

Headline	Pestech says Cambodian unit's listing could raise US\$20.3m
Media Title	KL Screener (https://www.klsescreeener.com)
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KUALA LUMPUR (Dec 22): Pestech International Bhd has submitted its applications today to the Securities and Exchange Commission of Cambodia (SECC) and the Cambodia Securities Exchange (CSX) for the proposed listing of its indirect wholly-owned subsidiary, Pestech (Cambodia) Ltd (PCL).

PCL's initial public offering (IPO) on the Main Board of CSX will involve up to 39 million shares of 10 cent each, representing 39% of its enlarged issued and paid-up share capital — comprising a proposed public issuance of 29 million new shares and an offer for sale of 10 million existing shares — Pestech's Bursa Malaysia filing today showed.

The proposed public issuance could raise gross proceeds of US\$20.3 million or Khmer Riel 81,910 million (RM82.97 million), based on an indicative initial public offering (IPO) price of US 70 cent or Khmer Riel 2,825 apiece.

PCL plans to use proceeds raised from the IPO to finance existing and future projects, working capital and expenses for the proposed listing.

The final IPO price would be subject to the SECC's approval, after it has been determined and agreed between PCL's board of directors and the IPO's underwriter, RHB Indochina Securities Plc.

Pestech first announced its intention to float PCL shares on CSX in February last year, some 22 months ago. PCL is wholly owned by Pestech Sdn Bhd (PSB), which in turn is Pestech's wholly-owned subsidiary. PCL was incorporated in Cambodia on Feb 5, 2010.

Prior to the proposed public issue, PCL's issued and fully-paid share capital will be raised to US\$7.1 million, comprising 71 million shares. Pestech will then acquire the stake held by PSB in PCL — for US\$15.2 million cash, making Pestech the immediate holding company of PCL.

Hence, the listing will constitute a deemed disposal by Pestech, with a dilution of up to 39% of its equity interests in PCL. On completion of the proposed listing, Pestech will continue to be the controlling shareholder of PCL, with at least a 61% stake.

The proposed listing will enable PCL to establish a strong foothold in Cambodia and Indochina, as it sees the region as a potential market for medium and long-term growth, Pestech said in its filing.

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The listing would accelerate the growth of Pestech's power transmission infrastructure and products division, while its substantial stake in PCL post-listing would mean continued benefits from its future growth.

It expects the proposed listing to be completed by the third quarter of 2018.

Pestech shares closed unchanged at RM1.70 today, for a market capitalisation of RM1.3 billion.

<https://www.klscreener.com/v2/news/view/322601/pestech-says-cambodian-unit-s-listing-could-raise-us-20-3m>