

BCorp plans IPO for auto arm

PETALING JAYA: Berjaya Corp Bhd (BCorp) plans to list its 75.4%-owned automotive unit, Bermaz Motor Sdn Bhd, on the Main Market of Bursa Malaysia via Berjaya Auto Bhd (BAuto), which has been created as a listing vehicle for the initial public offering (IPO).

Bermaz is the distributor of Mazda vehicles in Malaysia.

BCorp said the move is meant to unlock shareholders' value in BAuto as well as provide a transparent valuation benchmark for the Mazda auto business of BCorp.

"With the listing, BAuto will have direct access to the equity capital market which will enable it to have greater capital management flexibility. It will also enhance the BAuto Group's corporate stature," BCorp said in its filing with Bursa Malaysia yesterday.

Proceeds from the IPO will be used for working capital and expenditure needs as well as help in the repayment of bank borrowings.

The exercise will see BAuto, a company

with no operations yet, fully acquiring Bermaz for RM504 million and launching a RM252 million share issue to help fund the deal.

BCorp, via its unit Berjaya Group Bhd (BGroup), currently holds a 75.4% stake in Bermaz, Podium Success Sdn Bhd 7.94%, Tunku Aminah Ibrahim Ismail 4.6%, BHJ Marketing Sdn Bhd 4.02% and Konsep Aktif Sdn Bhd and Terrific Dynamics Sdn Bhd 4.02% each.

The total purchase consideration will be done via the issuance of 720 million new shares of 50 sen each in BAuto at an issue price of 70 sen per BAuto share.

As at April 30, 2012, the audited net assets of Bermaz and its subsidiaries stood at RM108.3 million and its audited net profit amounted to RM40.8 million.

Upon completion of the Bermaz acquisition, BAuto proposes to undertake an IPO of a public issue of 82.76 million new

BAuto shares, representing about 10.31% of the enlarged issued and paid-up share capital of BAuto, at an issue price to be determined later.

A total of 41.44 million shares will be allocated by way of private placement to Malaysian institutional and selected investors, 10.15 million allocated to bumiputra investors approved by the Ministry of International Trade and Industry, 19.15 million for BCorp shareholders and 12 million shares for eligible directors and employees of the BAuto group.

BCorp shares closed unchanged at 54 sen yesterday, with 25.3 million shares traded.



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