

Cabinet Holdings to raise RM11.76m from IPO

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PETALING JAYA: Cabinet Holdings Bhd aims to raise RM11.76 million from its initial public offering (IPO) in conjunction with its listing on the ACE Market of Bursa Malaysia on May 22.

Of the total proceeds, 44.7% or RM5.26 million will be used for working capital and the purchase of equipment components and parts for projects in its ELV systems, structured cabling and IT services divisions.

About 4.3% or RM500,000 will be used for research and development while 25% or RM3 million will be used to repay bank borrowings of the group, which currently stands at RM6.29 million. Another 25% will be used to foot listing expenses.

The group's independent non-executive chairman Datuk Tan Kok Hong said with the IPO, the company is aiming to increase its market presence in Johor while pursuing more opportunities for more projects beyond the state.

The Johor-based group which is mainly involved in building management solutions provision, is offering 21 million new ordinary shares with an issue price of 56 sen.

Cabinet will be offering seven million shares to the Malaysian public, 10 million for identified investors through private placement and the remaining four million is allotted for eligible directors, key management personnel and employees as well as those who have contributed to the group's success.

Post-IPO, both majority shareholders namely Tay Hong Sing, who serves as Cabinet's CEO and his deputy Tan Boon Siang, will have their stakes diluted to 25.08% each. Tay and Tan currently hold 29.91% stake each in Cabinet.