

**IFA to the Independent Directors of Dutech Holdings Limited in respect of the Voluntary Unconditional Cash Offer by TSI Metals HK Limited**

On 31 May 2021, UOB Kay Hian Private Limited (“**UOBKH**”) announced, for and on behalf of TSI Metals HK Limited (the “**Offeror**”), that the Offeror intends to make a voluntary unconditional cash offer (the “**Offer**”) in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers for all the issued and paid-up ordinary shares (the “**Shares**”) in the capital of Dutech Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), other than any Shares held in treasury (the “**Offer Shares**”).

On 18 June 2021, the formal Offer Document was despatched to shareholders of the Company (the “**Shareholders**”). On 2 July 2021, the circular in relation to the Offer was despatched to the Shareholders.

On 15 July 2021, UOBKH announced, for and on behalf of the Offeror, that the offer price would be revised from S\$0.40 per Offer Share (the “**Offer Price**”) to S\$0.435 per Offer Share (the “**Final Offer Price**”). On 26 July 2021, the supplemental letter in connection with the Offer (based on the Final Offer Price) was despatched to Shareholders.

SAC Capital acted as the Independent Financial Adviser to advise the directors of the Company who are considered independent (the “**Independent Directors**”) for the purpose of the Offer (based on the Offer Price and the Final Offer Price).

The Company was incorporated under the laws of Singapore on 2 November 2006 and was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 2 August 2007. It is principally engaged in: (a) the design and manufacture of ATM safes, fire-resistance commercial safes, safes for storage of weapons and other security products; and (b) the provision of business solutions by designing, engineering, manufacturing and assembling electro-mechanical equipment, ticketing and vending machines (including intelligent terminals) and modules, precision engineering parts, semi-conductor instruments and other modules products.

The Offeror is an investment holding company incorporated under the laws of Hong Kong on 9 April 2019, held solely by Dr. Liu Jia Yan Johnny (“**Dr. Liu**”). The sole director of the Offeror is Dr. Liu. Dr. Liu is the Executive Chairman, Chief Executive Officer and Controlling Shareholder of the Company.

As disclosed in the offer document dated 18 June 2021, the Offeror does not intend to maintain the listing status of the Company. Accordingly, the Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take any step for the public float to be restored and/or for any trading suspension of the Shares to be lifted in the event that less than 10% of total Shares (excluding any Shares held in treasury) are held in public hands. In addition, the Offeror may seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

As at 16 July 2021, the Offeror and its concert parties have an aggregate direct and indirect interest of 281,763,193 Shares (including Shares agreed to be acquired by the Offeror and its concert parties and valid acceptances of the Offer), representing approximately 79.03% of the total number of issued Shares.

The Final Offer Price represents the following premia over the historical traded prices of the Shares:

<b>Description</b>	<b>Share Price (S\$)</b>	<b>Premium of the Offer Price over Share Price (%)</b>
Last traded price per Share on 28 May 2021 (the <b>“Last Trading Day”</b> )	0.250	74.0
VWAP of the Shares traded on the SGX-ST for the one-month period prior to and including the Last Trading Day	0.251	73.3
VWAP of the Shares traded on the SGX-ST for the three-month period prior to and including the Last Trading Day	0.249	74.7
VWAP of the Shares traded on the SGX-ST for the six-month period prior to and including the Last Trading Day	0.251	73.3
VWAP of the Shares traded on the SGX-ST for the twelve-month period prior to and including the Last Trading Day	0.270	61.1

Taking into account the following factors in our assessment set out in our opinion letter addressed to the Independent Directors, being: (a) the market quotation and trading liquidity of the Shares; (b) the historical financial performance of the Group; (c) the net tangible asset of the Group; (d) a comparison of the valuation statistics of companies broadly comparable to the Group; (e) a comparison with recent successful privatization transactions and delisting offers of companies listed on the SGX-ST; (f) a comparison with precedent acquisition transactions of companies broadly comparable to the Group; and (g) other relevant considerations, SAC Capital was of the opinion that the financial terms of the Offer were not fair but reasonable. Accordingly, SAC Capital advised the Independent Directors to recommend that Shareholders accept the Offer, unless Shareholders were able to obtain a price higher than the Offer Price on the open market, taking into account all transaction costs in connection with open market transaction.

The Offer closed on 16 August 2021 and the total number of Shares owned, controlled or agreed to be acquired by the Offeror and the Offeror’s Concert Parties, and the valid acceptances of the Offer, represented approximately 90.57% of the total number of Shares. As such, the Offeror will be exercising its rights of compulsory acquisition under Section 215(1) of the Companies Act. The Shares were suspended from trading with effect from 9 a.m. on 17 August 2021.

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

## 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 Catalyst 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 and Delistings. The accumulated experiences from all the advisory engagements completed since 2004, numbering in excess of 150, gives us in depth knowledge of a broad spectrum of corporate advisory services.

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

Our Capital Markets (CM) unit 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 CM unit is sector agnostic with a wide range of expertise. CM unit 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.

### **Catalyst Sponsorship**

We are one of the leaders in the market in the Catalyst Sponsorship space, with a view to support the growth of our sponsored issuers. Our principal scope of services as a Catalyst Sponsor is to advise and guide our sponsored issuers in relation to their continuing listing obligations, on an ongoing basis under the Catalyst Rules. Our experienced team of professionals work closely with the directors and management team of the sponsored issuers and assist them in disclosure and compliance matters for corporate actions and developments.

## 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 Capital aims to provide a platform which assists investors in making informed decision 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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