

Scientex proposes bonus shares, free warrants after posting record high FY20 profit

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KUALA LUMPUR (Sept 18): Scientex Bhd is proposing a bonus share issuance involving two bonus shares for every one Scientex share held (two-for-one), as well as free warrants on the basis of one free warrant for every five shares held (one-for-five), at an entitlement date to be announced later.

The bonus issuance will involve up to 1.03 billion new shares, while the warrant giveaway will involve up to 103.37 new warrants, with a tenure of five years.

These corporate exercises are to reward shareholders and further enhance the marketability and trading liquidity of Scientex, the group said in a filing today.

The proposed bonus issue of shares will not raise any funds for the company, while the proposed free warrants are expected to raise as much as RM413.5 million for the group when exercised into Scientex shares, which the group intends to use for working capital.

The warrants' proceeds are based on an indicative exercise price of RM4 per share; the actual exercise price has yet to be fixed.

Earlier, the flexible plastic packaging manufacturer said its net profit for the fourth quarter ended July 31, 2020 (4QFY20) rose 6.5% to RM142.05 million from RM133.4 million a year ago, lifted by higher operating profit at its manufacturing segment, and the resumption of construction activities at its property development segment.

For the full FY20, Scientex's net profit rose 17% to a record high of RM390.11 million from RM333.7 million in FY19, as revenue grew 8% to RM3.52 billion from RM3.25 billion.

The group has declared a final dividend of 13 sen per share, which will be paid on Jan 13, 2021.

Scientex shares are now trading 47 sen or 5.13% higher at RM9.64 apiece, giving the group a market capitalisation of RM4.97 billion.