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# Reach Energy IPO oversubscribe 42 times

by **AZLI JAMIL**

**REACH** Energy Bhd announced that its public portion of 20 million new shares allotted to the Malaysian public has been oversubscribed by 41.86 times.

The special-purpose acquisition company, en route to a Main Market listing on Bursa Malaysia on Aug 15, 2014, said in a statement yesterday that there were 23,821 applications for 857.29 million public issue shares from the public.

"A total of 10,839 applications for 349.03 million public issue shares were received under the Bumiputera category, representing an oversubscription rate of 33.9 times while 12,982 applications for 508.26 million public issue shares were received under the other Malaysian public category, representing an oversubscription rate of 49.8 times," said the statement.

Reach Energy's initial public offer (IPO) of one billion new shares with all 980 million

shares allotted taken up, leaving only 20 million shares allotted to the Malaysian public.

The company has also managed to attract cornerstone investors which act as a shield against jittery regional market and enticer to a company's IPO.

The cornerstone investors are Lembaga Tabung Haji, Hong Leong Asset Management Bhd, CIMB-Principal Asset Management Bhd, MTD Capital Bhd, MWK Jaya Sdn Bhd, Poh Yang Hong and Tan Sri Chua Ma Yu's son

Chua Sai Min.

In addition, Reach Energy had managed to rope in other investors which include Koperasi Permodalan Felda Bhd and Norway's sovereign wealth fund, Norges Bank Investment Management.

At 75 sen per share, RM750 million will be raised to acquire qualifying assets and until that happens the company would place RM710.62 million (94.75%) of the IPO proceeds in an Islamic trust account, as Reach Energy is Shariah-compliant.