



AISB acquires Parkwood with plans to develop residential project

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PETALING JAYA: Amalgamated Industrial Steel Bhd (AISB) is acquiring Parkwood Sdn Bhd for RM709,435 cash and settle its debt of RM17.75 million, as part of its strategic plan to venture into property development.

In a filing with Bursa Malaysia today, AISB said it has entered into a conditional share sale agreement (SSA) with LGB Holdings Sdn Bhd and CSLim Holdings Sdn Bhd for the proposed acquisition.

In addition to the RM709, 435 cash consideration, there will also be a settlement of the amount owing by Parkwood to LGB upon the completion of the proposed acquisition.

Parkwood owns two parcels of leasehold land in Kampung Sungai Kayu Ara, Petaling Jaya, with a total combined land area of 1.82 acres. AISB, which is involved in the business of mild steel pipes, plans to undertake a residential development on the land, upon completion of the proposed acquisition.

The audited net book value of the land as at Dec 31, 2016 is RM17.84 million while the market value as appraised by the valuer as of Aug 7, 2017 is RM18.60 million.

Recall that AISB had obtained shareholders' approval in February 2015 to diversify into property development.

The purchase consideration and settlement sum will be satisfied entirely in cash via internally generated funds.

Public Investment Bank Bhd has been appointed as the adviser for the proposed acquisition while Sierac Corporate Advisers Sdn Bhd has been appointed as the independent adviser to advise the non-interested directors and shareholders.

AISB's share price rose 8.05% to close at 47 sen Tuesday, with a total of 13,000 shares traded. It has a market capitalisation of RM64.67 million.

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