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54 FINANCIAL INSTITUTIONS TO UNDERWRITE BAKUN'S 375 MLN SHARES

KUALA LUMPUR, May 13 (Bernama) -- Bakun Hydro-Electric Corporation Bhd today successfully gathered 54 local financial institutions to underwrite 375 million shares offered by the company to the public at RM2 per share.

"The last time we had such a large number of underwriters was during the IPO (initial public offer) of Tenaga Nasional Bhd in 1992," said Commerce International Merchant Bankers (CIMB) Bhd chief executive and managing director Robert Cheim.

CIMB is the adviser and managing underwriter of Bakun Hydro's flotation exercise on the Kuala Lumpur Stock Exchange's main board. The company will be listed as an infrastructure project company without track record.

Bakun Hydro is the developer and operator of the RM15.5 billion (including interest during construction) Bakun Hydro-Electric Project with an installed capacity of 2,520 MegaWatt situated in Bakun, Kapit, Sarawak.

Bakun Hydro is also making a special issue of 1.125 billion shares to Ekran Bhd, the Sarawak State government, Sarawak Electricity Supply Corporation (SESCO), Khazanah Nasional Bhd, the Employees' Provident Fund and Tenaga Nasional Bhd (TNB). The shares will make up 75 percent of Bakun Hydro's paid-up capital upon listing.

"Bakun Hydro is the first IPO where all shareholders are subscribing for new shares at the same price of RM2 per share," Cheim said at the underwriting signing ceremony attended by Prime Minister Datuk Seri Dr Mahathir Mohamad here.

He said at the IPO price of RM2 per share and paid-up capital of 1.5 billion ordinary shares, Bakun Hydro would initially be capitalised at only RM3 billion.

This would increase further when Bakun Hydro completes a rights issue on January 1999 to raise a further RM3 billion.

"As construction progresses we believe the market capitalisation of Bakun Hydro will grow, particularly as investors have a better understanding of the project and its importance to Malaysia," he said.

He also expressed confidence that the company would attract applications from many Malaysians for the share offer.

The prospectus for Bakun Hydro is expected to be issued towards the end of May, he said, adding that the company is expected to make its debut on the stock exchange at the end of July or early August.

Bakun Hydro executive chairman Tan Sri Ting Pek Khiing said the company's mission is to complete the construction of the dam and the installation of its transmission components in the timeliest manner and with the most cost-efficient method.

The project is expected to be completed and to commence initial operation in the year 2003, he said.

"Bakun Hydro will deliver and sell to TNB and SESCO 1,600 MegaWatt and 100 MegaWatt of firm power respectively.

"The revenue generated by Bakun Hydro from the sale of firm energy to TNB and SESCO for the 30 years of commercial operation is expected to be in excess of RM73 billion," he said.

Ting also said the special issue of 1.125 billion shares to the major shareholder was now being implemented.

The total proceeds of RM3 billion from the special issue and the IPO would be used for the development of the Bakun Project only, he said.

Upon completion of the IPO and special issue, Ekran Bhd would own 32

percent equity interest in Bakun Hydro, Sarawak State government 19 percent, SESCO nine percent, EPF five percent, TNB five percent, Khazanah five percent and the public 25 percent.

On the IPO of the 375 million shares, or 25 percent of the company's paid-up share capital, 225 million (15 percent) are for the Malaysian public through normal IPO while the other 150 million (10 percent) are for interested foreign and Malaysian investors through private placement. --

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