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HEADLINE: KHPT PLANS RM19.5 MIL ACQUISITION IN
BID TO DIVERSIFY INTO ON-AUTOMOTIVE
SECTORS
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PR VALUE: RM66,780

KUALA LUMPUR (April 27): KHPT Holdings Bhd (KL:KHB) has proposed the acquisition of a metal stamping parts manufacturer for RM19.5 million cash, as it seeks to broaden its service offerings to non-automotive sectors, including the electrical and electronics (E&E) industry.

The group signed an agreement on Monday for the acquisition of Ngai Cheong Metal Industries Sdn Bhd (NCMI) from its existing shareholders, namely Chan Chun Kit, Chan Sze Min, Chan Sze See, Chan See Lai and Chan Yan Ho.

KHPT currently derives its revenue from the manufacture and sale of automotive parts, while NCMI is principally involved in the manufacture of metal stamping parts and the design and development tooling, jigs, moulds and dies for customers, serving customers in both the E&E sector locally and the automotive sector globally.

In a statement, KHPT said the proposed acquisition is part of the group's long-term growth strategy to strengthen its automotive segment and broaden its presence into higher value precision metal components, including safety-related automotive applications and selected E&E manufacturing opportunities.

"By combining both groups' strengths, KHPT is well-positioned to unlock cross-selling opportunities, deepen customer penetration, and strengthen its foothold within regional and global supply chains," it added.

KHPT plans RM19.5 mil acquisition in bid to diversify into non-automotive sectors

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Group managing director Datin Eloise See said: "This is not merely an expansion initiative, but a focused execution strategy. With established customer relationships, proven technical capabilities, and robust financial safeguards in place, we are confident in our ability to translate this acquisition into sustainable earnings growth and deliver long-term value to our shareholders."

As part of the deal, KHPT also signed a 10-year lease arrangement for NCMI's main production facility located in Puchong, Selangor.

The deal also comes with a profit guarantee, with NCMI expected to deliver an aggregate profit after tax of RM7.5 million over the next three financial years, together with a retention sum of RM7.5 million.

Should NCMI fall short of the profit guarantee, KHPT will be entitled to recover the shortfall from the retention sum.

According to KHPT, NCMI posted a net profit of RM2.48 million in the financial year ended Dec 31, 2025, a 39.19% increase from RM1.78 million in the previous year. Revenue dropped 13.27% to RM65.41 million from RM75.42 million on reduced orders owing to weaker market demand.

KHPT said the purchase consideration will be funded via RM16.37 million in reallocated initial public offering proceeds, with the balance financed through internally generated funds.

The acquisition is subject to shareholders' approval at an upcoming extraordinary general meeting, and is expected to be completed by the third quarter of this year.

On Monday, shares of KHPT closed down half a sen or 5.26% at nine sen, giving the group a market capitalisation of RM36 million.



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