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ISDN plans rights issue of warrants \$111.6m expected assuming full conversion to shares

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Mr Teo: ISDN president's Assetraise will subscribe for its entitlement and apply for all excess warrants -

PHOTO: TEO CHER KOON

ISDN Holdings Limited, an integrated engineering solutions provider for several industries, plans to raise up to \$111.6 million in gross proceeds from the issue and exercise of warrants.

Of the amount, \$3.6 million will come from the proposed rights issue of up to about 180 million warrants at \$0.02 apiece on the basis of one warrant for every two existing ordinary shares held.

The other \$108 million assumes the full conversion of the warrants into shares, with each warrant carrying the right to subscribe for one share at an exercise price of \$0.60.

The warrant issue price and exercise price together represent a discount of more than half from the share's closing price of \$1.35 on Monday, the last trading day prior to a trading halt.

The net proceeds from the issue and exercise of warrants will be used for working capital for the energy related business of the group, and to fund its energy-related acquisitions, with the former taking priority.

On resumption of trading yesterday, shares of ISDN Holdings hit an intra-day high of \$1.445 before ending the session up seven cents or 5 per cent to close at \$1.42. More than 33.6 million shares changed hands.

Assetraise Holdings Limited, which holds 35.5 per cent of ISDN, has given an undertaking to subscribe for its entitlement and to apply for all excess warrants not taken up. Assetraise is owned by Teo Cher Koon, managing director and president of ISDN.

Earlier this year, ISDN Holdings announced proposed ventures into the business of building, operating and maintaining hydropower plants in Indonesia.

In addition, the group announced proposed ventures into developing and operating a coal mine and the production of coal, and the building, operation and maintenance of hydropower plants in Myanmar.

ISDN Holdings also announced this month that it had signed a memorandum of understanding with IDI Infrastructures - a Japanese fund management company with energy infrastructure-focused funds - to explore investment opportunities in energy projects and expand international power producer businesses in Asia.