

IPO FACT SHEET
TBK & Sons Holdings Limited (1960)
ISSUE STATISTICS

Offer Size:	HK\$125m – HK\$150m
Placement Tranche:	250m
Price:	HK\$0.50 – HK\$0.60
Board lot:	5,000
Entry fee:	HK\$3,030.23
Historical PE	14.36x-17.23x
Net tangible asset per share:	HK\$0.22 – HK\$0.24
Market Cap (post-IPO):	HK\$500m – HK\$600m
Open:	16 Sep 2019
Close:	12.00 noon on 19 Sep 2019
Trading:	30 Sep 2019
Sponsor:	Red Sun Capital Limited

Year ended 30 Jun	(RM'000)	yoy % chg
Revenue		
2017	132,658	297.8%
2018	146,241	10.2%
Profit for the year/period		
2017	17,157	363.2%
2018	18,323	6.8%

BACKGROUND

- The Group is a civil and structural works contractor undertaking civil and structural works in the oil and gas industry in Malaysia with operational history since the 1970s. The Group is registered with a CIDB Grade G7 qualification in Category CE (Civil Engineering Construction), Category B (Building Construction) and Category ME (Mechanical and Electrical), which is the highest possible contractor licence under the CIDB and allows the Group to undertake civil and structural works of unlimited tender/contract value.
- According to the Frost & Sullivan Report, the Group's revenue for the year ended 30 June 2018 accounted for approximately 1.7% of the market share in civil works for the downstream oil and gas industry in Malaysia in the calendar year of 2018 in terms of revenue.
- The Group's civil and structural works services generally involve (i) site preparation works such as earthwork, demolition works, and temporary facilities and infrastructure construction, including building temporary site offices, canteens, warehouses, etc.; (ii) civil works for process plants, involving reinforced concrete foundations, pipe supports, ponds, pits, underground and open drainage networks, paving work (including the use of gravel, concrete and asphalt) and related plant civil maintenance works; and (iii) building works (including the building of sub-station, field auxiliary rooms, workshop and storage buildings, etc.) in the oil and gas industry.
- Over the years, the Group has participated in a number of civil and structural works projects for customers such as (a) the national oil and gas company wholly-owned by the government of Malaysia; (b) international conglomerates in the energy and infrastructure sector; and (c) engineering, procurement, commissioning and contracting contractors in the oil and gas industry.
- During the Track Record Period and as at the Latest Practicable Date, the Group was involved in the civil and structural works in the RAPID project, a large-scale refinery and petrochemical integrated development project, owned and developed by the national oil company of Malaysia, in the state of Johor, Malaysia.

BUSINESS STRATEGIES

- Enhancing working capital sufficiency to further develop the Group's businesses.
- Financing the issue of performance bonds for future projects.
- Acquiring additional machinery and equipment.
- Strengthening its manpower and enhance project management capability.
- Financing the upfront expenditures of new projects.

- Selectively pursuing strategic cooperation, investments and acquisitions.

COMPETITIVE STRENGTHS

- Award-winning contractor.
- Expertise and capability to perform civil and structural works in live operating oil and gas plant for its customers.
- Strong business relationship with key customers and business partners as well as subcontractors and suppliers.
- Quality services provided in a cost-effective manner.
- Sizeable and stable pool of skilled labour.
- Stable and experienced management team with substantial technical experience and expertise in the civil and structural works industry.
- Commitment to safety, quality and environment through well-established management systems.

KEY RISKS

- Risks relating to the Group's business.
- Risks relating to Malaysia.
- Risks relating to the Share Offer.
- Risks relating to this prospectus.

DIVIDEND POLICY

- The Group currently intends to adopt a general dividend policy of declaring and paying dividends on an annual basis of approximately 10% of the Company's distributable profit for any particular financial year.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
To be used for financing the upfront expenditures of new projects.	31.2	30.7%
Will be earmarked to take out performance bonds issued by banks or authorized insurers.	10.4	10.2%
Will be used for expansion of the Group's workforce to ensure that the Group.	15.6	15.4%
Will be used for acquisition of additional machinery and equipment.	20.8	20.5%
To be used for acquisition of potential suitable companies and business.	15.6	15.4%
Will be used for the Group's general working capital and other general corporate purposes.	7.9	7.8%
Total:	101.5	100.0%

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