Perangsang Selangor gets nod to buy stake in Century Bond

KUALA LUMPUR: Kumpulan Perangsang Selangor Bhd has received shareholders' approval for the proposed acquisition of a 71.44 per cent stake in Century Bond Bhd for RM 150.03 million.

Perangsang Selangor is buying the stake through Perangsang Packaging Sdn Bhd.

Century Bond is principally involved in the manufacturing of cement bags and holds a 60 per cent market share in Malaysia, with presence in Indonesia, Singapore and Thailand.

The shareholders approved the proposed acquisition, as well as a mandatory general offer for all the remaining Century Bond shares not already owned by PPSB following the completion of the acquisition at an extraordinary general meeting (EGM) yesterday.

They also gave the nod on the proposed diversification of the existing principal activities of the Perangsang Selangor Group to include manufacturing businesses.

Speaking at the EGM, chief executive officer Ahmad Fariz Hassan said the corporation was excited to complete its third acquisition this year, as Century Bond met all investment criteria.

"Century Bond has a long track record with customers and has established itself as a market leader in Malaysia. The business has further potential to be unlocked, given that capital expenditure on infrastructure in the Asean region, especially in Thailand and Indonesia is expected to grow exponentially over the next decade.

"We believe Century Bond is ideally positioned to capitalise on these opportunities, while allowing Perangsang Selangor to diversify its revenue generation streams."

Fariz is optimistic that Century Bond will be able to contribute more than 25 per cent to Peransang Selangor's net profit.