

Headline	Pestech acquires railway contractor at RM10.38m
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KUALA LUMPUR (Oct 30): Pestech International Bhd said its subsidiary is acquiring a railway contractor, Colas Rail System Engineering Sdn Bhd (CRSE), at some RM10.38 million to stimulate growth in its utility and railway business, moving forward.

In a filing with the stock exchange this evening, the group said its wholly-owned subsidiary Pestech Technology Sdn Bhd (PTech) had entered into sale and purchase agreements with Colas Rail Asia Sdn Bhd/Colas Rail and Vital Bid Sdn Bhd last week, to acquire 100% of CRSE's issued share capital.

Incorporated on Aug 19, 2013, CRSE is principally engaged in the provision of project management, engineering design, procurement, construction and related support services in relation to railway electrical and mechanical projects.

Following the acquisition, CRSE will become a wholly-owned subsidiary of PTech, and an indirect wholly-owned subsidiary of Pestech, the filing said.

"The acquisition is expected to accelerate the growth of PTech in the power generation and rail electrification business, and enhance Pestech group's future earnings potential", the group added.

Pestech closed one sen or 0.62% higher at RM1.62 today, after some 1.30 million shares exchanged hands, giving it a market capitalisation of RM1.24 billion. The counter has been trading between RM1.51 and RM1.77 for the past 52 weeks.

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