

## MEDIA CLIPPING

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# Public IB eyes six IPOs in 2010

## IPOs include three companies from China

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KUALA LUMPUR: Public Investment Bank Bhd (Public IB) has targeted to secure six initial public offerings (IPOs) jobs this year, including three from China companies compared with only one IPO it handled last year, said its head of corporate finance and advisory Phang Siew Loong.

He said the Securities Commission had approved the listing of two of the China companies.

"We expect these companies to be listed on the Main Market of Bursa Malaysia by the second quarter of this year," he told reporters at the signing of an underwriting agreement between Public IB and Hock Heng Stone Industries Bhd yesterday.

On the two China companies, Phang said one is engaged in sportswear while the other is in the seafood processing industry.

On the move by the China companies to come here to raise funds, he said: "A company making profits of between RM50 million and RM100 million per year is considered very



Phang. Photo by Suhaimi Yusuf

small in China and this makes it difficult for them to be listed in China.

"They need to wait at least three to four years to get listed in their market. That's why they chose Malaysia."

Phang said the current Chinese government which had tightened borrowings to its business players had also forced them to choose Malaysia to list.

Last year, the only IPO job han-

dled by Public IB was home linen manufacturer, Yoong Onn Corporation, which was listed on the Main Market on Dec 23.

Meanwhile, Hock Heng's IPO will be the first managed by Public IB this year and the company is expected to be listed on the Main Market by end-March. Public IB is the adviser, underwriter and sole placement agent for the IPO while Mercury Securities Sdn Bhd and JF Apex Securities Bhd are the co-underwriters.

At the signing ceremony, Hock Heng's chairman and managing director Low Kim Hock said the listing exercise involved a public issue of 15.34 million new shares that will raise RM8.4 million, and a public offer of 14.3 million existing shares, both at 55 sen each. The company is expected to launch its prospectus in early March.

Of the 15.34 million new shares issued, six million shares will be allocated to the public, 7.3 million shares for private placement to approved bumiputera investors and selected investors with the remaining two million shares for eligible directors, employees and business associates.

As for the 14.3 million existing shares offered, 4.4 million will be allocated to bumiputeras, and the

balance of 9.7 million to selected investors. The group plans to raise RM7.8 million from these shares for the offerors.

A total of RM4 million raised from the public issue will be allocated for working capital, RM2.1 million to be invested in its quarry in Johor and RM1.5 million for the listing expenses.

The group also intends to invest RM800,000 for its RM5.7 million sales office-cum-secondary processing plant in Pekan Subang, which is poised to commence operations in the third quarter of 2010.

"The balance of the cost will be financed by internally generated funds and borrowings," Low said.

The group currently has a manufacturing plant in Malacca and secondary processing plants in Pahang and Johor.

"Moving forward, we hope to further strengthen our presence in Malaysia by setting up more sales offices and secondary processing plants in order to enhance our time-to-delivery," he said.

Hock Heng, which manufactures, sells, distributes and trades in a wide range of dimension stones including granite, marble, sandstone and slate, also plans to set up a sales office and warehouse in the northern region.