

## KPS buys plastic injection moulding firm for RM250mil

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PETALING JAYA: **Kumpulan Perangsang Selangor Bhd** (KPS), the company controlled by the Selangor state government, is buying a plastic injection moulding firm in Penang for RM250mil cash.

The purchase of CPI (Penang) Sdn Bhd marks KPS' entry into the electronic manufacturing services (EMS) sector with global clientele across the automotive, healthcare, telecommunications, as well as industrial and consumer industries.

"What we liked about CPI is its focus on high-precision, high-value products," KPS chief executive officer (CEO) Ahmad Fariz Hassan said in a statement yesterday.

"Its business strategy has consistently yielded higher margins and is more resilient to swings in economic cycles by catering to a diversified clientele," Ahmad Fariz added.

KPS is buying a 100% equity interest in CPI from HK Resources Sdn Bhd and TCS Resources Sdn Bhd.

The deal comes with a profit guarantee of a profit after tax not less than RM25mil in the financial year ending Dec 31, 2018 (FY18) and at least RM26mil in FY19.

KPS said it intended to retain the senior management team of CPI, including the CEO Lim Lai Chin, who is also one of the indirect shareholders of the company.

CPI currently operates in the Bayan Lepas Industrial Zone in Penang and is planning to add to its property portfolio for expansion of its EMS capacity in the near future.

"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," Ahmad Fariz said.

KPS has a varied investment portfolio with assets involved in manufacturing, trading, licensing, infrastructure and utility, oil and gas as well as telecommunications.

<https://www.thestar.com.my/business/business-news/2018/02/15/kps-buys-plastic-injection-moulding-firm-for-rm250mil/>