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Kanger launches IPO

It will become 10th firm from China to be listed on Bursa

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BAMBOO products integrated manufacturer Kanger International Bhd aims to raise RM20 million from its initial public offering (IPO) to enable it to expand abroad.

Managing director Leng Xing-min said the China-based company plans to extend further than its current markets of the United Arab Emirates, Romania, Russia and China. "The forthcoming listing on Bursa Malaysia will serve as a platform to grow our business to the next level.

"Kanger is among the top 20 bamboo flooring manufacturers in China. We see more demand coming from other countries as the awareness for environmentally-friendly materials increases in the property and construction industries."

Aside from flooring and wall panels, the semi-finished bamboo products can be sold as material to make furniture and decoratives. Its key market is China, contributing up to 50% of its sales but it also exports to Turkmenistan, Germany, France, Australia and the US.

It exports semi-finished bam-

boo products both as an original equipment manufacturer and under its house brand. In certain markets, it has also set up outlets to market the Kanger brand bamboo products.

Commenting on its 2012 results, Kanger corporate adviser Christopher Goy said the company is looking at a revenue of RM45 million to RM50 million, or a 20% growth. He said its audited third-quarter results will be announced on Dec 21. The group has not fixed any dividend policy but it plans to allocate 20% of its profits for that purpose.

While admitting Kanger does not have any sales channel in Malaysia at the moment, Goy says the group wants to complete its research and development efforts before seeking distribution agents.

"We are also exploring opportunities with local property developers and are open to working with the China developers who have projects here. In the next year, we would need the funds to expand first."

Kanger was set up in Malaysia on August 27 last year. The

company has an agreement with FRIM, signed in 2011, to collaborate and conduct research on suitable Malaysian bamboo species for development of strand woven bamboo planks and the ensuing application of these products.

Kenanga Investment Bank Bhd corporate and institutional coverage head Leong Yew Loong said: "Kanger will be the 10th China company to be listed and the first and only ACE Market company to be listed on Bursa Malaysia this year.

"It will have a market capitalisation of RM107.5 million upon listing and will also be the last Malaysian IPO of the year."

Kenanga Investment is the adviser, sponsor, underwriter and placement agent for the listing. Kanger will be listed on Bursa Malaysia's ACE Market on Dec 23.

The listing entails a public issue of 80 million 10 sen shares at issue price of 25 sen each, of which 11 million shares are available for application by the public and 69 million for placement to selected investors.

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RAISING FUNDS: (From left) Leng, Kanger chairman Datuk Paduka Sharipah Hishmah Sayed Hassan, major shareholder Syed Razlan Jamallulail and Leong at the prospectus launch — Pic: HAFZI MOHAMED