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RM2.29 a share for retail portion of PLUS offer

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THE retail portion for PLUS Expressways Bhd's initial public offering (IPO) has been priced at RM2.29 a share, a 10 per cent discount to the global institutional price of RM2.55.

JP Morgan Chase & Co managing director Kevin Wong told Business Times that the prices for the institutional and retail offerings were set late Tuesday, after the close of a two-week bookbuilding exercise.

PLUS indicated a price range of RM2.40 to RM2.85 for the bookbuilding process.

Wong said parent company United Engineers Malaysia Bhd (UEM) will raise RM2.29 billion from the toll highway operator's IPO. The institutional offer of 630 million shares was oversubscribed more than twice.

PLUS had allocated another 300 million shares for retail investors.

Institutional demand was not affected by the political uncertainties following Prime Minister Datuk Seri Dr Mahathir Mohamad's weekend announcement of his planned resignation, Wong said. "Investors took it in stride as they view PLUS as a long-term investment, which is for the duration of the toll concession till 2030. This means they would have also taken into account (possible) changes in leadership," he added.

Balloting for the retail portion will take place tomorrow while listing is tentatively set for July 17, a week after the debut of the year's other major IPO, that of Maxis Communications Bhd.

Maxis managed to raise RM3.05 billion from an indicative RM3.35 billion. The shares were priced at RM4.85 each, or in the middle of the RM4.40 to RM5.33 range.

PLUS' listing is part of a group-wide restructuring exercise to address the Renong-UEM group's debts of almost RM30 billion as of last year.

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