

Scientex to raise up to RM362m for manufacturing, property businesses

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KUALA LUMPUR: Scientex Bhd is planning a private placement of up to 10% of its issued shares to third-party investors to raise as much as RM361.58 million for property development, land bank expansion and as working capital for its manufacturing business.

The expected proceeds from the placement, which could involve up to 46.36 million shares, are based on an indicative issue price of RM7.80 per placement share, said Scientex in a bourse filing yesterday.

The indicative price represents a discount of approximately 6.81% to the five-day volume weighted average market price of Scientex shares up to and including the

latest practicable date of RM8.37 per share.

Of the proceeds, RM180 million will go to existing and future development projects as well as for land bank expansion, while RM100 million is for working capital, mainly to buy raw materials, fund business development expenses and repay trade creditors.

“In line with the business expansion plan of the manufacturing segment, RM81.58 million has been earmarked for expansion of [the] industrial packaging segment and consumer packaging segment, such as to finance production lines or to seek potential mergers and acquisitions,” said Scientex.

It expects the proposed private placement to be completed by the second quarter of 2017.