
Pangang family hopeful to win overall regrouping

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It is reported that compared with the small price uptrend of Chongqing Titanium and Sichuan Changcheng Special Steel, Panzhihua New Steel & Vanadium keeps a slight fluctuation from April until recently.

As per report, Bank of China and China Construction Bank have set up financing plans with the maximum amounts of CNY 2 billion and CNY 1.4 billion respectively in early April which all bid for the cash choice on the regrouping of Pangang Family. What's more, China Business & Commercial Bank and China Everbright Bank have poured nearly CNY 2 billion and CNY 1 billion for each into the purchase. That is to say, there will be approximately CNY 6.4 billion rush to purchase the shares of Pangang family at that time.

The data shows that the four banks all prefer Panzhihua New Steel & Vanadium to the others. The analysts hold the view it is much more cost efficient to choose Panzhihua New Steel & Vanadium, with the yearly earning ratio of 5.05%, slightly higher than the rest two companies. In the mean while, Angang has solved the problems which resulted from the regrouping hot water. As learned, Panzhihua New Steel & Vanadium will hold CNY 5.72 billion of the shareholdings after finishing the consolidations of Chongqing Titanium and Sichuan Changcheng Special Steel. In theory, Angang needs to pay for more than CNY 20 billion to realize the overall Merge and acquisitions, which is a pretty penny for the steel mill. But the high yearly earnings ratio has greatly eased the capital pressure.

The reporters notice that CCB and Bank of China have announced despite the purchasing capitals, the rest would be paid by trust company.

(Source: Shanghai Security News)

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