

## Business

# SBH Marine opens at 25.5 sen for 15.9% premium in ACE Market debut

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From left: Wyncorp Advisory Sdn Bhd managing director Wong Yoke Nyen, Saw, SBH Marine Holdings deputy managing directors Tan Yuak Kwang and Tan Yuak Ming, group managing director Tan Boo Nam, Perak chief minister Datuk Seri Saarani Mohamad, SBH Marine chairman Mohd Salim Dulatti, Bursa Malaysia chairman Tan Sri Abdul Wahid Omar, KAF Investment Bank Bhd CEO Rohaizad Ismail, deputy CEO Thariq Ahmad, Perak State Agricultural Development Corp CEO Datuk Yahanis Yahaya and Bursa Malaysia CEO Datuk Muhammad Umar Swift, during the listing ceremony.

**KUALA LUMPUR:** SBH Marine Holdings Bhd made its debut on the ACE Market of Bursa Malaysia Securities today, opening at 25.5 sen per share, representing a 15.9% premium over its initial public offering (IPO) issue price of 22 sen per share, with volume of 21.23 million shares.

The stock closed at 25.5 sen, with a total of 143.64 million shares traded.

The group raised RM39.6 million through the public issue of 180 million new ordinary shares. From this gross amount, more than 70% will be used for business expansion with 40.4% or RM16 million channelled for the development of its Selinsing shrimp farm, 16.4% or RM6.5 million for the construction of its second seafood processing

plant and 15.4% or RM6.1 million for purchase of machines/equipment and motor vehicles.

Of the remainder, RM7 million and RM4 million have been earmarked for working capital and listing expenses respectively.

SBH Marine is a vertically integrated frozen seafood specialist that specialises in processing frozen seafood with a focus on shrimps and cephalopods.

Executive director Saw Leng Hean said that since its products are for the export market, the weak ringgit is working in its favour as the differential in foreign exchange rates "helps us to get a better margin".

"On top of that, whenever there's appreciation of the US dollar, it helps us improve our margins. On the other hand, should there be depreciation, we also perform a hedging over a period.

"Therefore we are quite safe if the currency drops in future. We actually earn more (revenue) right now than when the ringgit was stronger," he told reporters at a press conference, after SBH Marine's listing ceremony.

Saw opined that the food industry is not dampened by inflation, which provides the group with growth opportunities.

He noted that despite the challenges that occurred during the pandemic, its sales showed a growth trajectory.

"This shows that people are now looking for healthier protein choices, especially in marine protein ... Therefore, moving forward we are very optimistic (on the industry)," he said.

He added that the group is targeting the premium market, namely to the "highest level of consumer", due to demand.

Saw said neighbouring countries such as Vietnam, Indonesia, Thailand, India and others are mostly targeting the commodity market, which is generally focused on the low-priced segment.

"We are targeting the premium priced products, we are placed in the premium market, so that we are not in competition with our neighbouring countries. This allows us to get better margins and we also need to ensure that our products are consistently premium," he stated.








He added that it mainly exports its processed products to countries in the European, Middle Eastern and Asian regions, where they are sold in premium restaurants and

supermarkets.

Saw said the group’s exports were affected by tensions in the Red Sea in terms of the shipping routes, particularly to European and Middle East countries. However, he explained, the group was able to “pass the shipping costs to the clients”, especially to those in the European region, who provide significant contribution not only to the group but also to the overall global supply chain.

“It is not an issue for us because our sales are also diverse, (where we export) to Asian countries as well,” he added.

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