



Transaction support for SEA solar energy group acquisition

Sector:

Private equity, energy

Deal size: S\$55 million

Grant Thornton services:

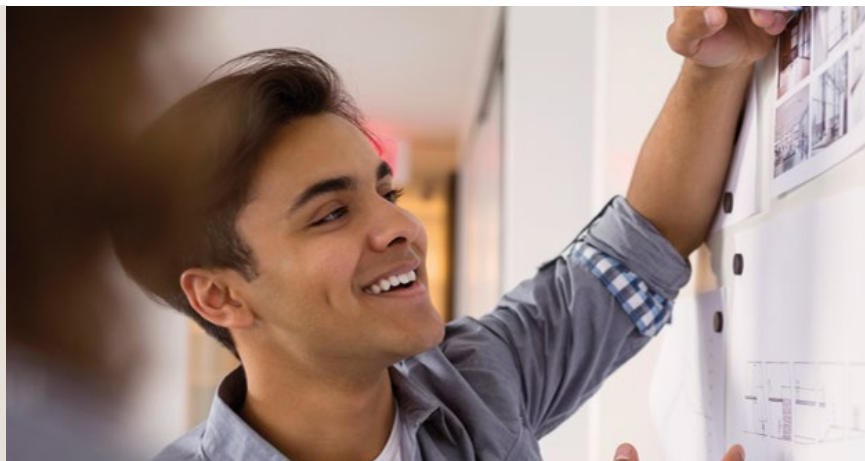
Tax and financial due diligence, tax model review, sale and purchase agreement review, transaction structuring advice

Client challenges:

- Tax efficient funding structure
- Historic APAC tax exposures

Geographies covered:

Singapore, Cambodia, Thailand, Malaysia, Philippines, India, Netherlands



Transaction support for a private equity fund for the acquisition of a Singapore headquartered solar power project developer with operations in multiple countries in APAC

Do you have similar challenges? Contact the lead partner:

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Client challenge (i)

Tax efficient funding structure

Despite being an investment friendly jurisdiction, Singapore income tax rules provide for interest expense restrictions, as well as interest withholding tax. This can act as a significant cost in your transaction structure if not considered carefully.

This transaction involved several tax complications due to the existence of a series of shareholder loans, preference shares and ordinary shares within the structure, only an element of which would be transferred to the new investors. The position was further complicated by the fact that the ultimate investors were not resident in Singapore.

The Grant Thornton solution

As part of our transaction support, we provided advice in relation to the proposed funding of the share acquisition, taking in to account the need to repatriate profits efficiently to the PE fund's investors located outside of Singapore. We diagrammatically illustrated a number of funding options and summarised the tax implications of each.

The Outcome

Our tax structuring report and related tax model review allowed the client to ensure the most tax optimal acquisition structure was put in place, to provide an accurate forecast to investors and to maximise shareholder returns

Client challenge (ii)

Historic APAC tax exposures

Working closely with our APAC member firms, we identified a number of significant tax exposures within the target group. As part of the share acquisition, these potential liabilities would pass to our client.

The Grant Thornton solution

We provided a consolidated multi-country tax due diligence report, in one consistent format, which outlined the target group's key tax exposures and provided a recommended action point to protect the client from each exposure either within the share purchase agreement, or otherwise.

The Outcome

The client was able to address each historic tax exposure within the sale and purchase agreement, by way of condition precedents, warranties and indemnities, and representations as appropriate.