

Property developer JRK aims for ACE Market IPO

PETALING JAYA: JRK Holdings Bhd, which launched its first property development project five years ago, is now eyeing a listing on the ACE Market of Bursa Malaysia.

In a draft prospectus released yesterday, the Klang Valley-based developer said the proceeds from its initial public offering (IPO) would be primarily utilised for working capital as well as acquisition of land and companies or joint developments.

At the moment, JRK has one ongoing and five planned developments in Kuala Lumpur and Selangor.

The ongoing development, JRK Celestia, has a gross development value (GDV) of RM136.09mil and is expected to be completed by the end of 2028.

Out of the six projects, three, namely JRK Delta Residence, JRK Equine and JRK Elysia are joint-development projects.

The six projects are expected to contribute an estimated incremental GDV of RM907.26mil

“The launch of the five new projects is planned progressively from the second

quarter of this year to the first quarter of next year,” the company said in a statement.

On acquisitions, the group said it is still in the midst of identifying suitable acquisitions and joint-development arrangements within the vicinity of Kuala Lumpur and Selangor, as well as other states in Malaysia.

Currently, the property developer has total land holdings of 7.33 acres.

The IPO of JRK will entail the issuance of 260 million shares, which represents about 27% of its enlarged share base.

Out of the 260 million shares, a total of 48.16 million new shares will be made available for the Malaysian public, including bumiputra investors.

Apart from that, about 9.63 million shares will be available for eligible persons to be identified by the JRK group.

According to the developer’s draft prospectus, there is no offer for sale of existing shares by current shareholders.

The IPO price will be determined at a later date.

Meanwhile, a total of 202.21 million shares will be placed out to selected investors, including 120.39 million shares to bumiputra investors approved by the Investment, Trade and Industry Ministry.

The managing director of JRK, Datuk Seri Kwan Aik Khai, 45, controls over 93% of JRK, both directly and indirectly, pre-IPO.

After the listing, Kwan’s shareholding is expected to drop to 54.71% directly and 13.54% indirectly.

Chief operating officer of project operations Lim Boon Kiong will see his stake being diluted from 4.1% to 2.97%.

Kwan and Lim’s private investment vehicle Mont Asset will also have its stake reduced from 12.4% to 9.1%.

For the seven months ended July 31 last year, JRK’s net profit dropped 5.78% to RM7.1mil from RM7.54mil.

Revenue in the same period totalled RM49.59mil, from RM83.48mil previously.

Kenanga Investment Bank Bhd is acting as the principal adviser, sponsor, underwriter and placement agent for the IPO.