

HENG HUP HOLDINGS LTD:
THERE IS MONEY TO BE EARNED
IN SELLING RUBBISH AND RECYCLED RUBBISH

As the 14-month-old, trade war between The United States of America and the People's Republic of China (PRC) appears, today, to be winding down, with a bilateral agreement well-expected to be signed by representatives of the two largest economies of the world, any time soon, one is reminded that it was only two years ago that the Malaysian Government was forced to take protective measures against the PRC Government in order to stymie the dumping of PRC steel products from entering the country: Malaysia imposed additional tariffs on such imports from the second-largest economy of the world.

Prior to April of 2017 when the imposition of the revised Malaysian tariffs came into force, tariffs, targeting PRC exporters, known to have been dumping steel products in Malaysia, the steel industry of Malaysia was suffering, due to these dumping practices of PRC corporate entities, discovered to have been linked to, and controlled by, the PRC Government.

An experience of déjà vu for President Donald John Trump, no doubt!

Management of Heng Hup Holdings Ltd () (Code: 1891, Main Board, The Stock Exchange of Hongkong Ltd) still recalls those stormy days that '*posed strong headwinds to the steel industry of Malaysia*', but although one does not forget the PRC exporters, unfairly and illegally dumping their steel products on the markets of Malaysia, today, the tide has turned, it does appear.

The Initial Public Offering (IPO) Of Heng Hup Holdings Ltd

On Wednesday, February 27, 2019, Heng Hup Holdings Ltd published and disseminated its Share Offer Prospectus in the Hongkong Special Administrative Region (HKSAR) of the PRC.

Management of this ferrous metal trader in Malaysia sought to find buyers for its 250 million, one-cent Shares at the Indicative Offer Price Per Share, ranging between a low of 50 cents and a high of 62 cents.

Investors of the HKSAR were Offered 25 million Shares and 225 million Shares were, presumably, reserved for Qualified Institutional Investors, Professional Investors and/or select, Well-Heeled Individual Investors, as well as the corporate entities under their immediate control, via Share Placements.

At Page 248 of the Share Offer Prospectus of Heng Hup Holdings Ltd, Management outlined how it envisaged the utilisation of the net proceeds of the IPO on the assumption that the Offer Price Per Share was stuck at 56 cents, being the midpoint of the Indicative Offer Price Per Share, with the net proceeds from the Share sales, anticipated to bring into the Company's coffers about \$HK94.30 million, net of expenses.

The following wish list is copied from this Page:

- (a) Approximately, \$HK8.30 million, that is about 8.80 percent of the net proceeds, *'will be used for partially replacing our fleet of trucks'*;
- (b) Approximately, \$HK6.70 million, that is about 7.10 percent of the net proceeds, *'will be used for enhancing our processing abilities'*;
- (c) Approximately, \$HK2.20 million, that is about 2.30 percent of the net proceeds, *'will be used for setting up our enterprise resource planning system'*;
- (d) Approximately, \$HK10.50 million, that is about 11.10 percent of the net proceeds, *'will be used for setting up a new scrapyards in the east coast of Peninsular Malaysia'*;
- (e) Approximately, \$HK14.70 million, that is about 15.60 percent of the net proceeds, *'will be used for (the) expansion of our scrapyards in Selangor'*;
- (f) Approximately, \$HK42.50 million, that is about 45.10 percent of the net proceeds, *'will be used as our working capital for our scrap ferrous metal trading business'*; and,

- (g) Approximately, \$HK9.40 million, that is about 10.00 percent of the net proceeds, 'will be used as our general working capital or for other general corporate purpose (excluding the purchase of scrap materials)'.

The History And Business Of Heng Hup Holdings Ltd

Heng Hup Hardware, a Partnership, was established in 1996 in the State of Melaka, Malaysia.

This Partnership was conceptualised by Messrs Sia Kok Chong and Sia Kok Seng, both being brothers.

The business of this Partnership was, originally, to trade in scrap ferrous metals and used batteries.

The Partnership was ... [CLICK TO ORDER FULL ARTICLE](#)

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