

# Green Packet plans capital raising

Private placement will raise up to RM98.9mil for cloud computing business

## CORPORATE

PETALING JAYA: Green Packet Bhd has proposed to undertake a private placement to raise up to RM98.9mil to fund its cloud computing business as well as investments in IT infrastructure.

The telecommunications and technology company said the private placement would involve up to 120.2 million shares, equivalent to about 10% of its outstanding issued share capital, at an issue price to be determined and fixed at a future date.

The company intended to place out the placement shares to independent third-party investors to be identified later, it said in a filing with Bursa Malaysia.

For illustration purposes, based on an indicative issue price of 52 sen, the exercise could raise gross proceeds of RM62.5mil under a minimum scenario and up to

***"The strong interest in our previous (private) placement shows shareholders' confidence in Green Packet."***

C.C. Puan

RM98.9mil under a maximum scenario.

The company said it planned to allocate up to RM96.2mil to purchase IT infrastructure and RM2.5mil as working capital for its cloud computing business.

Green Packet said at its EGM last month that it has obtained shareholders' approval to diversify its existing principal activities to include cloud computing solutions and relat-

ed services.

The company is expected to invest about RM80mil in the first year and about RM200mil in the subsequent four years of venturing into the cloud business.

CEO and managing director C.C. Puan said: "The strong interest in our previous (private) placement shows shareholders' confidence in Green Packet. With the substantial amount

raised via the private placement, we are able to offer better and comprehensive solutions to customers and strengthen our digital segment which meets Green Packet's investment strategy."

The proposed private placement is the most appropriate avenue to raise additional source of funds expeditiously for the company's cloud computing business, without incurring interest cost as compared to bank borrowings or the issuance of debt instruments, it said.

"The private placement is also expected to strengthen Green Packet's capital base as well as improve its financial position and future earnings when the economic and financial benefits from the use of proceeds are realised," it added.

It said the placement is expected to be completed by the end of this year.

TA Securities will act as the sole placement agent for the exercise.