

## Siab to raise nearly RM37mil from IPO

By Azanis Shahila Aman - January 28, 2022 @ 4:54pm



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KUALA LUMPUR: Siab Holdings Bhd is raising RM36.72 million from the issuance of 122.41 million new shares at 30 sen under its initial public offering.

The 122.41 million shares are equivalent to 25 per cent of its enlarged share capital, Siab said in a statement today.

The company today launched its prospectus in conjunction with its listing on the ACE Market of Bursa Malaysia.

The building construction services provider said of the 122.41 million shares, 24.48 million would be made available to the public.

"Another 12.24 million shares will be made available for eligible directors, employees and individuals who have contributed to the success of the company. A total of 61.20 million shares will be reserved for private placement to Bumiputera investors approved by the Ministry of International Trade and Industry.

"The remaining 24.48 million shares will be for selected investors," it added.

Siab plans to use the total proceeds of RM36.72 million to support its future endeavours.

"Part of the proceeds will be used to enhance the company's machinery and equipment to support business expansion into higher value projects which will in turn enhance shareholders' value."

Siab also plans to use the proceeds to build a storage facility to offset its rental cost, implement building information modelling (BIM) system to improve its design and build services, upgrade and integrate back office software and systems to streamline and centralise back office operation, as well as office expansion to cater for additional work force.

Group managing director Ng Wai Hoe said the company had eight ongoing construction projects to be completed between 2022 to 2024 with a total outstanding contract value of RM544.98 million.

"We are well positioned to meet the needs of the construction industry and through our listing, we will gain exposure to the capital markets to expedite our growth process," he said.

"Our business strategy is to participate in tender for higher value projects, which includes industrial building and purpose-built building. We are also looking to hire experienced individuals to strengthen our technical capabilities and implement a BIM system which will enhance our design and build services to undertake more design and build projects," he added.

Siab is due to be listed on February 28.

Upon listing it will have a market capitalisation of RM146.89 million and an enlarged total number of issued shares of 489.63 million shares.