

Ace market-bound Nationgate's IPO oversubscribed 16.49 times

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KUALA LUMPUR: ACE Market-bound NationGate Holdings Bhd's initial public offering (IPO) for the public portion has been oversubscribed by 16.49 times.

The electronics manufacturing services (EMS) provider said a total of 20,444 applications for 1.81 billion new shares, valued at RM689.16 million, were received from the Malaysian public for the 103.70 million new shares made available for public subscription.

The Bumiputera public portion was oversubscribed by 9.10 times, with 9,431 applications for 523.50 million new shares being received.

For the remaining public portion, 11,013 applications were received for 1.29 billion new shares, representing an oversubscription rate of 23.88 times.

Meanwhile, the 103.70 million new shares for its eligible directors, employees and persons who have contributed to the success of NationGate Group have also been fully subscribed.

In addition, its placement agent, M & A Securities Sdn Bhd, confirmed that 518.48 million shares made available for application by way of private placements to selected Bumiputera investors approved by the Ministry of International Trade and Industry (Miti) and selected investors had been fully placed.

Under the listing exercise, NationGate is expected to raise RM165.50 million from its public issue of 435.53 million shares at 38 sen per share.

The listing also includes an offer for the sale of 290.35 million existing shares to selected Bumiputera investors approved by Miti and selected investors.

Based on the enlarged share capital of 2.07 billion shares, the total market capitalisation of NationGate would be RM788.09 million on its debut on Jan 12, 2023, making it the largest listing on the ACE Market of Bursa Malaysia Securities Bhd.

NationGate managing director Ooi Eng Leong said part of the proceeds from the listing exercise would enable the company to purchase various raw materials, consumables and electronic components consumed for the company's EMS activities in tandem with the expected growth in its EMS business activities.

"It will also enable NationGate to part finance the acquisition of new machinery and equipment, to expand its EMS service offerings and surface mount technology assembly capacity to cope with the rising demand from its existing multinational customers and new customers in the next 36 months," he added.

Besides being the placement agent, M & A Securities is the adviser, sponsor and underwriter for the IPO exercise.

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