

## CITY OF OPPORTUNITY

# Lighting up Southeast Asia from Kuala Lumpur

**F**eilo Sylvania, an architecture lighting solutions provider, is a company on a mission.

Having officially launched its regional hub in Kuala Lumpur just 14 months ago, it wants to light up Southeast Asia in the next five years. The company is also celebrating its second year anniversary in Malaysia.

The key to its expansion plans? Kuala Lumpur's prime location as the beating heart of Malaysia, a nation strategically situated in the centre of Southeast Asia.

"Malaysia is in close proximity to many leading Asian markets such as Singapore, Indonesia, Thailand and the Philippines. This allows us to be interconnected to other markets where we are aiming to expand our presence as well," says Feilo Sylvania Southeast Asia General Manager, Walter Hiew.

"The multicultural and multilingual talent pool in Malaysia gives us an added advantage to reach different markets as we are able to connect and integrate our services across borders," Walter adds.

Originally founded as Sylvania in 1901, the company (now known as Feilo Sylvania) is wholly owned by lighting equipment manufacturer and distributor Shanghai Feilo Acoustics Co Ltd, China's first joint-stock company.

The acquisition in 2016 created a multinational outfit with market presence in 48 countries spanning Europe, Asia, North Africa and Central and South America.

And now its sights are trained on Southeast Asia, which today boasts some of the world's fastest growing economies.

"In the next five years, we envision a three-phase expansion plan — phase one will see a new business hub being set up in Southeast Asia," says O Swee Aun, Feilo Sylvania Country Manager for Malaysia.

The hub in Kuala Lumpur will spearhead its strategy and talent recruitment as

it prepares to take on the regional market, while providing a critical base from which to expand.

The second phase will revolve around a distribution centre and assembly plant that will be set up in the region. The company says the plant will handle regional fulfilment and order processing, facilitate product management as well as manage value chain distribution throughout Southeast Asia.

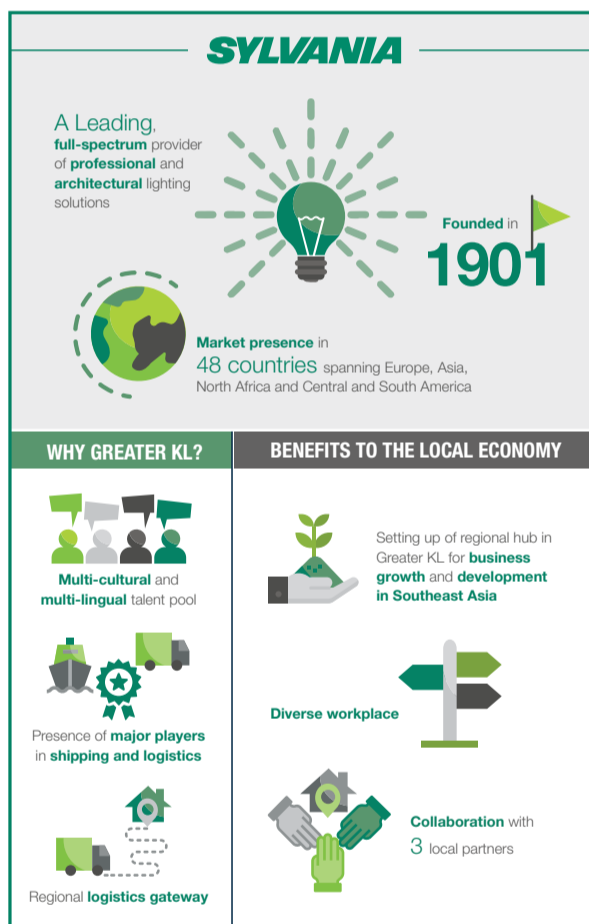
And the final phase will swivel the spotlight on a digital service and support base for the region, which will integrate software and hardware systems and provide integration



Feilo Sylvania Southeast Asia General Manager, Walter Hiew



Feilo Sylvania Country Manager for Malaysia, O Swee Aun



systems for smart city applications.

However, the ambitious expansion plans will be anchored in building a strong regional base in Kuala Lumpur first.

Feilo Sylvania's initial investment when it set up the Kuala Lumpur office was US\$10 million — and more is coming.

"At the moment, our investment in the Malaysian set-up has been utilised for the formation of a Southeast Asia hub, which will help establish our business focus and initiatives in the region," the company says.

"We will continue to invest as we believe in laying strong foundations to create more value and profitable growth for years to come."

And despite being a relatively small starting base, it is already shifting into high gear to accelerate its growth. The company is also working closely with local distributor and suppliers such as Pansar Company Sdn Bhd, Stardex Lighting Sdn Bhd and HMG Holdings Sdn Bhd.

