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FBG plans rights issue to raise up to RM150 mil for Medi-City project land

By Choy Nyen Yiau / theedgemalaysia.com 18 Sep 2025, 08:59 pm

KUALA LUMPUR (Sept 18): FBG Holdings Bhd (KL:FBG), formerly known as Fajarbaru Builder Group Bhd, has proposed a rights issue of up to 836.6 million shares with free warrants, to raise as much as RM150.6 million.

The cash call is primarily intended to finance the acquisition of land for its Medi-City project, which carries an estimated gross development value of RM2 billion. The project, spanning 235.8 acres in Batu Kawan, Penang, will feature healthcare and wellness facilities along with residential, retail, and commercial units.

In a bourse filing on Thursday, FBG said the rights issue will involve three new shares for every four shares held. Up to 278.9 million free detachable warrants will also be issued, on the basis of one warrant for every three rights shares subscribed.

At an illustrative issue price of 18 sen per rights share — about 14.3% below the theoretical ex-rights price of 21 sen — the turnkey contractor expects to raise a minimum of RM7.89 million and a maximum of RM150.6 million.

Of the proceeds, RM150 million will go towards the land acquisition, while the balance will cover estimated expenses.

FBG said its executive chairman Tan Sri Chan Kong Chou — who is also a substantial shareholder via his indirect interest in Infinite Horizons Capital Sdn Bhd — has provided an irrevocable undertaking to subscribe to his entitlement of 43.82 million rights shares.

Upon completion of the rights issue and assuming full exercise of the warrants, Chan's shareholding in FBG will rise to 15.3%.

"We believe that we are embarking on a strategic new chapter which will strengthen the group's financial footing and support our future plans to expand FBG's business in line with our long-term vision to enhance long-term profitability," Chan said in a separate statement.

UOB Kay Hian Securities (M) Sdn Bhd has been appointed as the principal adviser for the corporate exercise.

FBG shares closed half a sen or 2.2% lower at 22.5 sen on Thursday, valuing the group at RM167.6 million.