

EkuiNAS breaks into retail sportswear business

BY SANGEETHA AMARTHALINGAM

KUALA LUMPUR: Ekuiti Nasional Bhd (EkuiNAS), the government-linked private equity fund management company, has acquired a 35% stake in Al-Ikhsan Sports Sdn Bhd for RM68.6 million, marking its entry into the retail sportswear business.

EkuiNAS said the deal includes the acquisition and injection of Al Sports, a home-grown sportswear apparel brand, under the Al-Ikhsan umbrella to leverage on the increasing interest in health and fitness among Malaysians.

The branded sportswear retail sales in Malaysia is expected to grow 8% annually to reach RM2 billion by 2020, EkuiNAS said in a statement.

In neighbouring countries such as Singapore, Indonesia and Thailand, growth is expected to rise above the RM13 billion mark in the same period, it added.

EkuiNAS chairman Raja Tan Sri Arshad Raja Tun Uda said the retail segment is one of its six identified target sectors, so its entry into the



Syed Yasir Arafat (left) and Al-Ikhsan Sports Sdn Bhd founder Ali Hassan Mohd Hassan at the signing ceremony yesterday.

sports retail segment gave it a wider reach within retail. It is also the company's first investment for 2016.

"This acquisition extends the retail portfolio beyond our existing investments in F&B (food & beverage)," he said. "One of the main factors supporting the acquisition is that via Al-Ikhsan, EkuiNAS has the opportunity to back a highly capable bumiputera entrepreneur with

a view to transforming the business into a stronger market leader with regional presence."

EkuiNAS chief executive officer Syed Yasir Arafat Syed Abdul Kadir said the company would follow through on its mandate to create industry-leading groups in high-growth sectors.

It would leverage on Al-Ikhsan's strengths to execute the value crea-

tion plan to expand its reach to new markets, aside from strengthening core performance via operational improvements and supply chain optimisation, Syed Yasir Arafat said.

EkuiNAS plans to work with Al-Ikhsan's founder and management team to accelerate its local and regional expansion, either via organic growth or acquisition of existing players in the market to reinforce its presence in under-penetrated cities in Malaysia and other Asean countries.

EkuiNAS plans to open six stores in Kuching and Kota Kinabalu by 2018 along with regional plans in Indonesia and Thailand in three to five years.

The company said together with an investment in the manufacturing sector under its RM12 million outsourced programme, it has invested in a total of 36 companies under direct and outsourced investments since its establishment in 2009.

Last year, EkuiNAS' internal rate of return was above the minimum target of 12% per annum for the sixth year running.