

IPO FACT SHEET
Analogue Holdings Limited (1977)
ISSUE STATISTICS

Offer Size:	HK\$420m
Placement Tranche:	350m
Price:	HK\$1.20
Board lot:	2,000
Entry fee:	HK\$2,424.18
Historical PE	5.33x
Net tangible asset per share:	HK\$1.12
Market Cap (post-IPO):	HK\$1,680m
Open:	28 June 2019
Close:	12.00 noon on 4 July 2019
Trading:	12 Jul 2019
Sponsor:	BOCOM International Asia

Year ended 31 Dec	(HKD'000)	yoy % chg
Revenue		
2017	4,965,277	12.5%
2018	5,966,046	20.2%
Profit for the year		
2017	433,577	258.8%
2018	315,282	-27.3%

BACKGROUND

- They are a leading E&M engineering group in Hong Kong which provides multi-disciplinary and comprehensive E&M engineering and technology services to a wide range of projects and sectors in Hong Kong, Macau and Mainland China. They also manufacture lifts and escalators and sell them internationally.
- According to the Frost & Sullivan Report, they were the largest E&M engineering service provider in Hong Kong with a market share of approximately 9.1% in terms of revenue in 2018.
- Their principal business encompasses (i) Building services — the design, installation and maintenance of E&M engineering systems in buildings, data centres, healthcare and infrastructure facilities, (ii) Environmental engineering — the design, build, operation and maintenance of environmental treatment systems, (iii) Information, Communications, and Building Technologies (ICBT) — the design, hardware and software development, engineering, installation and maintenance of information and communication technologies solutions and intelligent and green building technologies solutions, and (iv) Lifts and escalators — the design, manufacturing, installation and maintenance of lifts and escalators.
- They generate their revenue from their four business segments through (1) contracting services on a project basis, (2) providing operation and maintenance services, and (3) sale of goods.

BUSINESS STRATEGIES

- Continue to expand their existing E&M engineering services and consolidate their leading market position, including expansion of each of their four business segments.
- Develop innovative E&M engineering solutions, processes and technologies.
- Increase efficiency, strengthen financial management, quality and risk management and invest in human resources.

COMPETITIVE STRENGTHS

- They are a leading E&M engineering service provider with in-depth experience and a proven record, well-positioned to capture opportunities in the market.
- They provide comprehensive E&M engineering services for a wide range of sectors, have capability to integrate such services and have

developed significant expertise in specialised market segments.

- They are able to develop innovative E&M engineering technology and promote a culture of innovation.
- They adhere to stringent quality, safety and environmental standards in order to deliver high quality services and products and provide safe working condition, and they strongly promote corporate social responsibility in their business operations.
- They have built up an extensive client network with leading companies and organisations in different sectors and have well-established relationships with their suppliers and subcontractors.
- They have a highly qualified and experienced management team with a proven track record supported by their dedicated professional teams.

KEY RISKS

- They may face allegations, complaints or reports by their customers, third parties or the general public, and any failure to deal with such complaints or negative publicity could materially and adversely affect their reputation, business, prospects or their Share price.
- They are exposed to claims arising from latent defects that may be caused by them or their subcontractors in the past, the discovery of which may have material negative impact on their reputation, business and results of operation.
- If they are unable to accurately estimate the risks, progress, revenues or costs when they enter into contracts or fail to perform their contracts based on their estimates, or if they fail to agree on the pricing of work done pursuant to variation orders or otherwise, they may be unable to realise the anticipated profits or incur losses on the contracts.
- They require various approvals, licences and permits to operate many of their businesses, and the loss of, or failure to obtain or renew, any or all of these approvals, licences and permits could materially and adversely affect their businesses in Hong Kong, Macau and Mainland China.
- Failure to implement safety measures and procedures on work sites by their staff and/or third party service providers may lead to personal injuries, property damage or fatal accident.
- They are exposed to litigation claims including employees' compensation claims and common law personal injury claims, and their insurance coverage may not adequately protect them against certain risk.
- If they fail to meet the requirements of their contracts or quality standards of their services, they may face litigation, be required to pay damages and additional costs, and experience delay or difficulties in receiving payments, which may adversely affect their business and reputation.

DIVIDEND POLICY

- Their Directors currently intend to distribute to their Shareholders no less than 50% of their profits available for distribution.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
Supporting the expansion and development of their building services segment, including their backlog and future projects.	67.1	20.0%
Enhancing their engineering capabilities in the environmental engineering segment.	100.7	30.0%
Enhancing the engineering capabilities of their ICBT segment.	67.1	20.0%
Expansion and development of their lifts and escalators segment.	67.1	20.0%
General working capital.	33.7	10.0%
Total:	335.7	100.0%

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