

MEDIA CLIPPING

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Public portion of Heng Huat IPO oversubscribed 60 times

PETALING JAYA: Heng Huat Resources Group Bhd, an integrated manufacturer of oil palm and coconut biomass products in Malaysia, saw its public tranche oversubscribed by 60.3 times in its initial public offering (IPO) on the ACE Market of Bursa Malaysia.

Heng Huat received a total of 14,863 applications for 428.7 million shares with a total value of RM192.9 million, for the public tranche of 7 million shares under the group's IPO.

Heng Huat co-founder and managing director H'ng Choon Seng said the oversubscription for Heng Huat's IPO signifies keen interest from the investing community towards its business proposition and growth potential in the biomass processing industry, both domestically as well as internationally.

"Heng Huat's upcoming listing will serve to enhance our corporate profile, and at the same time accord us the necessary working capital as we embark onto the next stage of growth," H'ng said in a statement.

Heng Huat is scheduled to be listed on the ACE Market of Bursa Malaysia on Friday (25 July).

Heng Huat currently has three oil palm biomass processing facilities in Selama, Kedah, and in Seberang Perai Selatan, Penang, with a 20-line processing capacity of 100,500 metric tonnes of empty fruit bunch fibre per year.

The group also has a coconut biomass processing plant in Bachok, Kelantan, as well as a production plant in Seberang Perai Selatan, Penang for downstream manufacturing of mattresses and related products.

Heng Huat's IPO entailed a public issue of 46.5 million new 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.

It raised RM20.93 million in proceeds for the group, of which RM4 million will be allocated for capital expenditure and RM4.55 million for working capital. The remaining RM9.38 million and RM3 million would be allocated for repayment of bank borrowings and defraying listing expenses respectively.