



HOCK HENG STONE INDUSTRIES BHD.

(Company No: 840040-H)

Lot 197, Jalan Sungai Putat, Batu Berendam, 75350 Melaka, Malaysia.

Tel: 606-3176324 / 606-3172028 Fax: 606-3179324

Website: www.hockheng.com.my Email: admin@hockheng.com.my

PRESS RELEASE

Hock Heng targeting bigger market share

- *Group to set up first processing plant in the Klang Valley in 2Q10*
- *IPO to raise RM8.4 million for the Group's expansion plans*

Kuala Lumpur, Malaysia, 9 February 2010 – Hock Heng Stone Industries Bhd (“Hock Heng”, “the Group”, “福興石業”), one of the major manufacturers of dimension stones in Malaysia, intends to extend its market reach in Malaysia by setting up its first processing plant in the Klang Valley.

Currently, Hock Heng has its manufacturing plant in Melaka, and secondary processing plants in Pahang and Johor.

“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 the third quarter of 2010, aims to enlarge our market share in the central region.”

Mr. Low Kim Hock (“刘金福”)

Chairman and Managing Director, Hock Heng Stone Industries Bhd

The Group intends to invest RM5.7 million to construct the facility and purchase machineries. Of the total investment, RM0.8 million will come from part of the IPO proceeds, while the balance will be financed by internally generated funds and borrowings.

The Group shared its plans today at the underwriting signing ceremony between Hock Heng and Public Investment Bank Berhad (“PIVB”) - adviser, managing underwriter, underwriter, and sole placement agent, as well as co-underwriters Mercury Securities Sdn Bhd (“Mercury”), and JF Apex Securities Berhad (“JF Apex”).



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Signing on behalf of Hock Heng were Chairman and Managing Director, Mr. Low Kim Hock (“刘金福”) and Executive Director, Mr. Low Kim Joo (“刘金裕”) while PIVB was represented by its Chief Executive Officer Mr. Teoh Cheng Soon (“赵清顺”). The co-underwriters were represented by Mr. Siew Kwong Cheong, Head of Branch of Mercury, and Mr. Lim Teck Seng, Chief Executive Officer of JF Apex.

Founded in 1988, **Hock Heng** Group is in the business of manufacturing, selling, distributing and trading of a wide range of dimension stones, including granite, marble, sandstone and slate.

Hock Heng has also established integrated operations, from cutting large stone blocks, to grinding and fine-cutting of stones into finished products of various shapes and sizes. With this processing capability, Hock Heng is able to manufacture products for a wide variety of applications such as façade walls, columns and pillars, flooring, staircases, kitchen tops and counters, architraves, water features and monuments.

In his speech, Teoh Cheng Soon said: “With the listing of Hock Heng Stone Industries Bhd on the Main Market of Bursa Malaysia Securities Berhad, the Company will be able to gain access to the capital market to raise funds to finance its future expansion and continued growth. The IPO provides an opportunity to the general public to invest in an established quality company that operates in the dimension stone industry and to participate in the continuing growth and success of the Group.”

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 RM0.55 each. The IPO is expected to raise RM8.4 million for the Company and RM7.8 million for the offerors.

Of the 15.3 million shares for public issue, 6.0 million shares will be allocated for the Malaysian Public via balloting, 7.3 million shares for private placement to Bumiputera and selected investors, and 2.0 million shares for eligible directors, employees and business associates who have contributed to the success of the Group.

Barring unforeseen circumstances, Hock Heng aims to list by the first quarter of 2010.

Technical Terms

Dimension stones (“装璜石材”): Natural rock material that is cut to specific dimensions for use in the building, construction and monumental industries.



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About Hock Heng Stone Industries Bhd

Founded in 1988, **Hock Heng Stone Industries Bhd (“Hock Heng”)** is one of the major manufacturers of dimension stones in Malaysia.

Hock Heng’s business activities include manufacturing, selling, distributing and 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.

Issued for and on behalf of HOCK HENG STONE INDUSTRIES BHD by Aquilas Advisory (Malaysia) Sdn Bhd.

For media enquiries, please contact:

Mr. LOW Yong Seng
Ms. Julia PONG

hhddc@yahoo.com
julia@aquilas.com.my

T: +606-317 2028
T: +603- 2711 1391
H/P: +6012-3909 258