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Reach Energy targets to raise RM750m from IPO

LARGEST SPA

COMPANY: Will place out 980m shares to cornerstone and institutional investors, and 20m to the public

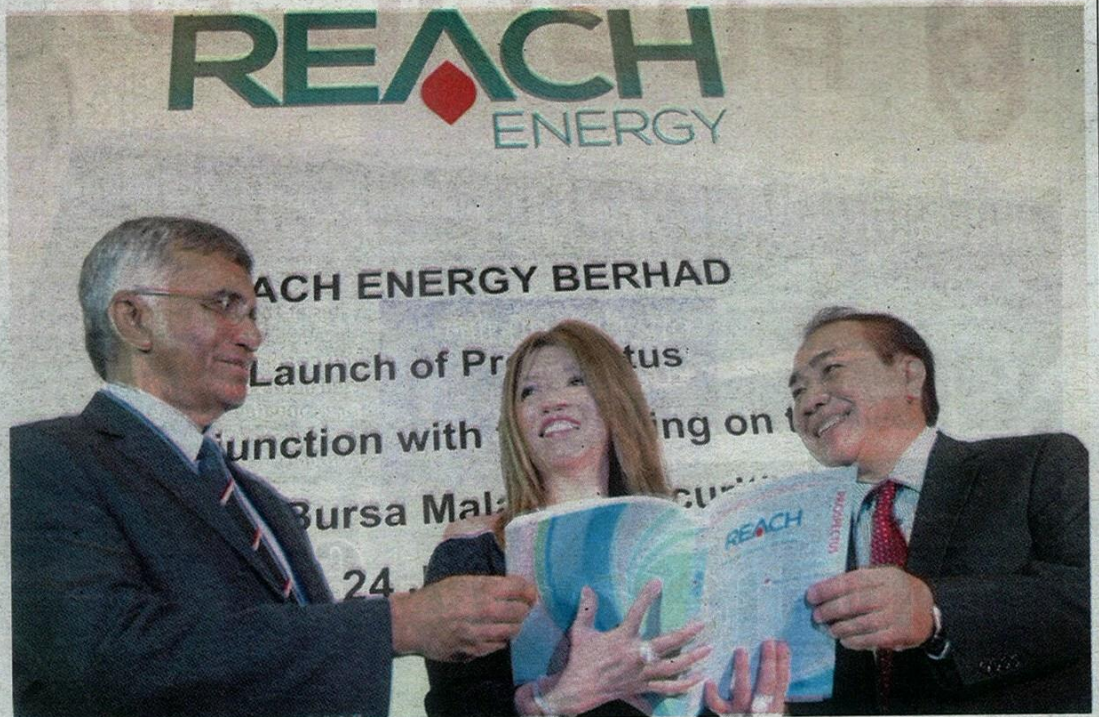
LIDIANA ROSLI
KUALA LUMPUR
bt@mediaprima.com.my

REACH Energy Bhd, which is set to be the largest special purpose acquisition (SPA) company listed on Bursa Malaysia, has placed out 980 million shares to cornerstone and institutional investors, leaving only 20 million shares for the public to subscribe for under its initial public offering (IPO).

Reach Energy will raise RM750 million from the sale of one billion shares at 75 sen each.

It expects to have a market capitalisation of RM958 million upon listing, tentatively scheduled on August 15.

Managing director and chief executive officer Shahul Hamid Mohd Ismail said Reach Energy has locked in the likes of Lembaga Tabung Haji, infrastructure company MTD Capital Bhd, Hong Leong Asset Management Bhd and CIMB-Principal Asset Management Bhd as cornerstone investors.



Reach Energy chairman and independent non-executive director **Izlan Izzah** (right) and managing director and CEO **Shahul Hamid Mohd Ismail** (left) with Hong Leong Investment Bank group managing director **Lee Jim Leng** at the launch of the company's prospectus yesterday. Pic by Muhd Asyraf Sawal

Other cornerstone investors include Koperasi Permodalan Felda Malaysia Bhd and Majlis Amanah Rakyat.

"Our cornerstone and institutional investors have collectively taken up 980 million shares of the one billion shares, leaving only 20 million shares for the public when we list in August," Shahul said.

He said the single biggest place-

ment shares taken up are 50 million shares by a cornerstone investor.

Shahul said Norway's sovereign fund Norges Bank Investment Management's participation in the IPO is substantial.

Reach Energy intends to seal its first asset acquisition in Asia Pacific within the next 12-18 months.

"We have a handful of assets being evaluated, but it will take time to

conclude the deals due to regulatory and shareholders' approval process," said Shahul, adding that it will only focus on Malaysia, Indonesia, Myanmar, Thailand, the Philippines, Vietnam and Australia.

"We don't want to do broad shopping, as buying assets involves huge investments and time, thus we will focus on Asia, where it which gives us no shortage of acquisition targets."