

# GFM Services to raise up to RM47m in private placement for working capital, new biz opportunity

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KUALA LUMPUR (April 9): Integrated facilities management service provider GFM Services Bhd has proposed a private placement of up to 20% of its issued shares to raise up to RM47.49 million, which will mainly be used for the group's working capital and new business opportunity.

The shares will be placed to third party investors at an issue price that will be fixed at a later date, it said in a stock exchange filing today.

The group said the placement shares will be issued at a price of not more than a 10% discount to the five-day volume weighted average market price (VWAP) of GFM shares immediately preceding the price-fixing date.

“For illustrative purpose only, the indicative issue price of the placement shares is assumed at RM0.2990 per placement share, which represents a discount of approximately 9.91% to the 5-day VWAP of GFM shares up to and including the LPD of RM0.3319 per share,” said the group.

GFM said the company expects to raise gross proceeds of between RM15.57 million and RM47.49 million.

Under the maximum scenario, RM32.7 million will be allocated for the group’s general working capital expenses.

Meanwhile, RM6 million will be utilised to partially finance the working capital of the upcoming projects that the group anticipates to secure, RM4.7 million will be used to fund the group’s new business opportunity with construction company Amzass (M) Sdn Bhd, while RM3 million is earmarked for the general working capital expenditure of an ongoing Pengerang Integrated Complex (PIC) project in Johor.

GFM said the proposed private placement enables the group to raise additional funds without incurring interest costs as compared to conventional bank borrowings, provide the group with an expeditious fundraising alternative from the capital market as opposed to other forms of fundraising, and strengthen the company's shareholders' funds and capital base.

Furthermore, the group said it remains optimistic of its future prospects, as it is undertaking efforts to enhance its service delivery with the development and adoption of more innovative technology-based solutions.

This is to ensure it remain competitive in the facilities management industry, as well as to improve its business processes with the ongoing vendor rationalisation programme.

According to the group, the proposed private placement is expected to be completed in the fourth quarter of this year.

Shares of GFM closed 3.5 sen or 11.29% to 34 sen today, giving the group a market capitalisation of RM176.9 million.

Source:

<https://www.theedgemarkets.com/article/gfm-services-raise-rm47m-private-placement-working-capital-new-biz-opportunity>