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INVESTMENT DEAL
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Vivocom, US-based Strattner ink RM1.45b investment deal

► American group in HOA to acquire up to 9% of Malaysian firm's issued share capital over 18 months

PETALING JAYA: Vivocom International Holdings Bhd has entered into a heads of agreement (HOA) with US-based global alternative investment group Strattner Alternative Credit Fund LP for the latter's US\$350 million (RM1.45 billion) investment in the Malaysian company.

Strattner is registered with the Financial Industry Regulatory Authority and the US Securities and Exchange Commission with a presence in the US, Europe and Asia.

A filing with Bursa Malaysia showed that the salient terms of the HOA entail that Strattner

has committed to purchase Vivocom's shares of not more than 9% of the issued share capital of the company from time to time, for a period of 18 months.

In return, Vivocom will have the right, to draw down capital as required. The company will control the timing and amount of capital drawn down under this agreement. This method of fundraising provides management with a flexible financing tool and allows Vivocom the ability to deploy cash on a need basis only as opportunities arise.

In a joint statement, the two parties view the

capital allocation as an investment in Vivocom as well as a starting point for a long-term strategic partnership to advance the group's growth via mergers & acquisition (M&A) activities and to fund its projects in construction, property development and minerals trading.

Vivocom CEO Datuk Seri Chia Kok Teong said he is proud of and humbled by the vote of confidence shown by Strattners in Vivocom by their commitment to invest in the company for the long term.

"The timing is perfect as we seek to grow via the M&A route and acquire companies with game-changing and disruptive strategies in their businesses," he said in a statement.

Chia elaborated that the proceeds raised from this investment deal will also be used as working capital for the recently-ventured sand and minerals trading business.