



## SAC Capital Transaction Update

(a) Completion of reverse takeover of Lereno Bio-Chem Ltd  
 (b) Completion of specific IPT mandate of Samko Timber Limited 27 May 2019

### a) Completion of reverse takeover of Lereno Bio-Chem Ltd (renamed to KTMG Limited)

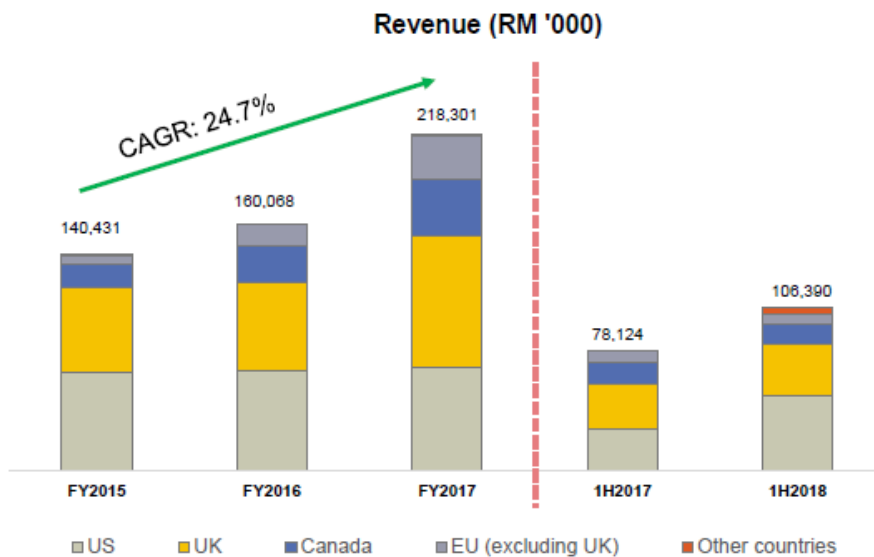
SAC Capital has acted as the Financial Adviser and Sponsor to SGX-ST Catalist-listed Lereno Bio-Chem Ltd (“**Lereno**”) in its S\$26.4 million acquisition of Knit Textile and Apparel Pte. Ltd. (“**Knit Textile**”), being a reverse takeover.

Knit Textile has more than 30 years of experience in contract manufacturing of apparel, specialising in nightwear, lounge wear, casual wear and plus sizes apparels for men, women and children. Headquartered in Malaysia, the apparels are manufactured at the manufacturing facility in Malaysia and the two manufacturing facilities in Cambodia. As at 10 December 2018, these manufacturing facilities collectively operate a total of 35 production lines, hiring around 1,789 production workers. Knit Textile is also currently expanding upstream into the knitting, dyeing, printing and finishing of fabric in Malaysia. The apparels are exported primarily to customers which are retailers in the EU, US and Canada that sell apparel products under their own brand names.

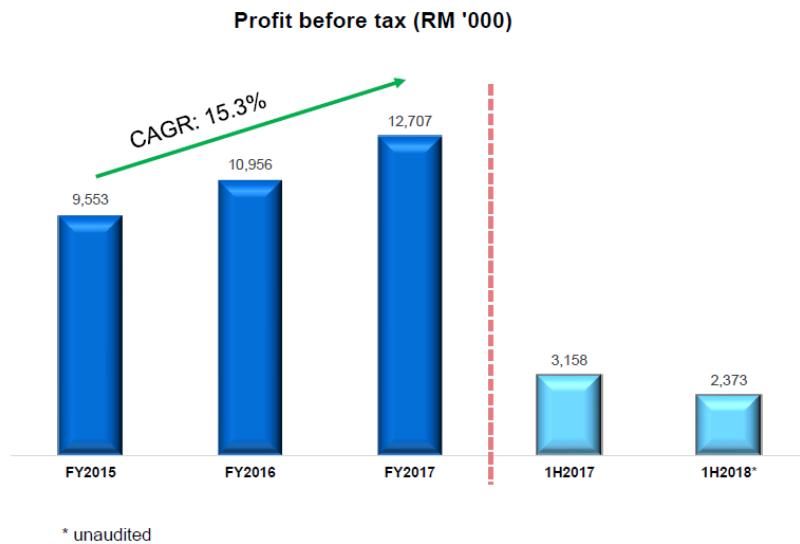
#### Awards and Certifications

Year	Awards and Certifications	Issuing Body
2012	Vendor of the Year	Blair Corporation
2013	Vendor of the Year	Blair Corporation
2014	Vendor of the Year	Blair Corporation
2014	Best on Time Delivery Award	Orchard Brands Corporation
2015	Vendor of the Year	Haband
2017 to 2018	WRAP GOLD certification in respect of KTM’s manufacturing facilities	WRAP
2018 to 2019	WRAP GOLD certification in respect of Callisto Cambodia’s manufacturing facilities	WRAP

#### Financial Highlights



\* unaudited



### Future Plans

Prior to completion of the acquisition, Lereno was deemed a cash company under Rule 1017 of the Catalist Rules with effect from 17 August 2015. With the completion of the acquisition on 18 February 2019, Lereno will assume the business of Knit Textile.

Knit Textile is currently in the course of expanding its apparel manufacturing operations upstream by undertaking fabric knitting, dyeing, finishing and printing. It believes that, with an increase in demand for apparel manufacturers with integrated services, an integration into upstream domains along the value chain of the apparel business will give Knit Textile additional competitive edge over its competitors. Knit Textile intends to undertake research and development activities, and use its enhanced capabilities to introduce new and improved apparel products both within as well as outside of its current focus on nightwear, loungewear, casual wear and plus sizes apparels. The ability to produce fabric with functionalities that it requires in-house will also provide Knit Textile with more opportunities to expand the range of apparels which it can product in the future.

