

## **GFM Services plans 10% private placement to raise up to RM20.68m**

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KUALA LUMPUR (May 7): GFM Services Bhd has proposed to raise up to RM20.68 million via a private placement of up to 10% of its issued shares in tranches to part finance its acquisitions of KP Mukah Development Sdn Bhd (KPMD).

The acquisition will provide a platform for the group to enhance its revenue and gain immediate access to a profitable facilities management company which currently holds a concession awarded by the Government and Universiti Teknologi MARA valid from Sept 17, 2012 till Sept 17, 2035, according to its filing with Bursa Malaysia today.

GFM Services said the issue price of each tranche would be determined separately and fixed by the board of directors at a later date.

“The placement shares are proposed to be placed to independent investor(s) to be identified later.

“The actual proceeds to be raised from the proposed private placement are dependent on the issue price of the placement shares and the actual number of placement shares issued,” it added.

However, for illustrative purposes, the five-day volume weighted average market price (5D-VWAMP) of GFM Services shares up to the latest practicable date (LPD) is 50.46 sen per share. The indicative issue price is 46 sen, representing a discount of about 8.84% from its 5D-VWAMP.

GFM Services noted that based on the indicative price of 46 sen per placement shares and issuance of up to 42.81 million placement shares and 44.95 million placement shares under the

base and maximum scenario respectively, the proposed exercise will generate gross proceeds of up to RM19.69 million and RM20.68 million respectively including payment fees for proposed private placement.

As of May 4, being the LPD, GFM Services' issued share capital comprises 428.10 million GFM Services shares.

Separately, GFM Services has also implemented an employee share scheme (ESS) of up to 5% of the issued ordinary shares of the company (excluding treasury shares).

Subject to the relevant approvals, the proposed private placement is expected to be completed by the second quarter of 2018.

GFM Services share price rose 0.5 sen or 1% to 50.5 sen, giving it a market capitalisation of RM214.05 million. Over the past 12 months, the counter has fallen about 32.62%.

SOURCE:

<http://www.theedgemarkets.com/article/gfm-services-plans-10-private-placement-raise-rm2068m>