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UWC stages strong debut on Main Market

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KUALA LUMPUR: Integrated engineering supporting services provider, UWC Bhd



made a strong debut on the Main Market of Bursa Malaysia, opening at RM1.10, which was 26 sen above its offer price of 82 sen.

At 9.02am, it was trading at RM1.19, up 37 sen with 31.57 million shares done.

The FBM KLCI was up 0.35 of a point or 0.02% to 1,683.22. Turnover was 81.38 million shares done valued at RM56.80mil.

UWC is riding on the wave of Internet of Things (IoT), 5G wireless broadband technology as well as the Internet of Medical Things (IoMT) as the group sees growth opportunities from these areas.

It is ramping up its production capacity and improving its production efficiency to support this demand.

The listing exercise raised proceeds of RM57.4mil. Of the amount, RM32.1mil or 56.0% will be used to buy new machinery and equipment over the next three years.

The new computer numerical control machines to be purchased are expected to increase UWC group's production capacity by about 18.6% by 2022.

The UWC group set aside RM18mil or 31.3% to repay bank loans, RM2.9mil or 5.0% for working capital and the remaining RM4.4mil or 7.7% for estimated listing expenses.

UWC plans to distribute a dividend of at least 20% of its annual audited consolidated profit after tax attributable to its shareholders.

Speaking at the listing ceremony, its group CEO Datuk Ng Chai Eng said: "Today marks a key milestone for UWC as the IPO exercise will provide us with the platform

to gain access to the capital markets for our future business expansion, strengthening the stature and corporate profile of our Group and to enhance market awareness of our business.”

With the purchase of the new machinery and equipment, we are able to increase our production capacity and improve our production efficiency, in order to better serve our customers.”

Hong Leong Investment Bank Bhd is the principal adviser, underwriter and placement agent, while WYNCORP Advisory Sdn Bhd is the corporate finance adviser.