

MEDIA CLIPPING

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Hock Heng Stone targets RM8.4m from IPO in 1Q

EN ROUTE to the main board of Bursa Malaysia, Hock Heng Stone Industries Bhd expects to raise RM8.4 million from the company's initial public offer (IPO) exercise.

A manufacturer of dimension stones in Malaysia, Hock Heng aims to list on Bursa Malaysia by the first quarter (1Q) of this year.

At the underwriting ceremony for the IPO yesterday, its chairman and managing director Low Kim Hock said, "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."

"To this end, we are currently building a sales office-cum-secondary processing plant in Pekan Subang, Selangor, to meet the strong demand for dimension stones in the Klang valley. This facility, expected to commence operations in 3Q10, aims to enlarge our market share in the central region," added Low.

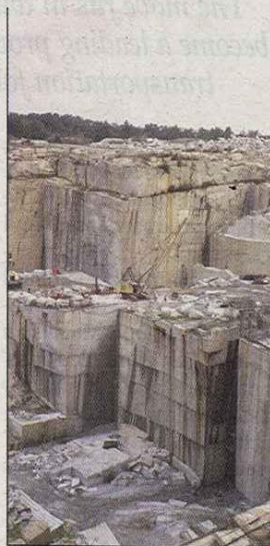
The company's business activities include manufacturing, selling, distributing and trading of a wide range of dimension stones, including granite, marble, sandstone and slate

The group intends to invest RM5.7 million to construct the facility and purchase machineries.

Of the total investment, RM800,000 will come from part of the IPO proceeds, while the balance will be financed by internally generated funds and borrowings.

Hock Heng's IPO entails a public issue of 15.3 million new shares, and an offer-for-sale of 14.3 million existing shares at an issue price of 55 sen each.

Of the 15.3 million shares for public issue, 6 million



trading of a wide range of dimension stones, including granite, marble, sandstone and slate. Hock Heng's products are mainly used for a wide array of applications in the commercial and residential properties, such as façade walls, flooring, staircases, monuments, furniture, pillars, garden sets and landscaping.

Hock Heng caters to retail and commercial customers through its manufacturing plant in Melaka as well as sales offices located in Selangor and sales-cum-secondary processing plants located in Pahang and Johor.

Among the group's project portfolio includes the supply and installation of dimension stones for external infrastructure and landscaping for Kuala Lumpur City Centre, carving panels for the Prime Minister's office in Putrajaya, and dimension stone finishing for common areas, residential units as well as external landscape of the Suria Stonor Condominium in KL Sentral.

shares will be allocated for the Malaysian public via balloting, 7.3 million shares for private placement to Bumiputera and selected investors, and 2 million shares for eligible directors, employees and business associates who have contributed to the success of the group.

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