

CEKD makes strong debut on ACE Market

Stock opens at 25% premium over IPO price of 48 sen

CORPORATE

PETALING JAYA: The ACE Market's newest entrant CEKD Bhd will channel the proceeds from its initial public offering (IPO) to expand its operations and client base.

The manufacturer and solutions provider of die-cutting moulds made a strong debut yesterday at 60 sen, representing a 12-sen or 25% premium over its IPO price of 48 sen per share.

"We are very happy with the successful listing of CEKD and also the recognition from the market. We are also happy to note of the oversubscription rate for our shares as well," the company's managing director Yap Kai Ning said at a press conference following its listing ceremony yesterday.

CEKD recorded an over-subscription rate of 131.61 from the new shares made available to the Malaysian public, its statement said.

"We will be earmarking RM8.8mil (or 36.2% of total funds raised) for the acquisition of a factory for our unit Hotstar (M) Sdn Bhd," she said.

The company raised RM24.28mil in total from its listing exercise, which had M&A Securities Holdings Bhd as the adviser, spon-

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Yap Kai Ning

sor, sole underwriter and placement agent.

It would allocate RM3mil or 12.4% of total funds raised for the purchase of new machinery, and RM1.3mil or 5.4% for the upgrading and development of its computer software and server.

An amount of RM4mil or 16.5% would be used to repay its bank borrowings, RM1.5mil or 6.2% for marketing activities and RM2.68mil or 11% for general working capital. The remainder of RM3mil or 12.3% would be used to defray the expenses of the listing exercise.

"We would like to also widen our customer base especially in South-East Asia. Our focus here will be on the countries with high popu-

lation as they have a higher number of consumers. They will need different types of packaging to cater for this demand," Yap said.

"Since we can't travel or join any (trade) exhibitions now. I have been seeing a number of exhibitions being done virtually, especially in the US and Europe. However, if we have any opportunity we would join the physical exhibition instead of the virtual ones," she added.

Yap said physical trade exhibitions were still more effective since the firm could meet up with customers and at the same time exhibit its products to potential customers.

"However, we also have to adapt to the new norm (of virtual exhibitions) especially in this pandemic. We also advertise in international trade magazines. We are very sure of our growth opportunity in the untapped markets," she said.

Its chief financial officer Pearly Hiew Pei Li said the company would "soon" adopt a dividend policy following this listing.

CEKD's shares closed at 54.5 sen yesterday with a total volume of 97.85 million shares.

CEKD said it was the only die-cutting mould specialist in South-East Asia to be certified by Bobst Mex SA, a leading global supplier of machinery and services to the packaging industry from Switzerland.