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Reach Energy plans Malaysia's largest shell company listing

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KUALA LUMPUR, May 12 (Reuters) - Malaysia's Reach Energy Bhd, a special-purpose acquisition company (SPAC) with no existing assets, plans to list shares on the local bourse in a deal to fetch 750 million ringgit (\$232 million), according to a draft prospectus published on Monday.

The deal, which is expected in July this year, could mark Malaysia's largest listing by a shell company with no assets. A SPAC is set up with the intention of buying firms that will be later folded into the business.

The initial public offering (IPO) of Reach Energy would exceed those by similar local firms such as Sona Petroleum Bhd and Cliq Energy Bhd, which raised between \$100 million and \$150 million each last year.

The IPO comprises 1 billion shares at an issue price of 75 sen each. The offer comes with 1 billion free detachable warrants on the basis of 1 warrant for 1 share subscribed, the prospectus released by the company showed.

Reach Energy, led by Shahul Hamid Mohd Ismail who used to helm Malaysia's listed Shell Refining Company Bhd, is looking to buy firms involved in the oil and gas production sector in the Asia region, according to the prospectus.

Malaysian oil and gas services firm Daya Material Bhd is an initial investor in the company, holding an 8 percent stake. Daya's ownership is expected to fall to 1.74 percent after the IPO, according to the prospectus.

Hong Leong Investment Bank is the principal adviser, placement agent and underwriter of the deal, the prospectus showed. (\$1 = 3.2290 Malaysian Ringgit)

(Reporting By Yantoultra Ngui; editing by Keiron Henderson)

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