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KUCHING: Siab Holdings Bhd's (Siab) prospects remain optimistic moving forward as the group strives to complete its on-going construction projects while growing its order book, besides expanding its technical expertise, analysts highlight in an initial public offering (IPO) note.

The research arm of Public Investment Bank Bhd (PublicInvest Research) gathered that Siab, as a building construction services player, provides services covering various stages of a building construction project.

"Under a design and build project, Siab designs the proposed building construction according to client's requirements, proposed budget and implementation schedule," PublicInvest Research said.

"Also, Siab participates in building construction and engineering services projects mainly as a main contractor or principal works contractor, where the group plays a central role for all its construction activities and coordinates with project consultants, subcontractors and nominated subcontractors to ensure smooth implementation of the contract.



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"In order to complement its building construction services, Siab is also capable of providing information and communication technology (ICT) solutions and services based on clients' requirements.

"Moving forward, Siab intends to purchase land and construct storage facilities, invest and purchase new construction machinery and equipment to

support expansion plans, besides expansion of its technical team."

The research arm derived a fair value of RM0.33 based on a circa 14-fold price-earnings (PE) multiple to its financial year 2022 (FY22F) earnings per share (EPS) of 2.4sen.

It noted that the IPO is expected to raise approximately RM36.7 million from the issuance of 122.4 million new shares.