

Headline : Salcon climbs 5% on news of bonus issue
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STOCK ON THE MOVE

Tuesday, 17 Apr 2018


10:00 AM MYT



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KUALA LUMPUR: Shares of [Salcon Bhd](#)  climbed almost 5% in early trade Tuesday after announcing its bonus issue in the ratio of one-for-four to shareholders.

The counter rose 4.82%, or two sen to 43.5 sen with 2.77 million shares traded.

Salcon has proposed a one-for-four bonus issue of up to 169.42 million new shares to reward its shareholders and boost liquidity of the shares.

The group is also proposing to issue up to 338.85 million free warrants on the basis of one warrant for every two shares held.

The exercise price for the warrants has been fixed at 30 sen, which represents a 2.24% discount to the theoretical ex-bonus price of 30.69 sen per share, calculated based on the five-day volume-weighted average market price of the shares up to and including April 13 of 38.36 sen per share.

Salcon said the proposed free warrants issue would not raise any immediate funds as the warrants will be issued at no cost to the entitled shareholders.

However, assuming the full exercise of the warrants at the exercise price of 30 sen per warrant, the proceeds to be raised could range between RM100.97mil and RM101.65mil, which will be used to partly fund future capital expenditure and/or working capital.

Salcon said the bonus issue will be implemented concurrently with the proposed free warrants issue.

The entitlement date of both exercises is yet to be determined by the company.