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Bakun IPO won't cause liquidity problems: Anwar

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THE listing of Bakun Hydroelectric Corp Bhd (BHCN) on the Kuala Lumpur Stock Exchange (KLSE) is unlikely to cause liquidity problems, Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim says.

"I believe there is sufficient liquidity to absorb the issue," Anwar told reporters at his Hari Raya open house in Kuala Lumpur yesterday.

BHCN, the developer of the Bakun dam in Sarawak, announced on February 5 that it has received the Securities Commission's approval for a listing on the KLSE's main board, at the latest by June.

BHCN will make a public issue of 375 million shares and a special issue of 1.125 billion shares of RM1 each, both at an issue price of RM2 a share.

Of the total proceeds of RM3 billion, RM2.97 billion will be used to finance the development of the project over the next two and a half years.

The Malaysian Investors Association, in its outlook for 1997, said the year's expected initial public offerings of some four billion shares could involve raising funds amounting to between RM7.2 billion and RM8 billion.

BHCN had also proposed to raise RM6 billion through an IPO and a rights issue of 1.5 billion shares 12 months later. Another RM7 billion would be raised through bonds, borrowings or other instruments from the third year of construction.

Of the public portion of 375 million shares, 225 million shares are for the Malaysian public while another 150 million shares are for foreign investors, together accounting for a 25 per cent stake in BHCN.

The special issue for the remaining 75 per cent of BHCN will be held by Ekran Bhd (32 per cent), Sarawak State Government and Sarawak Electricity Supply Corporation (28 per cent), Employees Provident Fund (5 per cent), Tenaga Nasional Bhd (5 per cent), and Khazanah Nasional Bhd (5 per cent).

BHCN will be the third infrastructure project company (IPC) to be listed on the KLSE, after Powertek Bhd and Lingkaran Trans Kota Holdings Bhd.

The Securities Commission issued guidelines in September 1995 to allow IPCs without a track record to seek a listing, provided they have a healthy and predictable income stream and a profit potential for a contractual period of at least 18 years.

Asked about investigations into Perwaja Steel's operations as well as the alleged impropriety in the award of a Telekom Malaysia Bhd tender to Swedish multinational Ericsson Telecommunications, Anwar said the reports were not ready.

He added that he would check with the Anti-Corruption Agency.

Perwaja had incurred debts of about RM2.9 billion, which the Government has decided to absorb as part of a rescue plan. Under the scheme, Maju Holdings will take up a controlling 51 per cent stake in the steelmaker.

On complaints about the poor bus services in Kuala Lumpur, Anwar said Intrakota Consolidated should be given time to put more buses on the road.

"They (Intrakota) are coming up with more buses every other week," he added.

Intrakota had deployed 484 buses, with another 20 in reserve, as of January 18. The buses are built by Master-Builders Sdn Bhd at its Pekan plant in Pahang which has a production capacity of 70 buses a month.

On the dividend payout by the Employees Provident Fund (EPF), Anwar said EPF is expected to make an announcement soon.

Regarding Cuepacs' claims for an increased housing allowance for the

800,000 civil servants, Anwar said the Government, including the Economic Planning Unit, Public Services Department and Treasury, will study the proposals.

On Saturday, Prime Minister Datuk Seri Dr Mahathir Mohamad was reported as saying that the Government would have to consider the Government's financial position in determining whether to agree to the request.

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