

Company Name : Heng Huat Resources Group Berhad
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ACE Market Debut By Heng Huat

KUALA LUMPUR: Heng Huat Resources Group Bhd made a strong debut on the ACE market of Bursa Malaysia, opening at 61 sen or 36% higher than its initial public offering (IPO) price of 45 sen.

The shares, which traded between a high of 62 sen and a low of 55 sen, closed at 56 sen for a 24.4% gain over its IPO price. A total of 51.89 million shares changed hands. The shares were one of Bursa's top gainers and most active.

Heng Huat's exports to China have more than doubled in recent years, comprising primarily of empty fruit bunches (EFB) fibre, to RM40.7mil in financial year 2013 from RM18.7mil in 2011.

With just over 50% of the group's revenue being contributed by the China market, Heng Huat intends to expand more in that direction by establishing a subsidiary company in southern China.

"The subsidiary company will bring a positive increment in revenue to the company," executive director Lim Ghim Chai said after the listing ceremony yesterday, adding that the group already had 10 intermediary companies in China.

Following the IPO, Heng Huat aims to raise sales of briquette, a cleaner alternative energy source, to take advantage of the recent ban placed on new coal-fired plants in China.

This will assist in the group's objective of increasing revenue by 10% by the end of the year, driven by its robust performance in the first quarter of 2014.

Heng Huat's IPO raised RM20.93mil in proceeds, of which RM4mil will be allocated for capital expenditure and RM4.55mil for working capital. The balance funds will be used to repay bank borrowings and defray listing expenses.