

SIAB debuts on ACE Market

BY RONNIE TEO ON FEBRUARY 28, 2022, MONDAY AT 5:57 PM

BUSINESS



Ng (fourth left) alongside other board of directors from Siab during their listing ceremony today.

KUALA LUMPUR (February 28): Siab Holdings Berhad (Siab), a building construction services provider, made its debut today on the ACE Market of Bursa Malaysia Securities Berhad. The stock is categorised under the construction sector.

At the listing ceremony, Siab Managing director Ng Wai Hoe said, "Today marks a new beginning for Siab as we turn the page to our next chapter of growth into becoming a listed entity.

"We will utilise the proceeds to position ourselves in the construction industry to bid for higher value projects which in turn will deliver better value to our shareholders. Our dynamic management team will aim to strengthen our strong brand reputation and track record that will propel Siab to the next level.

"According to Protégé Associates, the outlook of Malaysia's construction industry which includes civil engineering works and real estate construction, remains

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vibrant. We are well poised to take on larger projects in both the residential and non -residential segments.”

In its “Strategic Analysis of the Construction Industry in Malaysia” report dated June 2021, Protégé Associates, an independent market research company, projected that Malaysia’s real estate construction market will grow to RM31.75 billion by 2025, giving a compound annual growth rate of 5.1 per cen for the period from 2021 to 2025.

Siab raised RM36.72 million raised from the initial public offering exercise. The group has allocated RM6.10 million for the purchase of land and construction of storage facility, RM13.13 million for the purchase of machinery and equipment, RM3.07 million for the purchase of building information modelling system software, RM0.81 million to upgrade its software and systems, RM0.30 million for office expansion and RM9.30 million for working capital. The remaining RM4.00 million will be allocated towards the listing expenses.

M&A Securities Sdn Bhd is the principal adviser, sponsor, underwriter and placement agent for this listing exercise.

Established since 1984, Siab is registered under G7 contractor with CIDB with an extensive portfolio of completed jobs with contract value totalling RM1.49 billion. The Group has also completed three design and build projects namely the Hospital Bentong Project, The Pines Project and the F&N Intelligent Industrial Building Project.

In addition, the Group has established its own quality, environment, safety and health (QESH) management system which have been assessed and accredited the ISO9001:2015, ISO14001:2015, and ISO45001:2018.

Analysts with Rakuten Trade saw that the group has a healthy balance sheet with net cash of RM41.55 million post IPO.

“Amid the recovery of the local construction industry and Siab’s aggressive expansion plan, we expect Siab to register net profit of RM14.5 million and RM11.5 million for FY22 and FY23 respectively,” it said in its notes.



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