

BUSINESS

## ACE Market-bound Siab aims to raise RM36.72 mln from IPO



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KUALA LUMPUR, Jan 28 -- Building construction services provider Siab Holdings Bhd, which is set to list on the ACE Market of Bursa Malaysia on Feb 28, 2022, is planning to raise RM36.72 million from its initial public offering (IPO).

Group managing director Ng Wai Hoe said 89 per cent of the proceeds will be set aside to enhance its capabilities including the acquisition of land for the construction of its storage facilities, implementing a building information modelling (BIM) system, new machinery, and working capital.

During Siab's prospectus launch today, Ng said the IPO exercise is expected to pave the way for stronger growth.

With its tender book currently worth RM1 billion, the company said it experienced minimal impacts from the COVID-19 pandemic, having registered a 13 per cent revenue growth in the financial year 2020.

Currently, it has eight ongoing construction projects, which is expected to be completed between 2022 and 2024, with a total outstanding contract value of RM544.98 million.

Ng said Siab also remained optimistic on its future prospects, underpinned by the positive outlook of the construction industry.

“The outlook of Malaysia’s construction industry, which includes civil engineering works and real estate construction, remains vibrant, according to independent market research firm Protégé Associates Sdn Bhd.

“The industry is expected to be on an uptrend with projected annual growth of between 6.0 per cent and 9.5 per cent from 2022 to 2025, supported by the ongoing and upcoming mega projects,” he said, adding that the local construction industry is projected to reach a total revenue of RM76 billion by 2025.

Upon listing on the ACE Market, Siab will have a market capitalisation of RM146.89 million based on the issue price of 30 sen per share and its enlarged total number of issued shares of 489.63 million shares.

The IPO entails a public issue of 122.409 million new shares and an offer for sale of 48.963 million existing shares by way of private placement.

Of the total 122.409 million new shares, 24.481 million shares would be allocated to the Malaysian public via balloting, 12.240 million shares to eligible directors, employees and persons who have contributed to the success of the group, 61.204 million shares would be placed out to selected Bumiputera investors approved by the Ministry of International Trade and Industry (MITI), while the remaining 24.481 million shares would be offered via private placement to selected investors.

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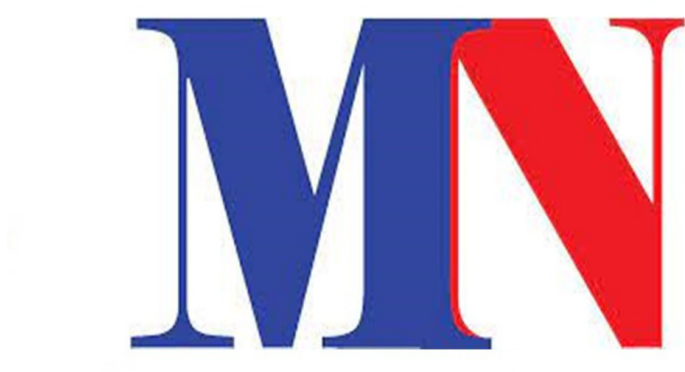
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