

CEOMORNINGBRIEF

KUALA LUMPUR (Sept 29): Die-cutting solutions provider CEKD Bhd made its debut on the ACE Market at 62 sen on Wednesday, up 14 sen or 29.2% over its initial public offering (IPO) price of 48 sen.

The stock later pared some gains to close at 54.5 sen, still up 6.5 sen or 13.5% from its IPO price, after 98.33 million shares changed hands.

Bernama reported, citing its independent non-executive chairman Datuk Zulkifli Adnan, that the IPO, under which it aimed to raise RM24.28 million, is expected to give the group more visibility and aid in the expansion of the business.

“We have plans in the pipeline post listing to expand our operations and manufacturing services in our existing markets as well as solidify our position in Southeast Asia and the Middle East.

“We believe that there are plenty of opportunities that we can tap into in these markets due to growth in the electrical and electronics (E&E), plastic and packaging, automotive as well as textile and leather industries,” he was quoted as saying during the company’s virtual listing ceremony.

CEKD announced last week that the public portion of its IPO was oversubscribed by 131.61 times.

CEKD makes strong debut on ACE Market

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CEKD manufactures die-cutting moulds and trades related consumables, tools and accessories mainly for the paper printing and packaging industry, E&E industry and other industries, such as the automotive, plastic packaging, textile and leather industries.

From its IPO proceeds, RM8.8 million would be used to acquire a factory for its wholly-owned subsidiary Hotstar (M) Sdn Bhd to expand its premise and increase production capacity. The company will then use RM3 million to buy new machinery, RM1.3 million to upgrade and develop computer software and servers, and RM4 million to repay bank borrowings. The balance will be used for marketing activities, working capital and listing expenses.

Managing director Yap Kai Ning said the boost of e-commerce would lead to higher demand for packaging, such as pa-



per boxes and corrugated boxes, as well as eco-friendly packaging opted by some e-commerce players.

“As they will need our die-cut moulds for their packaging, it will also provide us opportunities for innovation in the packaging industry to enhance packaging design and product safety, improve the unboxing experience and optimise packaging for last-mile delivery,” she said.