

Serba Dinamik plans RM434mil private placement exercise

CORPORATE NEWS

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KUALA LUMPUR: Serba Dinamik Bhd is proposing a massive fund raising exercise barely a year after it sold shares to the public, as the engineering firm seeks fresh capital to pay for development projects in Pengerang, Johor and the construction of a chlor-alkali plant Tanzania.

The company, in a filing with Bursa Malaysia today, said it will raise as much as RM434mil by placing out 133 million new shares to third party investors to be identified.

Shares in Serba Dinamik was down 5 sen at RM3.44 at the midday break. It had surged 130% over the past one year.

The fund raising exercise, if it implemented in full, will dilute existing shareholders' stake in Serba Dinamik the company by 10%. "Nevertheless, barring any unforeseen circumstances, the proposed private placement is expected to contribute positively to the future earnings of the group," it said.

Serba Dinamik is targeting to complete the exercise in the first quarter of 2018.

The company is raising money to finance the group's capital expenditure for Pengerang eco-Industrial Park (PeIP) as well as to partly finance the development of Pengerang International Commercial Centre (PICC).

The company is planning to set aside RM270.5mil for the PeIP project, which will include the development of a maintenance, repair and overhaul (MRO), as well as inspection, repair and maintenance (IRM) global centre of excellence.

The project is worth RM400mil.

Meanwhile, another RM45mil will be utilised to partly pay for PICC, which is valued at approximately RM450mil.

Serba Dinamik, in August, had entered into memorandum of agreements to participate in EPCC of PeIP, PICC as well as mixed residential and commercial development, namely Pengerang Northshore Residence, on an approximately 132-acre of land in Pengerang, Johor.

Meanwhile, Serba Dinamik had also earmarked RM111.1mil as working capital requirements for the EPCC contract related to the project in Tanzania.

The company, in October, had entered into a joint venture agreement with Junaco (T) Limited for the establishment and operation of a 45 metric tonne per day chlorine skid mounted chlor-alkali plant in Tanzania.

Apart from the EPCC contract and as part of the JV agreement, Serba Dinamik will be appointed to run and maintain the plant, which the company said will provide it with a steady income flow in the long term.

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