

KAF Investment Bank to underwrite ACE market-bound SBH Marine IPO

By [S. Birruntha](#) - January 24, 2024 @ 4:09pm



SBH Marine Holdings Bhd has inked an underwriting agreement with KAF Investment Bank Bhd (KAF IB) for its initial public offering (IPO) on the ACE Market of Bursa Malaysia.

KUALA LUMPUR: SBH Marine Holdings Bhd has inked an underwriting agreement with KAF Investment Bank Bhd (KAF IB) for its initial public offering (IPO) on the ACE Market of Bursa Malaysia.

The frozen seafood specialist said in a statement, the IPO entails an issue of 180 million new shares and an offer for sale of 50 million existing shares.

The company said of the 180 million public issue shares, 45 million will be made available to the Malaysian public via balloting, 36 million made available to the eligible directors, employees and persons who have contributed to the success of SBH and its subsidiaries (SBH Group).

A total of 61 million public issue shares made available to Bumiputera investors approved by the Ministry of Investment, Trade and Industry (MITI) while the remaining 38 million will be allocated by way of private placement to selected investors.

The 50 million shares under the offer for sale will be made available to Bumiputera investors approved by the MITI. KAF IB will underwrite a total of 81 million of public issue shares made available to the Malaysian Public and the eligible directors, employees and persons who have contributed to the success of the SBH Group.

SBH Group is primarily engaged in various stages of the frozen seafood supply chain, and headquartered in Kuala Kurau, Perak with a processing plant equipped with annual capacity of 4,800 tonnes.

SBH processes frozen seafood, especially shrimps and cephalopods, which are available in block frozen, semi-individual quick freezing (IQF), and IQF forms at its Kuala Kurau Plant.

It also operates two aquaculture shrimp farms located in Kuala Kurau and Selinsing, Perak cultivating black tiger prawns and whiteleg shrimps.

SBH Group's seafood products are mainly exported overseas to countries in the European, Middle Eastern and Asian regions.

According to SBH, the proceeds from the IPO will be for the development of Selinsing Farm, the construction of a new seafood processing plant, acquisition of machinery/equipment and motor vehicles, meeting working capital requirements, and covering listing expenses. One of the strategic moves outlined in the expansion plan is the development of the remaining ponds at the Selinsing Farm, which are expected to be fully completed by the middle of 2027.

"The further development of the Selinsing farm is expected to increase the total annual shrimp carrying capacity of both farms to 1,800 tonnes by 2027.

"The company also has plans to venture further upstream by operating its own shrimp hatchery and nursery centre this year," it noted.

SBH said this initiative aims to further strengthen the SBH Group's vertical integration, producing and supplying shrimp post larvae directly to its aquaculture shrimp farms which will further ensure self-sustainability and quality of its shrimp products.

KAF IB, besides being the sole underwriter of SBH's IPO, is also the principal adviser, sponsor and sole placement agent for this exercise.

WYNCORP Advisory Sdn Bhd is the corporate finance adviser of SBH's IPO.

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