

GIKEN SAKATA Gets New Group CEO; SIIC ENVIRONMENT Is A Buy

Written by The NextInsight Team
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Sydney Yeung, 40.
NextInsight file photo.

GIKEN SAKATA obtained shareholder approval last month (Aug 22) to acquire a 53.7% stake in Cepu Sakti Energy Pte Ltd, which holds a 95% interest in PT Cepu Sakti Energy.

The latter, in turn, holds 80% right to extract oil from two oil fields in Central Java.

To spearhead this new move into the oil & gas industry, Giken Sakata yesterday announced the appointment of a group CEO with effect from 16 Sept -- Sydney Yeung, who has been its Non-Executive Non-Independent Director since Nov 2013.

Mr Tan Kay Guan will continue as the Chief Executive Director in charge of the precision engineering operations of the company.

Mr. Yeung has over 20 years of experience in finance and investment management, and is also managing director of Roots Capital Asia Ltd.

Through Roots Capital, which is wholly-owned by Mr Yeung, he is currently the largest shareholder of Giken Sakata with a stake of 16.14%.



PT Cepu Sakti is engaged in drilling wells next to old wells in Indonesia, which involves low capex, high returns and short payback periods. Photo: Company

"Giken Sakata is embarking on an exciting chapter in its business as the Group diversifies to add onshore oilfield assets in Indonesia. I am honoured and delighted to be given the opportunity to be part of the Group's growth. Therefore, I am grateful to the entire Board of Giken Sakata for this opportunity and I am confident of taking Giken Sakata to new heights," he said.

The company also announced the appointment of Mr. Valentin Schillo as the Group's deputy Chief Financial Officer, also with effect from 16 Sept.

Mr. Schillo was previously with a bulge bracket investment bank in Singapore, Hong Kong and London for almost a decade. He worked on numerous mergers and acquisitions, IPOs, as well as restructuring and financing deals.

Prior to joining the Group's Board in January 2014, he was with the Halcyon Group in Singapore for 6 years, primarily serving as the Group CFO.

Mr. Schillo will resign as an Independent Director and member of the Audit Committee and Remuneration Committee with effect from 16 Sept 2014.

Recent story: [GIKEN SAKATA: Up 512% this year ahead of oil venture in Indonesia](#)

Excerpts from analyst' report

OSK-DMG keeps buy rating on SIIC Environment

Analyst: Sarah Wong

SIIC Environment (SIIC SP) acquired 100% of equity interest in Dongguan Shijie Shayao Water Purification Co., Ltd and Dongguan Fenggang Yantian Fangzhong Water Services Co., Ltd for a purchase consideration of RMB88.0m and RMB78.6m respectively. This adds up to a total consideration of RMB186.6m. Dongguan Shijie currently undertakes a 25-year wastewater treatment project with design capacity of 60,000 tonnes/day.

On the other hand, Dongguan Fenggang has a 25-year wastewater treatment project with design capacity of 50,000 tonnes/day. The acquisition will be made in cash, and be funded by a loan from Shanghai Shen-Yu Development Co., Ltd, a wholly-owned subsidiary of the parent of SIIC Environment, Shanghai Industrial Holdings Ltd and internal resources of the Group.

We currently have a TP of SGD0.188 and BUY rating on SIIC Environment.