

**PRESS RELEASE**

**16 April 2018**

## **EKUINAS UPS STAKE IN THE MANUFACTURING SECTOR, ENTERS THE E&E SEGMENT**

**Key Highlights: -**

- Ekuiti Nasional Berhad broadens its portfolio via its foray into the electrical and electronics (E&E) industry, venturing into precision manufacturing through an acquisition of a controlling stake in Flexi Versa Group Sdn Bhd based on an enterprise value of approximately RM330.0 million.
- FVG is a leading, Southeast Asian contract manufacturer that caters to leading global consumer electronics brands, specifically as a turnkey and components manufacturer focusing on the audio and consumer appliances segment. With a 24-year history and presence across four (4) ASEAN countries, FVG is in a strong position to build on its track record to strengthen its market leadership in its core acoustic consumer products and expand its portfolio in die-cutting of electromechanical components and injection moulding to other consumer appliance business segments.
- This initial investment into E&E, which is a key strategic industry for Malaysia, allows Ekuinas to strengthen efforts in developing high-potential Malaysian companies and play a role in accelerating the growth of technology-driven and high-value opportunities.

**KUALA LUMPUR, 16 April 2018:** Ekuiti Nasional Berhad (Ekuinas), today announced its foray into the electronic manufacturing services (EMS) industry. Ekuinas acquired a controlling stake in a local and leading Southeast Asian turnkey and components manufacturer, Flexi Versa Group Sdn. Bhd. (FVG or the Company) based on an enterprise value of approximately RM330.0 million.

FVG's business commenced in 1994 whilst the investment holding vehicle was incorporated in 2013 to drive the management's vision towards creating an EMS group. Over the years, they have made significant headway in building the business. Today, FVG operates seven (7) factories in Malaysia and two (2) outside of Malaysia and is a Tier 1 and Tier 2 contract manufacturer to leading global consumer electronic brands such as Sony, Panasonic, Onkyo, Sony, Dyson and JVC Kenwood.

“Ekuinas’ investment strategy is to identify strong and high-potential Malaysian companies with the desire to grow and expand regionally. FVG’s solid fundamentals and market potential were key factors in our decision process. Its financial track record and operational capabilities, specifically in its ability to integrate different entities and formulate its strategy, underpin its strong position with revenue of approximately RM300.0 million and will serve as a basis for growth locally and within the region,” said Syed Yasir Arafat Syed Abd Kadir, Chief Executive Officer of Ekuinas.

FVG’s proposition was further strengthened by the company’s good range of manufacturing capabilities, regional footprint and available capacity to support the growth trajectory. The company’s presence in four (4) ASEAN countries, specifically Singapore, Indonesia, Vietnam and Malaysia, provides the advantage to capitalise on the positions of these countries as manufacturing hubs for the automotive and consumer electrical and electronics products.

Syed Yasir Arafat added, “In addition to that, FVG’s senior management’s overall operations and turnaround experiences were central to our evaluation. Their experience in turning loss-making businesses to profitability is strongly demonstrated via their track record. Without doubt, a capable senior management team is important. Their vision is equally significant especially in charting and navigating the future growth and strategy of the company.”

“Our partnership with Ekuinas represents a meeting of a common objective between FVG and Ekuinas which is to grow our manufacturing footprint regionally. They will be instrumental in helping us institutionalise our entities, expanding our portfolio of established clientele and positioning ourselves as a well-established and versatile turnkey and components manufacturer. On this note, I am confident that this will open up a new chapter of our growth and allow us to expand and play an even greater role in the future design, manufacturing and development of our clients’ products,” Chng Boon Huei, Group CEO of FVG said.

Today, Malaysia's attractiveness as an E&E manufacturing hub is supported by strong labour productivity and infrastructure. It is one of the world's largest exporters of E&E products and continues to be a key driver for Malaysia's industrial development, contributing significantly to the country's overall gross domestic product (GDP) growth, export earnings, investment and most importantly, sustainable employment opportunities.

This is Ekuinas' second investment in the manufacturing sector following the acquisition of a homegrown lighting design and consultancy firm Davex (Malaysia) Sdn Bhd in December 2017.

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**About Ekuinas**

Ekuinas (Ekuiti Nasional Berhad) is a government-linked private equity fund management company established on 1 September 2009. With the government endowment of RM5 billion, Ekuinas aims to create Malaysia's next generation of leading companies whilst promoting equitable, effective and sustainable Bumiputera economic participation. To date, Ekuinas has undertaken investments in high potential Malaysian companies involved in Ekuinas' core target sectors namely fast moving consumer goods, oil and gas, logistics, education, retail and healthcare.

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