

Razer (1337 HK)

Proposed privatization deal approved; Expected withdrawal of listing on 13 May 2022

Razer announced that the proposed privatization deal was approved at the Court Meeting and General Meeting held on 26 Apr 2022 ([Link](#)). 94.74% of the total number of shares voted by Disinterested Shareholders were in favor of the Scheme, significantly higher than the requirement of 1) not less than 75% votes in favor and 2) not more than 10% of votes against the Scheme. Subject to the Proposal becoming unconditional and the Scheme becoming effective, **the withdrawal of the listing of the Shares on the Stock Exchange is expected to take place with effect from 9:00am on Friday, 13 May 2022.**

■ **The results matched our previous expectation**, as we believe the completion of transaction is highly possible ([Link](#)). We believe the result is in favor of current shareholders given the considerations of 1) tough macro environment (i.e., rising interest rates and currency headwinds) and geopolitical risks, 2) weaker market expectation of peripheral spending post-pandemic, 3) potential ongoing component shortage, 4) high freight costs and 5) the recent decline of peers' valuation. Its peer Corsair had announced 1Q22 results, which missed analysts' estimates. The mgmt. attributed the miss to waning consumer confidence in Europe, affected by higher-than-expected inflation and the war in Ukraine.

■ **What's next.** The expected timetable after the vote is:

- Expected latest time for trading of Shares on the Stock Exchange is 4:10pm on Wednesday, 27 April 2022;
- Latest time for lodging transfers of Shares in order to qualify for entitlements under the Scheme is 4:30pm Tuesday, 3 May 2022;
- Expected withdrawal of listing of Shares on the Stock Exchange becomes effective is 9:00am on Friday, 13 May 2022;
- Latest time to dispatch cheques for the cash payment under the Scheme is on or before Friday, 20 May 2022.

HOLD (Maintain)

Privatization Price HK\$2.82
 (Previous TP HK\$2.82)
Current Price HK\$2.72

China Technology Sector

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Stock Data

Mkt Cap (HK\$ mn)	24,007
Avg 3 mths t/o (HK\$ mn)	41
52w High/Low (HK\$)	3.1/1.5
Total Issued Shares (mn)	8,826.2

Source: Bloomberg

Shareholding Structure

Chen Family Hivemind Holdings	32.15%
Voyager Equity	15.21%
Primerose Ventures	3.75%

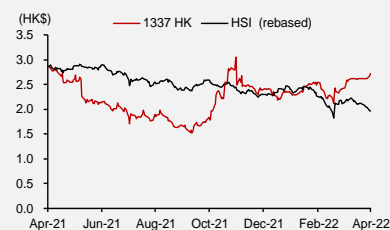
Source: Company data

Share Performance

	Absolute	Relative
1-mth	10.7%	19.3%
3-mth	15.0%	40.3%
6-mth	46.4%	92.6%

Source: Bloomberg

12-mth Price Performance



Source: Bloomberg

Auditor: KPMG

Related Reports

1. FY21 result is solid. All eyes on progress of privatization – 18 Mar 2022 ([Link](#))
2. Proposed privatization update – 22 Feb 2022 ([Link](#))

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