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54 institutions underwrite BHC public offer

FIFTY-FOUR financial institutions, led by Commerce International Merchant Bankers Bhd, have underwritten the entire 375 million shares in the initial public offer by Bakun Hydro-Electric Corporation Bhd.

The underwriting ceremony was held in Kuala Lumpur yesterday before Prime Minister Datuk Seri Dr Mahathir Mohamad. Also in attendance were Minister of Energy, Telecommunications and Posts Datuk Leo Moggie and Minister of Works Datuk Seri Samy Vellu.

The record number of 54 underwriters makes the issue one of the few public offers which had attracted such a large number of financial institutions.

CIMB chief executive and managing director Robert Cheim said the last time such a large number of underwriters were involved was during the IPO of Tenaga Nasional Bhd in 1992 which had 62 underwriters.

BHC is the fourth infrastructure project company to seek a listing on the Kuala Lumpur Stock Exchange's Main Board. Powertek Bhd was the first to be listed in August last year followed by Lingkaran Trans Kota Holdings Bhd in December.

Another IPC, YTL Power International Bhd, expects to be listed this month.

At an IPO price of RM2 per share and a paid-up capital of 1.5 billion ordinary shares, BHC will initially be capitalised at RM3 billion. This will increase further when the company completes a rights issue before Jan 1, 1999 to raise a further RM3 billion.

"As adviser and managing underwriter for the BHC IPO, CIMB is confident that Bakun will attract applications from many Malaysians," said Cheim.

He said the BHC IPO was a unique opportunity for the public as it was the first IPO where all shareholders are subscribing for new shares at the same price of RM2 per share.

This is the same price that the other major shareholders - Ekran Bhd, the Sarawak Government, Sarawak Electricity Supply Corporation, the Employees' Provident Fund, Khazanah Nasional Bhd and Tenaga Nasional Bhd - who make up 75 per cent of the company are investing at.

These shareholders will be made a special issue of 1.12 billion shares.

BHC executive chairman Tan Sri Ting Pek Khiing said the total proceeds of RM3 billion from the special issue and the initial public offer shares will be used for the development of the dam.

After the listing exercise, the public will hold 25 per cent of BHC with Ekran holding the majority 32 per cent. The Sarawak State Government will have 19 per cent, SESCO nine per cent, EPF five per cent, TNB five per cent and Khazanah Nasional five per cent.

Of the 375 million public issue shares, 225 million will be available for subscription by the Malaysian public while 150 million will be privately placed to interested foreign and Malaysian investors.

The company's prospectus is expected by the end of the month and BHC should be traded on the KLSE by late July or early August.

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