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Siab ends ACE market debut at 31 sen

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KUALA LUMPUR (Feb 28): Building construction services provider Siab Holdings Bhd ended its debut on the ACE Market of Bursa Malaysia on Monday (Feb 28) with a premium of 3.33% or one sen higher at 31 sen from its initial public offering (IPO) price of 30 sen.

The stock rose to a high of 34 sen, then pared its gains to settle at 31 sen — its opening price earlier in the day.

At 31 sen, the group had a market capitalisation of RM151.79 million.

It was also the most traded counter of the day, with 188.3 million shares transacted.

Siab plans to raise about RM36.72 million via its ACE Market IPO, with the proceeds earmarked for the enhancement of its machinery and equipment to support its business expansion into higher-value projects, as well as for the construction of a storage facility.

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

M&A Securities is the principal adviser, sponsor, underwriter and placement agent for the IPO.

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Last Wednesday, Siab reported a net profit of RM5.39 million for the financial year ended Dec 31, 2021 (FY21) on the back of RM166.07 million in revenue.

For the fourth quarter ended Dec 31, 2021 (4QFY21), Siab's net profit stood at RM2.37 million on the back of RM49.26 million in revenue.

There were no comparative figures for the preceding quarter as it was the first interim financial report in compliance with the Listing Requirements.

The company said that 99% or RM164.97 million of its revenue was derived from its construction and civil engineering segment, while its ICT solutions and services segment accounted for

the remaining RM1.11 million.

At the listing ceremony earlier in the day, Siab managing director Ng Wai Hoe said the group will utilise the IPO proceeds to position itself in the construction industry to bid for higher-value projects, which in turn will deliver better value to its shareholders.

“Our dynamic management team aims to strengthen our strong brand reputation and track record that will propel Siab to the next level.

“We are well poised to take on larger projects in both the residential and non-residential segments,” he said in a separate statement.

The group, which is the first construction company to list in 2022, has allocated RM6.1 million for the purchase of land and construction of storage facilities, RM13.13 million for the purchase of machinery and equipment, RM3.07 million for the purchase of building information modelling system software, RM810,000 to upgrade its software and systems, RM300,000 for office expansion and RM9.30 million for working capital. The remaining RM4 million will be allocated towards the listing expenses.