

## Home business

# BAuto to raise RM57.9m via IPO

Offering 82.8 million new shares at an issue price of 70 sen each

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KUALA LUMPUR: Berjaya Auto Bhd (BAuto) is eyeing to raise RM57.9 million from its IPO exercise on the Main Market of Bursa Malaysia.

BAuto wholly owns Bermaz Motor Sdn Bhd, the distributor of Mazda vehicles in Malaysia.

BAuto is offering 82.8 million new shares, or 10.31% of its issued and paid-up capital, at an issue price of 70 sen each.

Of the RM57.9 million expected to be raised, RM25.6 million will be used for the group's working capital, RM15 million for investment in Mazda Malaysia, RM7.5 million for its finance capital expenditure and RM9.8 million for repayment of bank borrowings and expenses for the IPO.

"Our aim is to further strengthen our competitive position in the automotive segment, increase shareholders' value and increase our market share in the segment that we compete in," BAuto said in its prospectus on Securities Commission Malaysia's (SC) website yesterday.

The group said to achieve this aim, it intends to expand the range of Mazda vehicles, widen the distribution network and dealership



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in the Malaysian and Philippine markets.

Mazda Malaysia has 63 dealerships, compared with Honda's 66 and Toyota's 91.

For the 2012 financial year ended April 30 (FY12), BAuto recorded a 12% rise in revenue to RM663.6 million from RM592.6 million in FY11. This was primarily due to the improvement of total sales volume to 5,909 units in FY12 from 4,826 units in FY11.

Net profit grew 12.7% to RM40.7 million for FY12 from RM36.1 mil-

BAuto said the IPO will provide the company with direct access to the equity capital market for greater capital management flexibility.

"We believe that our group is in a position to deliver growth based on our experienced key management team, established business relationship with Mazda Japan and strong support from Berjaya Corp group," it said.

In 2008, Bermaz Motor entered into a joint-venture agreement with Mazda Motor Corp of Japan on a programme to increase lo-

in Malaysia.

According to Frost & Sullivan Malaysia Sdn Bhd's 2013 report, Mazda cars have gained popularity in the Malaysian market. In the non-national passenger vehicle segment, Mazda's market share jumped to 2.7% in 2012 from 0.3% in 2008.

Toyota had the biggest market share of 33.4% last year, followed by Honda with 15.7%. In 2012, the automotive total industry volume in Malaysia was at 627,753 units and is expected to reach 728,749

## In brief

### MMC to ride on re-rating of UEM Land

KUALA LUMPUR: MMC Corp Bhd is well-positioned to ride on the re-rating of UEM Land Holdings Bhd supported by the positive sentiment as 68% of its sum-of-parts (SOP) comes from Iskandar Malaysia.

HwangDBS Vickers Research said yesterday MMC had started to unlock the value with the sale of about 161.87ha in Senai to a developer.

"We estimate every RM5 per sq ft increase in land price from our RM21 to RM23 per sq ft base case would raise the SOP value by 8%," it said.

HwangDBS said MMC is in no rush to sell more land due to the current flurry of activities in Johor and the proposed high-speed rail which is likely to run through its land.

It has recommended a "buy" call on MMC with a target price of RM3.60. — *Bernama*

### Taiwan agent to sell RM3.5b M'sian properties

KUALA LUMPUR: TW House International Sdn Bhd, a major Taiwanese property agent, is targeting to sell Malaysian properties worth RM3.5 billion to foreigners