

Kumpulan Perangsang acquires 100pc stake in CPI Penang for RM250m

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KUALA LUMPUR: **Kumpulan Perangsang Selangor Bhd** (KPS) is acquiring an integrated electronic manufacturing services (EMS) company, CPI (Penang) Sdn Bhd for RM250 million from HK Resources Sdn Bhd and TCS Resources Sdn Bhd.

KPS chief executive officer Ahmad Fariz Hassan said CPI is focused on high precision and high value products where its business has consistently yielded higher margins.

“We would like to be an integral part of the team that accelerates and propels CPO onto the next stage of rapid expansion.

“The 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,” he said in a statement today.

KPS added the acquisition was not subject to the approval of its shareholders and the acquisition is targeted to be completed before the end of Q1 2018, which would contribute to KPS’ financial performance as a group.

“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.”

KPS said the acquisition will be fully satisfied in cash from its internal funds and bank borrowings.

In an exchange filing today, KPS noted the acquisition would also provide the company stronger technical expertise, end-to-end solutions provider, strong market reputation and steady growth.

“Moving forward, CPI expects the momentum of its performance to be sustainable and will take appropriate measures to improve its operations.”

The company also 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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