

Vaccination Tracker

16.07M

Booster doses administered

MORE DETAILS →



MALAYSIA

CORPORATE

Select Language | ▼

Yong Tai to settle RM46 million debts by issuing new shares

Justin Lim / theedgemarkets.com

May 17, 2022 23:20 pm +08



yongtai.com.my



KUALA LUMPUR (May 17): Yong Tai Bhd has entered into debt settlement agreements with 19 creditors to pay off RM46 million owed by issuing 92 million new shares at 50 sen per share.

Among the creditors are Bursa-listed companies such as Econpile Holdings Bhd and Siab Holdings Bhd. Econpile will receive eight million Yong Tai shares to settle the RM4 million debt owed by Yong Tai while Siab will be issued 12 million shares for RM6 million owed to it.

"The proposed debt settlement as well as the listing of and the quotation for the new settlement shares will be implemented after the proposed share consolidation and proposed bonus issue of warrants," said the property developer in a filing with Bursa Malaysia.

The company's share price closed at 10 sen, valuing the loss-making firm, which was hit hard by the pandemic, at RM139 million.

Yong Tai noted that the settlement amount is non-interest bearing and therefore not included in the total borrowings of the company as well as for the purpose of the computation of gearing.

As at Dec 31, 2021, Yong Tai had total borrowings of RM195.35 million, of which RM48.4 million were current borrowings.

In a bourse filing, Yong Tai said the share consolidation entails the consolidation of every five existing shares into one share will enhance the group's share capital structure.

It added that share consolidation will result in a reduction in the number of the group's shares available in the market, which may potentially reduce the volatility of the trading price for its shares.

Based on Yong Tai's price of 11 sen as at the latest practicable date of May 13, the share consolidation is expected to bring its theoretical adjusted reference share price to 55 sen.

Subsequent to the share consolidation exercise, the group will undertake a bonus issue of up to 103.1 million new warrants on the basis of one free warrant for every four consolidated Yong Tai shares.

For illustrative purposes only, the gross proceeds to be raised upon full exercise of the warrants based on the maximum scenario where 103.1 warrants to be issued at an indicative exercise price of 60 sen are approximately RM61.86 million, which will be utilised as additional working capital for the group's property development business.

The company last year raised RM68.98 million from private placement and issue of redeemable convertible preference shares at an issue price of RM1 per unit.

A bulk of the fresh capital raised would be utilised to fund the development of its Impression City and Impression U-Thant projects, as well as for working capital.

Edited by Kathy Fong

Subscribe to Mid-day
email alert

We deliver news to your
inbox daily

Email Address:

SUBSCRIBE

FEATURED VIDEOS