"In the last financial year, our revenue was RM23 million and net profit about 8%. We are targeting 20% growth in revenue over the next five years and since we are a new face in the Malaysian market, we believe we can achieve it by acquiring bigger market share," Swee Aun says.

"Given its strategic location, steady economic growth, presence of major players in shipping and logistics, good regional linkages and strong transport infrastructure, Greater KL has the right endowments to position itself as a regional logistics gateway," Swee Aun states.

"We will also be able to tap into its

growing domestic market and diverse talent pool to expand our services in Malaysia, which is a regional hub for business growth and development in Southeast Asia," Swee Aun adds.

Indeed, from the get-go, the company was excited about Kuala Lumpur's potential to transform into one of the world's top cities. That, in turn, offers interesting prospects for businesses seeking a foothold in Asia.

"There is great potential to grow in this regional hub as there is a large pool of talents who are well educated, a ready workforce and ease of doing business and connectivity due to the support of government agencies such as InvestKL," Swee Aun says.

"In fact, the rapid construction of infrastructure in this region is one of the key advantages to our nature of business."

Kuala Lumpur's liveability was equally important to the company as there are facilities and amenities available in the city that cater for expatriates and world-class events.

Feilo Sylvania was also impressed by Malaysia's tax system and certification process. While it did run into hurdles to understand and navigate the policy and regulation aspects in the beginning, InvestKL's consultation and expertise helped tremendously, Swee Aun points out.

In addition, the nation's open policy for foreign businesses created an opportunity for Feilo Sylvania to invest here, giving it a regional foothold and gateway to the rest of the region.

"We believe Feilo Sylvania will greatly benefit from Malaysia's open policy to foreign businesses, strategic location with robust infrastructure, competitive tax rates, flourishing domestic market and diverse talent pool," concludes Swee Aun.

## InvestKL focused on attracting high-quality investments from digital space

With an initial investment of US\$10 million in its set-up in Greater Kuala Lumpur last year, architectural lighting solutions provider Feilo Sylvania may seem like a flicker in a vast night sky.

Here's some perspective: Feilo Sylvania was convinced into setting up its regional hub in Greater KL by none other than InvestKL, an investment promotion agency that advocates Greater KL as the preferred investment destination for multinational corporations (MNCs) expanding into Asean. True to its business and expatriate-friendly policies, Greater KL has been greatly attractive to MNCs. In fact, InvestKL has successfully brought in a total of RM11.07 billion in investment (services) in Greater KL by 73 MNCs since 2011, creating 10,971 highly skilled jobs as a result.

But numbers are not everything. In line with the current government's vision — and revival of the Look East policy to take the nation forward — InvestKL is actively seeking more investors with

a digital and technological edge, which aptly describes Feilo Sylvania.

"We are focusing on attracting high-value and high-skilled investments with a digital edge," says InvestKL CEO Datuk Zainal Amanshah.

"This includes MNCs that have access to the digital space and advanced technologies, Internet of Things or Industry 4.0 technologies, such as artificial intelligence, big data analytics and cyber security."

He points to the strong momentum in the region vis-à-vis the developing digital economy, anchored in the fact that the region houses some of the world's fastest-growing economies.

According to professional services firm EY, there were 101 private equity and venture-capital investment deals overall last year, amounting to US\$5.9 billion — up 20% year on year.

Therefore, it is essential to attract the right MNCs with strengths in areas where services

InvestKL Chief Executive Officer Datuk Zainal Amanshah



and technology converge, says Zainal, adding that "smart lighting solutions driven by IoT are a foundation for smart cities that will fuel the growth of the digital economy". And Feilo Sylvania fits this picture perfectly.

Set up in 2011 under the purview of both the Federal Territories Ministry and working closely with the Ministry of International Trade and Industry, InvestKL continues to be the key touch

point and facilitator for MNCs looking to set up in Kuala Lumpur.

InvestKL concentrates on high-value MNCs on the Fortune 500 and Forbes 2000 lists that are looking for a foothold in Southeast Asia. This year, it aims to attract a minimum of 10 MNCs with a focus on the high technology and digital space to Greater KL.

"Greater KL makes strategic sense. It has a perfect recipe for MNCs — a location that is conducive for doing business and a sound ecosystem, namely a good urban public transport network, a lucrative international education environment and great liveability relative to other capital cities across the region," says Zainal.

"MNCs that tap these factors, along with a strong talent pool in Malaysia that is supported by a robust education system, to establish a regional base of operations in Malaysia could then obtain a strategic competitive advantage in Asean."