



# EA proposes rights issue

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PETALING JAYA: ACE Market-listed EA Holdings Bhd (EAH) has proposed a renounceable rights issue exercise with free detachable warrants to raise as much as RM63.6mil to pay for future expansion.

The ICT business solution provider's chief executive officer Mohammad Sobri Saad has provided his irrevocable undertaking to subscribe in full his entitlement.

Of the proceeds to be raised, the company has allocated RM30mil for future viable investments, RM28.3mil for general working capital and RM4.5mil to pay off debts.

The fund-raising exercise entails the issuance of up to 635.9 million rights shares on the basis of one rights share for every one EAH share. The rights shares will be issued with free detachable warrants on the basis of one free warrant for every two rights shares.

The issue price of the rights shares will be fixed at 10 sen each.

This represents the par value of the EAH shares and a discount of approximately 31% to the theoretical ex-rights price of EAH shares of 14.5 sen.

Shares in EAH were last traded at 17.5 sen yesterday.

The exercise also involves a proposal to increase the group's authorised share capital to RM250mil that will enable the company to qualify for a transfer to the Main Market.