

IPO FACT SHEET
Acme International Holdings Limited (1870)
ISSUE STATISTICS

Offer Size:	HK\$126.1m – HK\$170.3m
Placement Tranche:	130.0m
Price:	HK\$0.97 – HK\$1.31
Board lot:	2,500
Entry fee:	HK\$3,308.00
Historical PE	5.1x – 6.9x
Net tangible asset per share:	HK\$0.66 – HK\$0.74
Market Cap (post-IPO):	HK\$504.4m – HK\$681.2m
Open:	25 Oct 2019
Close:	12.00 noon on 30 Oct 2019
Trading:	8 Nov 2019
Sponsor:	Dongxing Securities (Hong Kong) Company Limited

Year ended 31 Dec	(HK\$'000)	yoy % chg
Revenue		
2017	423,751	-11.9%
2018	466,129	10.0%
Profit for the year / period		
2017	60,404	3.9%
2018	98,891	63.7%

BACKGROUND

- Founded in 1989, the Group is a reputable design and build solution service provider for façade works and BMU system works in Hong Kong with proven track record.
- Its façade works focus on private sector and cover residential buildings and commercial buildings and can be divided into three major types, namely (i) podium façade works; (ii) curtain wall works; and (iii) aluminium window works.
- Its BMU system works cover both private and public sectors and cover residential buildings, commercial buildings, industrial buildings as well as community facilities. It mainly provides crane type BMU systems and also provides other types of BMU systems, such as roof trolley BMU systems, monorail BMU systems, and davit arm BMU systems.
- During the Track Record Period, the Group had completed a total of 103 design and build projects, of which 19 projects were related to façade works and 84 projects were related to BMU system works.
- For the three years ended 31 December 2018 and the four months ended 30 April 2019, revenue attributable to its five largest customers in aggregate accounted for approximately 86.0%, 87.1%, 82.2% and 84.4% of its total revenue, respectively.

BUSINESS STRATEGIES

- Strengthening its financial capacity to undertake more design and build projects.
- Expanding its workforce to enhance its capacity to undertake more design and build projects.
- Enhancing its operational efficiency by implementing an ERP system.

COMPETITIVE STRENGTHS

- Being the only one-stop service provider in design and build solution for both façade works and BMU system works in Hong Kong with a leading market position in the BMU system works industry.
- Well-established reputation with solid track record in the façade works industry and BMU system works industry in Hong Kong.
- Long-term business relationships with its major customers and major suppliers.
- Management team with extensive industry knowledge and experience.
- Stringent quality control measures to ensure reliable and satisfactory services.

KEY RISKS

- Its business operations are dependent on its suppliers for stable and timely supply of quality building materials and BMU systems.
- Revenue derived from its five largest customers accounted for a substantial portion of total revenue, failure to retain business relationship with them or secure new business may affect its results of operation and financial performance.
- The Group's future development and success depends on its ability to secure contracts through tendering which is not recurrent in nature.
- The amount of revenue that it is able to derive from a project may be lower than the awarded contract sum due to contract adjustment subsequently made by its customers.
- Failure to accurately estimate its project costs in its tenders may materially and adversely affect its profitability and financial performance.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
For funding the upfront costs (excluding surety bonds) of its new project	59.0	55.5%
For funding the issuance of surety bonds for its new projects	24.1	22.7%
For expanding its workforce by recruiting additional staff	8.5	8.0%
For purchasing an ERP system and additional computer equipment	4.1	3.8%
For general corporate purposes and working capital	10.6	10.0%
Total:	106.3	100.0%

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