

IPO FACT SHEET
Accel Group Holdings Limited (1283)
ISSUE STATISTICS

Offer Size:	HK\$125m – HK\$150m
Placement Tranche:	200m
Price:	HK\$0.625 – HK\$0.75
Board lot:	5,000
Entry fee:	HK\$3,787.79
Historical PE	11.01x – 13.22x
Net tangible asset per share:	HK\$0.26 – HK\$0.29
Market Cap (post-IPO):	HK\$500m – HK\$600m
Open:	27 Sep 2019
Close:	12.00 noon on 8 Oct 2019
Trading:	18 Oct 2019
Sponsor:	Ample Capital Limited

Year ended 31 Mar	(HKD'000)	yoy % chg
Revenue		
2018	210,804	8.9%
2019	312,732	48.4%
Profit and total comprehensive income for the year		
2018	36,069	15.2%
2019	45,395	25.9%

BACKGROUND

- They are an established E&M engineering services provider in Hong Kong and their history can be traced back to 2000. Their E&M engineering services typically involve supply, installation and maintenance of (i) MVAC systems; (ii) electrical systems; and (iii) swimming pool, fountain and plumbing and drainage systems on a project-by-project basis.
- During the Track Record Period, they delivered their services as a first-tier or second-tier subcontractor and mainly served private residential property development projects in Hong Kong including such projects under certain well-known property developers.
- During the Track Record Period, they had worked on a total of 84 E&M engineering projects with a total original contract sum of approximately HK\$1,804.2 million, among which 41 projects had been completed as at the Latest Practicable Date.
- As at the Latest Practicable Date, they have 46 projects on hand (including projects in progress as well as projects that have been awarded to them but not yet commenced) and they have total estimated remaining contract value of approximately HK\$748.9 million, of which approximately HK\$265.6 million, HK\$468.4 million and HK\$14.9 million are expected to be recognised as revenue for the three years ending 31 March 2022, respectively. All projects undertaken by them during the Track Record Period and up to the Latest Practicable Date were located in Hong Kong.
- During the Track Record Period, they were generally engaged as a subcontractor to provide E&M engineering services which, depending on specific contract requirements, may involve procurement of major materials and accessories to be installed by them.

BUSINESS STRATEGIES

- Expanding their market share and compete for more first-tier subcontract projects.
- Further strengthening their manpower.

COMPETITIVE STRENGTHS

- They have a proven track record and capabilities in performing multiple types of works in the E&M engineering industry.
- They have established relationships with other participants along the E&M engineering service supply chain.
- They have an experienced management and professional team.
- They have a pool of construction workers.

KEY RISKS

- Their revenue derived from E&M engineering projects which are non-recurrent in nature and any failure of their Group to secure new projects would affect their operations and financial results.
- Error or inaccurate estimation of project execution timeframe or costs may result in cost overruns or even losses.
- They rely on their major customers.
- Their past revenue and profit margin may not be indicative of their future financial performance.
- Failure by customers to make timely or full payment and working capital requirements associated with project works may lead to liquidity risk.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
Purchasing performance bonds.	34.4	34.4%
MVAC procurement cost.	47.3	47.3%
Hiring additional staff.	9.3	9.3%
General working capital.	9.0	9.0%
Total:	100.0	100.0%

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