

Company Name : Aizo Group Berhad
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Aizo Secures Shareholder Approval For RM123.6Mil Fundraising Plan



PETALING JAYA: Aizo Group Bhd has secured shareholders' approval for a series of corporate exercises aimed at strengthening its capital base, improving financial flexibility and supporting future growth.

At its extraordinary general meeting, shareholders approved the group's proposed private placement, allocations of placement shares to selected directors, share capital reduction and a renounceable rights issue with free detachable warrants.

In a statement, the civil engineering specialist said the proposed private placement will involve the issuance of up to 738.56 million new shares, representing up to 30% of Aizo's issued share capital, excluding treasury shares.

Shareholders also approved a RM75mil reduction of the group's issued share capital to eliminate accumulated losses and enhance its ability to declare dividends in the future.

In addition, Aizo obtained approval for a rights issue of up to 3.2 billion rights shares on the basis of one rights share for every existing share held, together with up to 1.6 billion free detachable warrants on the basis of one warrant for every two rights shares subscribed.

Based on the indicative issue prices, the private placement could raise up to RM24.37mil, while the rights issue could generate up to RM99.21mil.

Together, the exercises could provide the group with gross proceeds of up to RM123.58mil.

Aizo said proceeds from the private placement will be used mainly for capital injection into its Large Scale Solar 5 project, working capital and related expenses.

Funds raised from the rights issue will be utilised for current and future construction projects, working capital, investments in new businesses, digitalisation and process transformation initiatives, as well as expenses related to the proposals.

Executive director Ahmad Rahizal Ahmad Rasidi said the strong support from shareholders at the EGM provided Aizo with a clear mandate to move forward with a comprehensive capital plan designed to strengthen its financial position, support its project pipeline and prepare the group for its next phase of growth.

“These proposals are not merely balance sheet exercises. They are important enablers for Aizo to fund strategic priorities, including the LSS5 Project, current and future construction projects, and selected growth initiatives.

“With a stronger capital platform, we will be better positioned to execute our plans with greater financial flexibility,” he said.