

Ekuiinas to divest 60% stake in Tranglo for RM114.9m

by **SHAHEERA AZNAM SHAH**

EKUITI Nasional Bhd (Ekuiinas) plans to divest its entire 60% stake in Tranglo Sdn Bhd to Hong Kong-based TNG Fin-Tech Group Inc for RM114.9 million.

Its CEO Syed Yasir Arafat Syed Abd Kadir said the firm's ninth divestment will translate to an internal rate of return of 26.8% and will bring total realisation proceeds to more than RM2 billion.

"The selection of TNG was made after a rigorous sale process that attracted global interest from several parties.

"It was done on a merit-based process, where capability, resource and alignment with management's vision were equally as important as price," he said in a statement yesterday.

Syed Yasir Arafat added that Ekuiinas expects its next partner to further catalyse the businesses within the firm.

"It is important that the buyer has the necessary expertise, experience and capabilities to not only continue operating the business but more importantly, is equipped with the resources to develop and push the business further," he said.

He added that the technology, media and telecommunications industry is becoming increasingly competitive, driven by the disruption from financial-technology (fintech) entrants.

Syed Yasir Arafat said the decision to sell the shareholding was based on several considerations, and that the divestment would be in line with Ekuiinas' strategy to continue crystallising its assets when the time and economic climate are right.

"Also, we would like to identify a strategic partner that is able to push the business into its next phase of growth," he said in the statement.

Tranglo is a cross-border mobile transaction firm that facilitates airtime transfer and money remittance transactions. The company currently offers its services in South-East Asian countries, Hong Kong and China.

Syed Yasir Arafat added that Ekuiinas had been working closely with Tranglo to expand its airtime transfer and money remittance network, which enabled Tranglo to grow its volume by 15-fold.

Tranglo ED and chief strategy officer Sia Hui Chek said the firm's longstanding relationship with the global telecommunications and remittance companies have boosted its growth trajectory.

"Tranglo's business relationship with TNG has grown over the years in partnership with Ekuiinas.

"We believe that this development is a positive step towards pushing our business further in cross-border money remittance," he said.

TNG, with its headquarters based in Hong Kong, provides financial services to the 1.2 billion unbanked population in Asia.

Its flagship e-Wallet application in Hong Kong called TNG Wallet was launched in November 2015.