

Amalgamated Industrial Steel plans residential project in Kayu Ara

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KUALA LUMPUR (Aug 15): Amalgamated Industrial Steel Bhd (AISB) plans to undertake a residential development in Kampung Sungai Kayu Ara, Petaling Jaya, upon completion of its proposed acquisition of Parkwood Sdn Bhd.

In a filing with Bursa Malaysia today, AISB said Parkwood is the registered proprietor of two parcels of contiguous leasehold vacant residential land with a combined size of approximately 7,353 sq. metres (1.8 acres) along Jalan Melati, Kampung Sungai Kayu Ara.

AISB which is in the business of steel pipes is proposing to acquire the entire equity interest in Parkwood for RM709,435 from LGB Holdings Sdn Bhd and CS Lim Holdings Sdn Bhd.

The transaction is deemed a related party transaction as LGB is an indirect major shareholder of AISB. Also, Lim Chin Sean who is an executive director of AISB, is also a director in Parkwood, LGB and CS Lim.

“This acquisition is in line with the company’s strategic plan to venture into the property development business which is expected to provide an additional revenue stream and contribute positively to our future financial performance,” said AISB executive director Datuk Lim Yew Boon.

The proposed acquisition is expected to be completed by the fourth quarter of 2017.

In a separate filing, AISB reported a net loss of RM1.33 million in its second financial quarter ended June 30, 2017(2QFY17) from a net profit of RM1.3 million a year ago, as revenue shrank.

Revenue for 2QFY17 fell 47.7% to RM7.91 million from RM15.12 million a year ago, due to the group’s transition from manufacturing to trading and property development.

For the first half of its financial year ended June 30, 2017 (1HFY17) the group reported a net loss of RM3.9 million from a net profit RM146,000 a year ago. Revenue for 1HFY17 fell 39.9% to RM18.2 million from RM30.27 million a year ago.

AISB shares were up 3.5 sen or 8% today to 47 sen, for a market capitalisation of RM64.6 million.

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