



**PRESS RELEASE**  
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## **Kumpulan Perangsang Selangor acquires fully-integrated Electronic Manufacturing Services player for RM250 million cash**

- ***Purchase of CPI (Penang) Sdn Bhd marks entry into Electronic Manufacturing Services (EMS) sector with global clientele across automotive, healthcare, telecommunications, as well as industrial and consumer industries***
- ***CPI's strong historical revenue growth, client retention denotes sector expertise***

**Kuala Lumpur, Malaysia, 14 February 2018** – Diversified group **Kumpulan Perangsang Selangor Berhad** (KPS, the Group, Bursa: 5843; Bloomberg: KUPS:MK; Reuters: KPSB.KL) announced its acquisition of Penang-based fully-integrated EMS player, **CPI (Penang) Sdn Bhd** (CPI), marking the Group's entry into a new sub-sector under manufacturing.

KPS entered into a conditional Share Sale Agreement (SSA) for the acquisition of 100% equity stake in CPI from HK Resources Sdn Bhd and TCS Resources Sdn Bhd for RM250 million. The purchase consideration, which values CPI at an enterprise value to earnings before interest, tax, depreciation and amortisation (EV/EBITDA) ratio of 6.5 times, will be fully satisfied in cash from internal funds and bank borrowings.

Founded in 1990, CPI today offers complete EMS solution to its customers, from end-to-end plastic injection moulding services encompassing product design or conceptualisation, tool fabrication and production, to complete box-build services. Its plastic injection moulding division focuses on engineering thermoplastics (ETP) with higher-performing thermal and mechanical properties. CPI is currently operating in the Bayan Lepas Industrial Zone in Penang. It intends to add to its property portfolio for expansion of its EMS capacity in the near future.

CPI's proven capabilities contribute towards its good track record at retaining customers, with significant majority having been with CPI for at least 6 years. The clientele of over 90 corporations worldwide comprises market leaders and multinational companies from the automotive, medical, telecommunications as well as industrial and consumers industries. CPI holds various international quality management certifications to supply to these industries, including ISO9001:2008, ISO/TS 16949:2009 (Automotive), ISO 14001:2004 (Environment) and ISO 13485 (Medical).

CPI recorded a consistent revenue growth trend in FYE 2015 and 2016 with year-on-year growth of 16% and 17% respectively. Over 50% of the annual revenue is from exports while local sales are primarily to Malaysia-based subsidiaries of multinational groups.

Post-acquisition, KPS intends to retain the senior management team of CPI, including the Chief Executive Officer who is also one of the indirect shareholders of the company.



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“What we liked about CPI is its focus on high precision, high value products. Its business strategy has consistently yielded higher margins, and is more resilient to swings in economic cycles by catering to a diversified clientele.

The plastic injection moulding segment makes up the lion’s share of CPI’s revenue at present but we foresee the box-build segment realising its tremendous potential to contribute a bigger portion to CPI’s top line, and we would like to be an integral part of the team that accelerates and propels CPI onto the next stage of rapid expansion.

The current shareholders have built CPI to the undiscovered gem it is today complete with a team of experienced technical experts, and we are gratified to be entrusted with the future of the company and its employees, and their commitment to work closely with us to ensure a smooth transition with the change of ownership.

Being a high-end manufacturing company with firm footprint in the international market, this acquisition is aligned with our Group’s vision and aspiration to grow beyond borders in our aim to generate long-term, sustainable growth in returns to our shareholders.”

***Ahmad Fariz Hassan***  
**Chief Executive Officer of KPS**

The proposed acquisition is not subject to the approval of the shareholders of KPS. Barring unforeseen circumstances, the proposed acquisition is targeted to be completed before the end of Q1 2018, contributing to KPS’ financial performance as a group.

Elaborating further on KPS’ role in CPI post-acquisition, Fariz added: “We are committed to maintaining the superior quality that CPI has consistently delivered to its customers throughout the years. A key driver to CPI’s historical growth is the continuous exploration and investment in resources for capacity expansion and to drive improvement in operational effectiveness and efficiencies of CPI. It is a culture that we support, and we look forward to working with the management team on the ongoing efforts to serve the customers better.”

### **About Kumpulan Perangsang Selangor Berhad ([www.perangsangselangor.com](http://www.perangsangselangor.com))**

Incorporated in August 1975, Kumpulan Perangsang Selangor Berhad (“KPS” or the “Company”) is a public limited liability company listed on the Main Market of Bursa Malaysia Securities Berhad. The Company has a varied investment portfolio with assets involved in Manufacturing, Trading, Licensing, Infrastructure and Utility, Oil and Gas as well as Telecommunications. KPS is committed towards making significant contributions to human capital, intellectual, and sustainable developments, whilst strengthening its core businesses to optimise returns for its shareholders.

**Issued for and on behalf of KUMPULAN PERANGSANG SELANGOR BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd. For media enquiries, please contact:**

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