ViTrox surges to record high amid proposed bonus issue

20 June 2017

KUALA LUMPUR (June 20): ViTrox Corp Bhd's share price surged a record high at RM7.27 as an extraordinary general meeting on a proposed one-for-one bonus issue is set to take place on June 23.

At 11.14am today, ViTrox, which develops automated vision inspection systems and digital automated vision inspection equipment and modules, rose eight sen or 1.12% to RM7.23 on thin trade of 90,800 shares for a market capitalisation of RM1.68 billion. The stock has grown 101.35% in one year.

At its current share price, the stock is trading at 6.03 times its book value while valuation of its 12-month trailing (TTM) earnings per share is 28.99 sen compared to its peers such as Inari Amertron Bhd at 17.43 sen and Pentamaster Corp Bhd at 21.22 sen. Its current TTM price earnings ratio is 24.66.

On May 2, ViTrox proposed a bonus issue of up to 236.31 million new shares to reward its shareholders.

It said the bonus issue will be credited as fully paid up on the basis of one bonus share for every one existing ViTrox share, on an entitlement date to be fixed.

Meanwhile, according to the technical charts, SJ Securities Sdn Bhd senior remisier Goh Kay Chong said there are at least two sources of fund on the stock, one being a banker which is in control of 92% of the counter.

"The other is an institutional fund that seems to be buying back after taking profit for the past six days, which explains the push to a new high for ViTrox's share price. It could be related to its proposed bonus issue," he told theedgemarkets.com.

However, ViTrox founder, president and chief executive officer Chu Jenn Weng denied that there was any corporate development in the pipeline.

"I (also have) no idea if it is due to the bonus issue. The share price is a reflection of the successful execution of our strategies over the last few years with full commitment and passion," he said in a text reply.

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