

Three firms launch IPOs despite weak market

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WEAK market sentiment has not deterred three companies - all involved in the booming energy sector - from forging ahead with initial public offerings (IPOs).

Two of the trio, Soon Lian Holdings and KTL Global, supply equipment to the red-hot marine and offshore oil and gas industry.

The third, Indonesian palm oil producer First Resources, is betting on continuing strong demand in palm oil as an alternative fuel source.

First Resources is by far the biggest IPO of the three. It is offering 225 million shares at \$1.10 apiece, of which 175 million are new shares. Three million shares are being offered publicly.

It hopes to raise \$185.3 million in net proceeds and plans to use this to expand its plant, boost production and buy stakes in an associated and a subsidiary company.

The public offer opened yesterday and will close at noon on Thursday. Trading is expected to commence on Monday.

Soon Lian, a supplier of high-grade aluminium alloy products to the marine and precision engineering industries, aims to raise some \$4.2 million by offering 27 million shares at 21 cents each.

Of these, one million shares are being offered to the public and the other 26 million are placement shares.

'With a global increase in oil and gas exploration and production activities, the demand for rescue boats, crew boats and other oil and gas service vessels is expected to increase,' said Soon Lian's chief executive Tony Tan.

He added that the firm plans to use the proceeds to further expand into markets such as Vietnam and the United Arab Emirates, enlarge warehousing capacity and increase its product range.

KTL Global, a supplier of rigging equipment and services to the oil and gas industry, hopes to raise about \$11.2 million by offering 40 million shares at 28 cents apiece. A total of two million shares are being offered publicly.

It plans to use the proceeds to fund the purchase of new plant and equipment, as well as for possible acquisitions and joint ventures.

Soon Lian's IPO opens today at 9am and closes at noon next Tuesday while KTL's IPO also opens today and closes at noon next Wednesday. Trading will commence a day after each offer closes.