and renewable power plants in the Philippines.

PCC, the country's anti-trust body, is mandated under the Philippine Competition Act to review mergers and acquisitions that meet the P1-billion threshold to ensure that these deals will not harm the interest of consumers.

Since the PCC's establishment, it has received 151 notifications, 41 of which were global mergers, with a combined worth of 2.25 trillion pesos. Majority of these came from the manufacturing, financial, electricity, real estate and transportation sectors.

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REFERENCE:

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