

ONLINE MEDIA

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Melewar Industrial, Mycron Steel to decide rights shares prices later

PETALING JAYA: Mycron Steel Bhd and Melewar Industrial Group Bhd, which are planning to undertake proposed rights issues, have announced a revision to the issue price of their rights shares.

TA Securities Bhd announced on behalf of the two companies through their respective stock exchange filings that the issue price of the rights shares will be determined and fixed by the board of directors at a later date.

The decision is expected before the announcement entitlement date, and after receiving the relevant approvals and taking into account the historical price movements of the stocks.

Earlier, the indicative prices for Melewar and Mycron's rights shares were set at 20 sen at 50 sen respectively.

The boards of directors of both companies are of the view that the proposed revisions will provide the board with flexibility of determining the issue price of the rights shares at an appropriate discount to the of theoretical ex-rights price of both Melewar and Mycron shares as well as the allocation of proceeds raised from the proposed rights issue.

Based on 20 sen per rights share, Melewar was expected to raise up to RM45.11 million, of which RM20.21 million will be used to subscribe Melewar's entitlement under Mycron's rights issue exercise. For Mycron, the maximum proceeds from the rights issue was supposed to be RM28.36 million.

Melewar is the majority shareholder of Mycron with a 71.26% equity interest.

Melewar's share price was unchanged at 25 sen with some 218,000 shares done, while Mycron shares gained 0.97% to close at 52 sen with some 250,900 shares changing hands.