

CEKD aims to raise RM24mil from IPO

KUALA LUMPUR: CEKD Bhd, en route to a listing on the ACE Market of Bursa Malaysia on Sept 30, aims to raise RM24.28mil from its initial public offering (IPO).

The proceeds will be used to fund expansion plans including the purchase of a new manufacturing facility and machinery as well as an upgrade of computer systems.

According to a statement accompanying its prospectus, CEKD is a die-cutting solutions provider as well as manufacturer of die-cutting moulds and trader of related consumables, tools and accessories.

Of the proceeds, RM8.8mil will be utilised for the acquisition of a factory for manufacturing unit Hotstar (M) Sdn Bhd, RM4.3mil for capital expenditure, RM4mil for repayment of borrowings and the remainder will go towards marketing activities, working capital and listing expenses.

"The forthcoming listing of CEKD marks a significant milestone in our history. This IPO will

not only strengthen our presence in the industry as a leading die-cutting solutions provider and manufacturer but also raise our profile to help us in our expansion plans.

"We are committed to sustaining our reputation and creating value for our shareholders," said managing director Yap Kai Ning.

The listing involves the issue of 50.59 million new shares at an issue price of 48 sen apiece.

The shares will be made available via the issue of 9.73 million new shares to the Malaysian public, 9.73 million new shares to eligible directors, employees and persons who have contributed to the success of the group, 6.81 million new shares to be privately placed with selected investors, and 24.32 million new shares to be privately placed with bumiputra investors.

According to CEKD, it had a large and diverse customer base of 1,309 customers as at Aug 6, 2021, and achieved an average gross profit margin of 48.3% from financial year 2018 (FY18) to FY20.