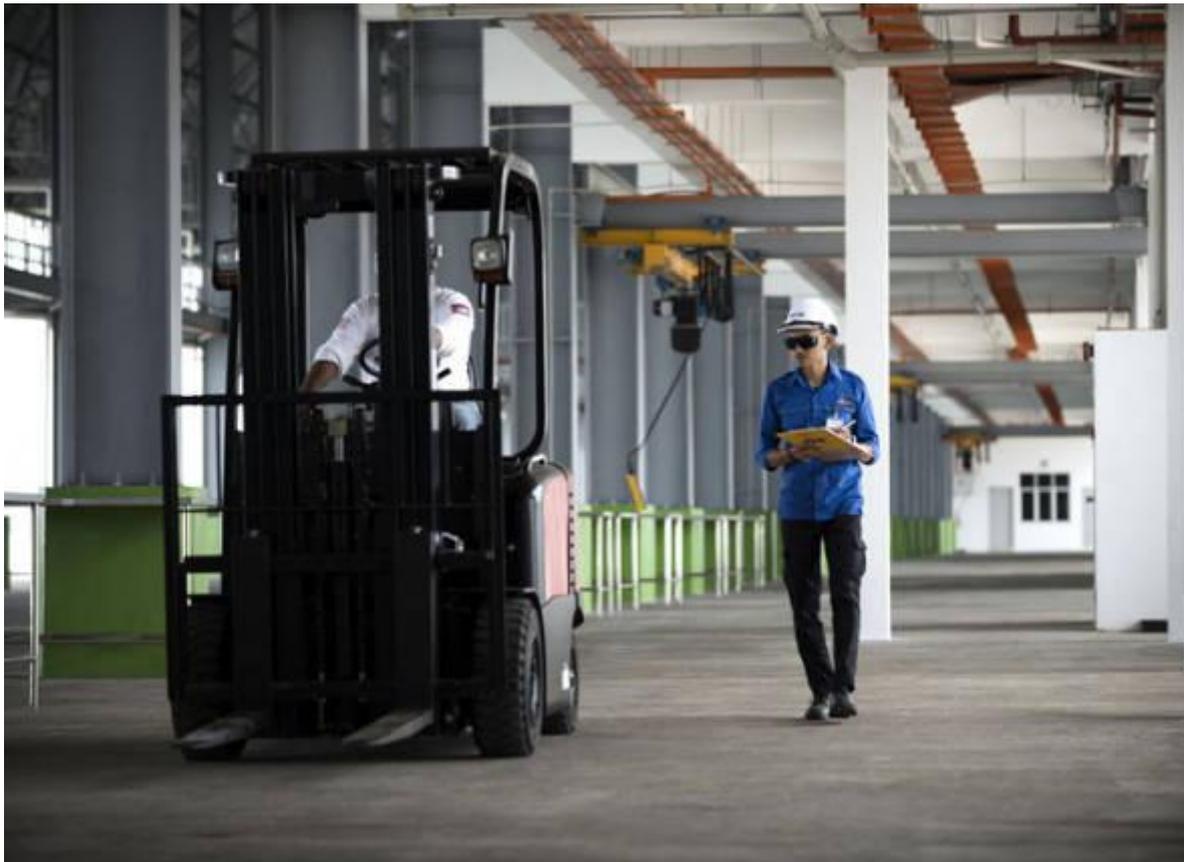


GFM Services to raise up to RM19.75 million from private placement

SUNBIZ / 07 JAN 2020 / 22:37 H.



Website pix

PETALING JAYA: GFM Services Bhd is looking to raise up to RM19.75 million from a proposed private placement of up to 10% of its issued ordinary shares, the group said in a Bursa Malaysia filing.

The proposed private placement will involve the issuance of up to 73.14 million new GFM shares, at an illustrative price of 27 sen per share, representing a discount of about 8.44% to the five-day volume weighted average market price of the shares.

The total estimated proceeds to be raised are RM12.75 million as a base scenario, or a maximum of RM19.75 million, which will go towards the subscription of redeemable convertible preference shares (RCPS) in Highbase Strategic Sdn Bhd.

“The proposed subscription of Highbase RCPS will enable the group to participate and be entitled to the future recurring income and cash flow streams from the dividend of 6% per annum over the tenure of the RCPS.

“If the RCPS is not redeemed prior to May 1, 2024, the RCPS will be automatically converted to ordinary shares in Highbase. This will increase the equity stake of the group in Highbase and is expected to be beneficial to the future earnings and cash flows of the group,” it said in its filing.

Recall that last December, GFM announced its plan to buy a 49% stake in Highbase, a downstream oil and gas maintenance company.

GFM added that the proposed private placement is the most appropriate avenue of fund raising as it will enable the group to raise the requisite funds without incurring additional interest expense, and is an expeditious way of raising funds from the capital market as compared with other forms of fund raising.

Source:

<https://www.thesundaily.my/business/gfm-services-to-raise-up-to-rm1975-million-from-private-placement-KJ1865851>