

Company Name : Heng Huat Resources Group Berhad
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Heng Huat Gains 25% On Debut

KUALA LUMPUR (July 25): Shares of Heng Huat Resources Group Bhd, which made its debut on the ACE Market of Bursa Malaysia on Friday, rose to a high of 62 sen within the first few minutes of trading.

The stock was among the most actively traded stocks and jumped 25.6% to 56.5 sen from its initial public offering price of 45 sen.

As at 9:30am, some 36.1 million shares had been transacted.

The Penang based integrated manufacturer of oil palm and coconut biomass products had earlier announced that its public tranche was oversubscribed by 60.3 times, indicating positive demand by retail investors.

The company received 14,863 applications for 428.7 million shares with a total value of RM192.9 million, for the public tranche of seven million shares under the group's IPO.

Heng Huat is aiming to raise RM20.93 million from its IPO of which RM4.0 million would be for capital expenditure and RM4.55 million for working capital.

The balance RM9.38 million and RM3.0 million would be used to repay bank borrowings and defray listing expenses respectively.

Its IPO entails a public issue of 46.5 million new ordinary shares of 10 sen each and an offer for sale of 14.66 million existing shares, at an issue/offer price of 45 sen per share.

Of the public issue of 46.5 million shares, 7 million will be for application by the Malaysian public; while 5.0 million will be allocated to eligible employees and persons having contributed to the success of the group.

The company is also looking at extending their geographical footprint in China. Heng Huat's exports there already account for 55.2% of total group revenue for its financial year ending December 31, 2013 (FY2013).