

Pesona Metro acquires 51% stake in property developer to diversify business

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KUALA LUMPUR (July 11): Construction and trading group Pesona Metro Holdings Bhd (KL:[PESONA](#)) said it is diversifying into property development through the acquisition of a 51% stake in the developer of a high-rise residential project in Bukit Jalil, for RM40.8 million in cash.

Of the 51% stake in Gaya Kuasa Sdn Bhd, 19% is being acquired from Chin May Yong for RM15.2 million, and the other 32% stake is from AM Anugerah Sdn Bhd for RM25.6 million.

Upon the completion of these acquisitions, Chin's stake in Gaya Kuasa will be diluted to 49%, said Pesona Metro in a filing with Bursa Malaysia. Chin is the spouse of Wie Hock Kiong, the non-independent non-executive chairman and major shareholder of Pesona Metro.

Gaya Kuasa is currently undertaking the development of Residensi Renaisans Bukit Jalil, comprising two blocks of 52-storey apartments.

“The proposed acquisitions would allow the group to immediately tap into Gaya Kuasa’s existing ongoing Residensi Renaisans development at this stage, which is expected to enhance the future profitability and cash flow of the Pesona Metro group,” the group said.

Pesona Metro plans to finance the acquisition through internally generated funds and/or bank borrowings.

Following the acquisition, Pesona Metro said its new property development segment may contribute 25% or more of its net profit and potentially result in a diversion of 25% or more of its net assets moving forward.

“The proposed diversification in essence serves to facilitate the implementation of the proposed acquisitions with the purpose of enabling the group to venture into a new business,” Pesona Metro added.

The diversification is expected to be completed by the fourth quarter of 2024, the group said.

Shares in Pesona Metro closed at 23 sen on Thursday, down half a sen or 2.13%, valuing the group at RM159.85 million.

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