

Uzma Among Top Gainers Following Rights Issue Announcement
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KUALA LUMPUR, March 19 (Bernama) -- Uzma Bhd's counter emerged among the top gainers in the morning session today following the announcement on Tuesday of a one-for-one rights issue at an offer price of 75 sen per rights share.

As at 11.48 am, the oil and gas upstream services provider's share price perked 41 sen or 7.1 per cent to RM6.18 with 3.28 million shares changing hands.

Hong Leong Investment Bank Research said the right issue exercise is positive as it strengthens the balance sheet of the company to finance an expansion plan and improve liquidity.

"We believe the funds raised will be used for potential special projects such as marginal fields, enhance oil recovery and others," it said in a research note Wednesday.

It said the exercise is expected to raise up to RM90 million, while the net cash position will improve to RM93.5 million from RM3.5 million, further beefing the company's war chest for expansion.

Currently, it said Uzma's order book stood at RM1.6 billion and is tendering for projects worth RM2.6 billion.

The research house has maintained a "hold" call on Uzma with an unchanged target price of RM6.16.

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