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Solar ambitions power fundraising

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Proceeds earmarked for large-scale energy facility and higher-value infrastructure jobs

BY ALVIN TANG

KUCHING: AIZO Group Bhd plans to raise up to RM123.58 million through a proposed private placement and rights issue to fund its investment in a large-scale solar (LSS5) project in Perak, support ongoing and future construction jobs, and strengthen working capital.

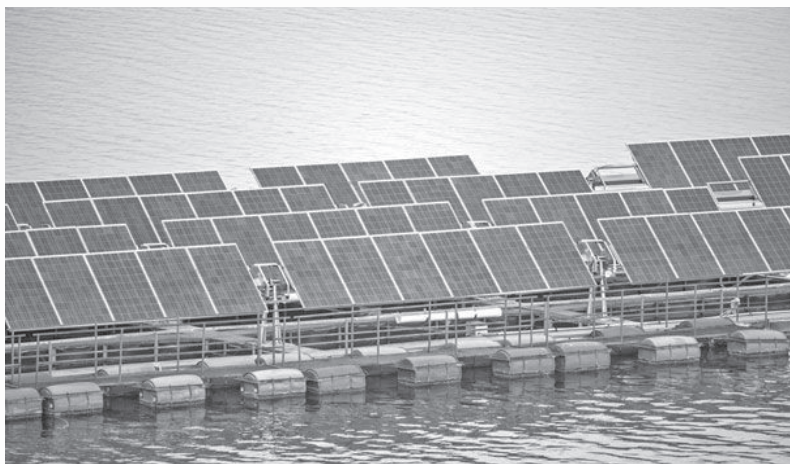
The proposed private placement involves the issuance of up to 738.6 million new ordinary shares, representing up to 30 per cent of the company's issued shares (excluding treasury shares, if any), to selected directors, major shareholders and independent third-party investors.

Meanwhile, the proposed renounceable rights issue will involve up to 3.2 billion new shares on the basis of one rights share for every existing share held, together with up to 1.6 billion free warrants on the basis of one warrant for every two rights shares subscribed for.

Based on the indicative issue price of 3.3 sen per placement share, the private placement is expected to raise about RM24.37 million. The rights issue, priced indicatively at 3.1 sen per rights share, is expected to raise up to RM99.21 million.

Executive chairman Abang Abdillah Izzarim said the fundraising exercise would help accelerate the group's renewable energy expansion while supporting its growing construction order book.

In a circular to shareholders, the company said approval would also be sought at an extraordinary general meeting (EGM) in Kuala Lumpur on May 29 for the allocation of 100 million placement



A 9.99MWac floating solar facility in Perak anchors the group's expanding clean energy portfolio.

shares to Abang Abdillah, as well as 15 million shares each to directors Ahmad Rahizal Ahmad Rasidi and Emma Yazmeen Yip Mohd Jeffrey Yip.

Shareholders will also vote on a proposed RM75 million share capital reduction aimed at eliminating the group's accumulated losses.

To ensure the minimum subscription level of RM10.95 million for the rights issue, Abang Abdillah has undertaken to subscribe for about 322.58 million rights shares, representing 91.37 per cent of his entitlement.

Emma Yazmeen has also committed to subscribe to her entitlement of six million shares and an additional 24.48 million shares.

Shares in AIZO Group Bhd

closed unchanged at four sen on Friday.

Abang Abdillah said proceeds from the private placement would partly fund the group's equity injection into its LSS5 solar project in Kampar, Perak, involving the development of a 99.99MWac solar generating facility.

"The allocation is critical to ensure the project proceeds on schedule and meets all financing and contractual requirements," he said.

He added that the investment aligned with the group's long-term strategy of expanding its renewable energy portfolio to generate recurring income and enhance shareholder value.

The rights issue proceeds, meanwhile, will mainly be channelled towards ongoing and

future construction projects.

According to Abang Abdillah, the exercise would strengthen the group's financial position by reducing reliance on borrowings while improving cash flow management and operational execution.

"It will also place the group in a stronger position to secure and deliver higher-value projects while maintaining a healthy gearing level," he said.

On the proposed capital reduction, he said RM68.32 million would be used to offset accumulated losses as at June 30, 2025, while the remaining balance would be credited to retained earnings.

AIZO Group Bhd is involved in specialised civil engineering services, bituminous product

manufacturing and trading, solar power development, manpower services and machinery rental.

Among its ongoing projects is the RM16.1 million M Nova infrastructure works package in Kuala Lumpur awarded by MyVilla Development Sdn Bhd, which is expected to be completed this quarter.

Its wholly owned subsidiary, AIZO Construction Sdn Bhd, has also secured a RM24.1 million subcontract from China State Construction Engineering (M) Sdn Bhd for infrastructure works in Jalan Pantai Dalam, Kuala Lumpur.

Another unit, AIZO Engineering Sdn Bhd, previously secured a RM36.79 million contract to upgrade sewage infrastructure in Terengganu, with completion targeted for the second quarter of 2027.

Looking ahead, Abang Abdillah said the group is planning to expand into upstream raw bitumen trading and broaden its footprint into Sarawak as part of its regional growth strategy.

He said the company aims to position itself for upcoming mega infrastructure developments, including Indonesia's Nusantara capital project, the Penang LRT and the Kuala Lumpur-Singapore High-Speed Rail project.

In renewable energy, the group currently owns and operates a 9.99MWac floating solar power plant in Perak.

Under a power purchase agreement signed with Tenaga Nasional Bhd last year, Wawasan Demi Sdn Bhd — a subsidiary ultimately owned by AIZO Group Bhd — will design, build, own and operate the LSS5 facility and supply electricity to TNB's grid network.