Knit Textile also intends to continue to leverage on its deep knowledge of fashion trends, market direction and consumer preferences, technical expertise and familiarity with fabric properties and construction, and significant experience in translating design concepts into successful products to serve its customers' needs.

Knit Textile is also exploring ways to improve its production efficiencies and capabilities, through greater automation of its production process, upgrading existing equipment and machinery and/or purchasing and installing new equipment and machinery, and increasing production staff at its existing manufacturing facilities. Knit Textile may also explore setting up new manufacturing facilities in countries with low production and labour costs, including Vietnam and Myanmar.

## **b) Completion of Specific IPT Mandate of Samko Timber Limited**

SAC Capital has acted as Independent Financial Adviser to the non-abstaining directors of Samko Timber Limited (the “**Non-Abstaining Directors**”), a leading timber processing group of companies in Indonesia and one of the top five tropical hardwood plywood producers globally (“**Samko**”), for the proposed renewal of the IDR 60 billion unsecured overdraft facility provided by Bank Sahabat Sampoerna (the “**Overdraft Facility**” and the “**Overdraft Facility Renewal**”), which is an interested person under Chapter 9 of the Listing Manual.

Bank Sahabat Sampoerna first offered to provide a 12-month unsecured overdraft facility for working capital purposes to the Group in January 2016. Samko had sought and obtained the approval of its shareholders (the “**Shareholders**”) for mandates to renew the Overdraft Facility at its extraordinary general meetings (“**EGM**”) convened in 2017 and 2018.

Assuming that the renewed Overdraft Facility is fully utilised, the interest of 13.5% and other charges to be paid pursuant to the Overdraft Facility Renewal would be approximately IDR 8,400 million, which represents approximately 4.15% of the latest audited consolidated NTA of the Group as at 31 December 2018

Taking into consideration the factors set out in the opinion letter addressed to the Non-Abstaining Directors (the “**IFA Letter**”), subject to the assumptions and qualifications set out in the IFA Letter and information available to the IFA as at the date of this Circular, SAC Capital is of the opinion that on balance, the Overdraft Facility Renewal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders and accordingly, advised the Non-Abstaining Directors to recommend the Shareholders to vote in favour of the Overdraft Facility Renewal.

Samko received Shareholders’ approval for the resolution with respect to the Overdraft Facility Renewal tabled at its EGM held on 26 April 2019.

For more information on our past transactions, click [here](#)

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### **About SAC Capital**

SAC Capital enjoys a long-standing reputation as a specialist in corporate finance, and we have been a trusted advisor to our clients and partners since 2004.

As an expert in the small-medium enterprise space across various disciplines – Initial Public Offerings (IPOs), mergers and acquisitions (M&As), corporate transactions for listed companies, underwriting and share placement, fund raising and Catalist Sponsorship – we understand our clients’ needs very well, and we are able to steer them in the right direction.

#### **Financial Advisory - acting as FA and IFA**

We provide financial advisory services for corporate exercises, taking into account the various compliance requirements, working alongside our clients to achieve their objectives.

Acting as Financial Adviser or Independent Financial Adviser, we have wide ranging experiences spanning Reverse Takeovers, General Offers, Interested Person Transactions, Delisting and IPO Pre-Clearances. To date, we have completed more than 130 advisory engagements which gives us in depth knowledge of a broad spectrum of corporate advisory services.

#### **Fundraising, M&A and Underwriting**

Our Equity Capital Markets (ECM) units assists our clients in fund-raising activities in both private and public equity markets. Our services include IPOs, secondary placements, rights issues, convertible bonds, pre-IPO financing,

strategic equity and M&A. We deal with each client's specific requirements and provide customised capital markets solutions.

We are a leading placement agent and underwriter of equity and equity-linked offerings in Singapore, having completed offerings in the Lifestyle, Consumers, Healthcare, Technology, Media and Telecom (TMT), Real Estate, Manufacturing, Mineral, Oil and Gas (MOG) and Specialised Engineering sectors. Notwithstanding the above, the ECM unit is sector agnostic with a wide range of expertise. ECM also assists our clients in their communications with the equity markets.

#### **Mainboard & Catalyst Listing**

We advise our clients on equity fund raising which includes IPOs. Our work involves advising on, amongst others, restructuring exercises and compliance requirements of the Singapore Exchange and other regulatory authorities for the purpose of equity fund raising.

We also advise on Reverse Takeovers and secondary listings. We seek to understand our client's long term business plan and strategy so as to provide the appropriate advice to tailor to their needs and requirements.

#### **Catalist Sponsorship**

We advise our clients on equity fund raising which includes IPOs. Our work involves advising on, amongst others, restructuring exercises and compliance requirements of the Singapore Exchange and other regulatory authorities for the purpose of equity fund raising.

We also advise on Reverse Takeovers and secondary listings. We seek to understand our client's long term business plan and strategy so as to provide the appropriate advice to tailor to their needs and requirements.


#### **Research**


With comprehensive knowledge of the local capital market, our experience and access to information means that the company is well placed to produce research reports. We seek to fill the gap in the industry where there is minimal research coverage for small and medium enterprises (SMEs) listed on the SGX. SAC Advisors aims to provide a platform which assists investors in making informed decisions when investing in these high-growth small/medium companies while promoting awareness and educating the general public of the merits of investing in listed SMEs


## **Connect with us**


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