

BCorp aims to raise RM58m from auto IPO

> **Bermaz Motor to be listed on Main Market of Bursa Malaysia through Berjaya Auto**

PETALING JAYA: Berjaya Corp Bhd (BCorp) aims to raise about RM57.9 million from the listing of its 75.40%-owned Bermaz Motor Sdn Bhd on Bursa Malaysia's main market via Berjaya Auto Bhd (BAuto).

The initial public offering (IPO) involves 82.76 million shares, representing 10.31% of the enlarged issued and paid-up capital of BAuto, to be sold at an indicative price of 70 sen according to a circular released on Bursa Malaysia Bhd yesterday.

BAuto, the listing vehicle, in the circular said it would allocate 72% or RM41.7 million (based on its indicative price) of the proceeds to reduce its dependence on trade financing when

purchasing Mazda vehicles and spare parts.

The circular said this would help BAuto reduce its finance costs and save another RM2 million in interest annually.

About 12.9% of the proceeds, or RM7.5 million, is expected to be used to open three more 3S centres over the next two financial years at RM2.5 million each.

"As part of its plans, the BAuto Group intends to expand its market presence and distribution network by penetrating further into prime marketing areas in Malaysia via the establishment of additional 3S centres," it said in a circular to shareholders and notice of EGM in relation to the IPO.

The circular also said that RM4.5 million of the funds raised will be invested in Mazda Malaysia Sdn Bhd (MMSB), an associate company of Bermaz, that assembles and supplies Mazda CKD (completely knocked down) vehicles in Malaysia. Bermaz is

the local distributor of Mazda vehicles.

MMSB will use the proceeds to purchase CKD packs and spare parts, and for new assembly equipment and facilities, it said.

The indicative price, according to the circular, is a price-to-earnings ratio of 11.1 times on the earnings per share of 6.3 sen based on BAuto's proforma net profit of RM50.9 million for the financial year ended April 30, 2013 and enlarged capital of 802.76 million shares.

"Based on the indicative issue price, the total market capitalisation of BAuto upon the proposed listing and quotation is expected to be RM561.93 million," it said.

Following the IPO, BAuto plans to offer up to 40.13 million shares to eligible directors and employees via a employees' share option scheme, representing 5% of BAuto's enlarged issued and paid-up capital, at par with the issue price.

Thai rubber farmers group accepts govt's subsidy offer

BANGKOK: A network of Thai rubber farmers said yesterday that it had accepted a government subsidy offer aimed at ending recent mass protests that erupted into violence last week.

Thailand is the world's top exporter of natural rubber and anger among the kingdom's rubber farmers over their falling incomes had posed a growing challenge to Prime Minister Yingluck Shinawatra's two-year-old government.

Deputy government spokeswoman Sunisa Lertpakawat said the Cabinet yesterday approved a budget of 21.25 billion baht (RM2.16 billion) to subsidise rubber farmers.

"Today's decision comes ahead of a mass rally by rubber farmers (this weekend) which could severely affect the economy," Sunisa told a news conference yesterday.

An apparent compromise was struck after the government agreed to pay farmers 2,520 baht (RM257) per rai (0.16ha) of rubber plantation to help with production costs - double its previous offer.

In a statement, a grouping of rubber farmers in 15 provinces accepted the deal in principle and called off their next protest which had been planned for this weekend. - Reuters

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SEPT 10, 2013

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