

DATE : 04 JULY 2017
PUBLICATION : THE MALAY MAIL
SECTION : MONEY
HEADLINE : LOTTE CHEMICAL CUTS IPO SHARES ON OFFER BY A FIFTH
CATEGORY : MENTION
MEASUREMENT : 136.96CM²
TONE : NEUTRAL
REMARKS : NIL

Lotte Chemical cuts IPO shares on offer by a fifth



Lotte is targeting a July IPO with the number of IPO shares reduced to 580 million shares. — Picture by Lotte Chemical Titan

KUALA LUMPUR — Lotte Chemical Titan Holding Sdn Bhd said yesterday it has reduced the number of shares on offer in its initial public offering (IPO) by a fifth.

“After taking into account the overall demand through price discovery, the company, after consultation with the joint global coordinators, decided to reduce the offering size for the institutional offering which will now involve 524,217,000 shares,” the company said in a Bursa filing.

This represents a reduction of 160,483,000 shares, or 23.4%, from the original number of shares to be offered of 684,700,000 Shares.

With the reduction in the size of the institutional offering, the total number of IPO shares will be reduced from 740,483,000 to 580,000,000, representing a reduction of 160,483,000 Shares or 21.7%.

Reuters reported on Friday that Lotte Chemical Titan will relaunch its IPO at a lower price than initially targeted due to weak investor appetite, citing three sources familiar with the deal.

Earlier this month, Permodalan Nasional, 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 a July IPO 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 Indonesia 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 Holdings 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 (RM2.15 billion) and Edra Energy targeting US\$500 million to US\$1 billion. — Reuters