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'LOTTE CHEMICAL TITAN TO RELAUNCH IPO'

Lower price expected due to weak investor appetite, say sources

KUALA LUMPUR

LOTTE Chemical Titan Holding Sdn Bhd will relaunch its initial public offering (IPO) on Monday at a lower price than initially targeted due to weak investor appetite, said three sources familiar with the deal.

The IPO, set to be Malaysia's biggest in five years, would likely be launched at RM6.50 per share, raising RM4.81 billion, said the sources.

The offering was earlier expected to price in the RM7.60 to RM8 per share range, raising up to US\$1.4 billion (RM6.01 billion).

The IPO involves a planned sale of 740.4 million shares.

One source said the IPO would be relaunched "to add more quality names to enhance the book".

Another source said concerns over the company's valuation also created some hurdles.

"At RMS, the offering was seen as overvalued by the investment community," said the second source.

Earlier last month, Permodalan Nasional Bhd, Eastspring Investments, Great Eastern Life Assurance Malaysia, Maybank Asset Management and Maybank Islamic Asset Management had signed on as cornerstone investors for the IPO.

The integrated petrochemical

producer, which is targeting to list this month on the Bursa Malaysia stock exchange, is wholly owned by South Korea's Lotte Chemical Corp.

The firm had originally planned the IPO for last year but held it off after South Korea began investigating its parent company Lotte Group for alleged wrongdoing.

Maybank, Credit Suisse and JPMorgan are joint global coordinators for the IPO. Bookrunners are Nomura, HSBC and CIMB.

Lotte Chemical Titan is involved in the manufacturing and sales of petrochemical products. The IPO proceeds will be used to build a naphtha cracker in In-



Lotte Chemical Titan is involved in the manufacturing and sales of petrochemical products. WEBSITE PIC

onesia and expand the cracker in Malaysia.

Appetite for IPOs in Malaysia had shrunk on the back of a weak currency and volatile commodities markets, but the market saw a revival earlier this year with the listings of Serba Dinamik Hold-

ings Bhd and Eco World International Bhd.

Other deals reportedly in the pipeline include fast food operator QSR Brands looking to raise about US\$500 million and Edra Energy targeting US\$500 million to US\$1 billion. **Reuters**