

Kumpulan Perangsang Selangor unit partners China-based printing firm to produce offset carton boxes

Erika Benjamin | 9 April 2018

KUALA LUMPUR (April 9): Selangor government-linked firm **Kumpulan Perangsang Selangor Bhd** (KPS), via its subsidiary Century Bond Bhd, is partnering a China-based printing firm to produce offset carton boxes for the manufacturing sector, which KPS expects to contribute to its future earnings.

The partner, Honda Printing Holdings Ltd, will hold a 40% stake in the joint venture firm — Imej Harmoni Sdn Bhd, which will have a combined investment of RM2.87 million — while Century Bond via its unit Pro Pulp Packages Sdn Bhd, will take up the controlling stake of 60%.

Headquartered in Shenzhen, Honda Printing, which specialises in printing, packaging and design solutions, serves numerous multinational clients in the manufacturing sector across China, Malaysia, Vietnam and the United States, according to KPS. Century Bond, meanwhile, currently manufactures a wide array of packaging solutions, including carton boxes.

This JV with Honda Printing will enable it to extend its value-chain into offset carton boxes, where the outer layer of the box is laminated by a printed sheet to provide finer and more vibrant printing, KPS said in a statement today.

The JV firm will operate from a factory in Johor Bahru that has a built-up area of 18,000 sq ft, with a total production capacity of 16 million pieces per year. Operations of the JV firm "are expected to commence in the second quarter of the financial year ending Dec 31, 2018 (FY2018), and contribute to earnings henceforth," KPS said.

KPS chief executive Ahmad Fariz Hassan said the JV combines the expertise of the two companies in the downstream production of carton boxes, and the upstream services of design and printing.

"With this, the JV would greatly enhance Century Bond's capabilities, extend our product range into offset carton box production, and open up new markets in the future. Moreover, the JV would have a strong cost advantage compared to other players, leveraging on Century Bond's current expertise in producing the raw material of carton boxes," Fariz said.

"We are very positive of the prospects of our manufacturing segment through Century Bond, and look forward to grow the manufacturing business further," he added.

At market close, KPS shares rose 2 sen or 1.57% to settle at RM1.29, bringing a market capitalisation of RM638.725 million.

<http://www.theedgemarkets.com/article/kumpulan-perangsang-selangor-unit-partners-chinabased-printing-firm-produce-offset-carton>