

It said the proceeds would also be utilised for its working capital requirements for the engineering, procurement, construction and commissioning (EPCC) contract relating to the Tanzania Project, partial development of Pengerang International Commercial Centre (PICC) and estimated expenses in relation to the proposed exercise.

The placement will involve up to 133.5 million new shares representing 10% of the company enlarged issued share capital. However, the actual number of placement shares to be issued will be determined later.

Affin Hwang Capital Research said the potential dilution impact to its FY17-19E EPS, assuming the shares were fully taken up, will be 9.1%.

Nevertheless, it is positive on the exercise as this will provide the financial muscle Serba Dinamik needs for its next phase of growth.

“Serba remains our oil and gas sector top pick with an unchanged target price of RM4.00, based on 14 times FY18 EPS,” it said.

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