

Delong up 15.8% to S\$6.96 after CEO revives S\$7/share cash offer

Shares in mainboard-listed steelmaker Delong surged by some 15.8 per cent on Tuesday afternoon, on the back of news that chief executive Ding Ligu has revived his S\$7 per share cash offer to take the company private through his vehicle, Best Grace Holdings.

In a research note on Tuesday, Maybank Kim Eng highlighted that the offer price of S\$7 per share represents a 9.5 per cent premium over the volume-weighted average share price for the 12-month period up till July 22. It is also at a 16.5 per cent premium over the counter's July 22 close of S\$6.01.

Mr Ding, through his vehicle Best Grace Holdings, had made a voluntary conditional cash offer of S\$7 a share on Sept 27, 2018, valuing Delong at S\$771.3 million. Best Grace relaunched its offer at the start of this week, with Stirling Coleman Capital replacing PrimePartners Corporate Finance.