

Taiwan 7-11 chain seeks listing

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TAIPEI—Taiwan's 7-Eleven chain store, friend to late-night shoppers and darling of foreign investors, is seeking to transfer its winning ways to a potentially huge market in China.

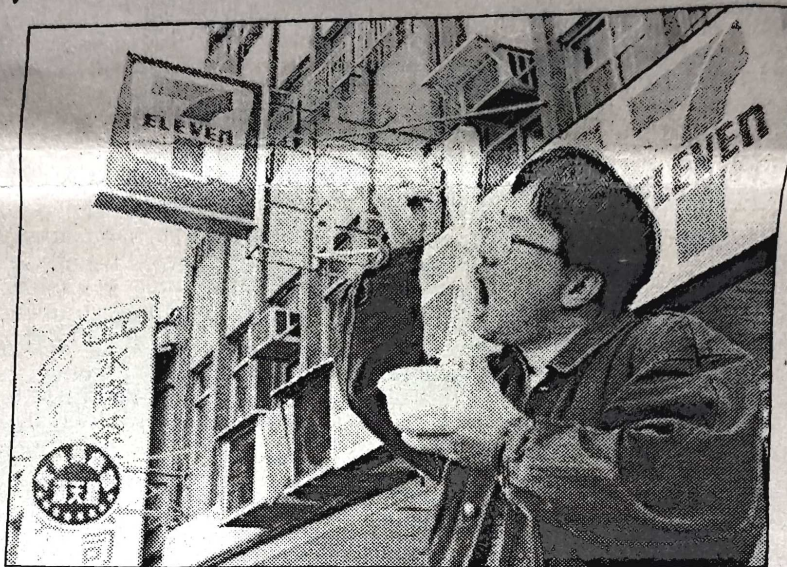
President Chain Store Corp., a subsidiary of President Enterprises Corp., plans to list on Taiwan's stock exchange in 1996 to raise money for its envisaged rapid growth, the firm's Vice President Burton Hsieh said.

Hsieh said that President Chain Store plans to add 120 7-Eleven stores each year for the next five years to an existing 945 shops, which already make it Taiwan's largest chain.

"Our 945 stores account for 36% of Taiwan's total chain stores this year, and we are confident that we can maintain around a 35% market share in the coming years," he said.

Hsieh said competition was expected to be stiff in the next five years as at least 10 other local companies have expansion plans for the growing Taiwan market.

He predicted President would reach its 1994 pre-tax profit target of Taiwan \$900



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A Taipei 7-Eleven customer slurps noodles he bought at the store.

million (¥3.4 billion) on sales of Taiwan \$20.5 billion (¥77.7 billion), up from 1993's pre-tax profit of Taiwan \$800 million (¥3 billion) on sales of Taiwan \$17.7 billion (¥67 billion).

Over the last two months, the chain store's parent, President Enterprises, sold off a 38% stake in a private placement, which made Taiwan \$5 billion (¥19 billion) in profits.

Seven foreign investors spent \$120.4 million (¥12.04 billion) in the placement to buy about 20% of the chain store, in one of the largest foreign investments in Taiwan ever.

The seven include three Singapore-based firms, Daiwa Singapore Ltd., Bankers Trust International (Asia) Ltd., and Government of Singapore Investment Corp. P.T.D. The

other four were Daiwa Securities and Nippon Investment & Finance Co. of Japan, GS-PSCS Holding of the United States and Compagnie Financiere de Paribas of France.

Several other foreign firms also bought smaller stakes, along with the investment arm of the ruling Nationalist Party and other local institutional and individual investors, Hsieh said.

Stock market analysts said a public listing planned for early 1996 should increase the resources the store needs to fuel its planned expansion.

"We plan to offer a further 13% stake when we go listing in the stock market in March or April 1996 to lower President's holdings to 49%," Hsieh said.

Hsieh said the firm applied to 7-Eleven's brand owner, U.S. company Southland Corp., in August and November last year for the regional license in Shanghai.

"With our thorough planning and past records in running Taiwan stores, we are confident to win the right to run 7-Eleven chains in Shanghai even though there are many competitors," he said.