

GFM proposes bonus issue of warrants

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KUALA LUMPUR (Oct 24): Facilities management services provider GFM Services Bhd has proposed to undertake a bonus issuance of warrants, on the basis of one warrant for every two existing shares held.

In a bourse filing, GFM said the exercise entails the issuance of up to 247.90 million bonus warrants at an indicative exercise price of 38 sen.

While the exact amount of proceeds from the exercise of the bonus warrants is not determined at this juncture, GFM said proceeds raised will help improve its cash flow and fund future capital expenditure and operating expenses, which it said included the acquisition of property, plant and equipment, salary, and repayment of borrowings.

Assuming all warrants are exercised, the group's issued share capital is expected to enlarge to RM174.18 million comprising of 743.69 million shares, from RM60.72 million comprising of 454.80 million shares as at Oct 9. As such, GFM's consolidated earnings per share will be diluted.

The proposed corporate exercise, which will require shareholders' approval, is expected to be completed in the first half of next year.

Shares of ACE Market-listed GFM closed three sen or 6.9% higher to 46.5 sen today, for a market capitalisation of RM211.48 million.

SOURCE:

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