

Samsung Everland seeks IPO to boost group restructuring
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Samsung Everland Inc. said today it would seek an initial public offering (IPO) next year, spurring moves to restructure the family-run Samsung conglomerate ahead of a generational ownership succession.

The hitherto-unlisted Samsung Everland has a key place in the highly complex system of affiliate cross shareholdings that allow Samsung Electronics chairman Lee Kun-Hee and his family to control the giant group with only a small stake.

Lee's health problems, which saw him hospitalised last month after a heart attack, have galvanised efforts to restructure the conglomerate as the 72-year-old prepares to hand over to his son, Jay Y. Lee.

Everland is a leisure firm with interests ranging from zoos and theme parks to fashion and biotechnology, but also acts as a de facto holding company for the Samsung Group.

As with the other family-run conglomerates -- known as "chaebols" -- that dominate South Korea's economy, Samsung has come under increasing government pressure to unravel its complex cross shareholdings and form holding companies whose ownership is more transparent.

An IPO for Samsung Everland will free up a large amount of capital, with which the family can increase their stakes and strengthen control of the overall group.

"The IPO will bring huge capital gains, especially to the son," economist Kim Sang-Jo at Hansung University Seoul told AFP.

"With the gains, he will pay off inheritance tax and increase his holdings of other key Samsung subsidiaries," such as Samsung Electronics and the group's trading arm and financial unit.

Jay Y. Lee currently holds a 25.1% stake in Samsung Everland, while his two sisters, Lee Boo-Jin, head of hOTEL Shilla Co., and Lee Seo-Hyun, head of the fashion division in Samsung Everland, each hold an 8.37% stake.

Analysts have estimated the market capitalisation of the company at around 7.0 trillion won (RM21.9 billion).

"Through the IPO, Samsung Everland aims to... become a global fashion-and-service firm," the company said in a statement today. – AFP, June 3, 2014.

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