

Company Name : Sasbadi Holdings Berhad
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Sasbadi To Buy Remaining 30% Stake In Sanjung Unggul For Rm9.4m

KUALA LUMPUR (July 25): Sasbadi Holdings Bhd has proposed to buy the remaining 30% stake in Sanjung Unggul Sdn Bhd it does not own from Law En Tzer for RM9.4 million in cash.

In a filing to Bursa Malaysia today, Sasbadi said upon completion of the proposed acquisition, Sanjung Unggul will become its wholly-owned subsidiary.

Sanjung Unggul is principally involved in publishing books and educational materials catering to students in national-type Chinese schools.

"The proposed acquisition will enable Sasbadi to have full control over the Sanjung Unggul, and how it leverages on its competitive strengths such as its online and digital technological capabilities, extensive distribution network, economies of scale, etc," said Sasbadi.

Sanjung Unggul recorded an audited consolidated profit after tax of RM1.77 million for the financial year ended Aug 31, 2016 (FY16), while its audited consolidated net assets as at end FY16 stood at RM16.68 million, said Sasbadi.

The funds for the proposed stake buy will be entirely financed by bank borrowings, said Sasbadi.

Barring any unforeseen circumstances, Sasbadi said the proposed acquisition is expected to be completed before the end FY17.

"In this regard, the proposed acquisition is expected to start contributing to the earnings and net assets of the Sasbadi Holdings Group in FY17," said Sasbadi.

Furthermore, Sasbadi said the proposed acquisition is in line with its overall growth strategy.

Shares in Sasbadi closed unchanged at RM1.41 today, giving it a market capitalisation of RM393.95 million.