

IPO FACT SHEET
Silver Tide Holdings Limited (1943)
ISSUE STATISTICS

Offer Size:	HK\$125m - HK\$135m
Placement Tranche:	250m Shares
Price:	HK\$0.5 - HK\$0.54
Board lot:	5,000
Entry fee:	HK\$2,727.21
Historical PE	13.4x – 14.5x
Net tangible asset per share:	HK\$0.22 - HK\$0.23
Market Cap (post-IPO):	HK\$500m- HK\$ 540m
Open:	18 June 2019
Close:	12.00 noon on 21 June 2019
Trading:	28 Jun 2019
Sponsor:	Grande Capital Limited

Year ended 31 March	(HKD'000)	yoy % chg
Revenue		
FY2016/17	378,627	89.9%
FY2017/18	361,873	-4.4%
Profit and total comprehensive income for the year		
FY2016/17	18,359	1.6%
FY2017/18	37,222	102.7%

BACKGROUND

- The Group are a subcontractor in the construction industry mainly providing formwork works services to both the public and private sectors in Hong Kong.
- The formwork works undertaken by the Group mainly include (i) traditional formwork using timber and plywood; and (ii) system formwork using aluminium and steel.
- Upon their customers' request, they also undertake other construction works such as reinforcement bar fixing, concrete placing, A&A works and plastering.

BUSINESS STRATEGIES

- Expand their market share and formwork work capacity.
- Purchase the own metal scaffold equipment.
- Strengthen their manpower.

COMPETITIVE STRENGTHS

- They have an established history and presence in the formwork works industry.
- They have a proven track record in performing a variety of construction projects.
- They have stable and long-term relationships with major customers, suppliers and subcontractors.
- They have a strong and experienced management team.
- They have stringent quality control, high safety standard and environmental impact control.

KEY RISKS

- Their business relies on successful tenders of formwork projects which are non-recurrent in nature, and there is no guarantee that their customers will provide us with new business or that they will secure new customers.
- They rely on subcontractors to complete their projects and their financial performance and their business may be affected by the availability and costs of their subcontractors.
- They make estimation of their contract costs in their tenders and any failure to properly estimate the costs involved in the implementation

of a project or delay in completion of any project may lead to cost overruns or even result in losses in their projects.

- They have a concentrated customer base, and any decrease in the number of projects with their major customers would adversely affect their operations and financial results.
- Their five largest subcontractors account for a substantial portion of their subcontracting charges.
- Their cash flows may deteriorate due to potential mismatch in time between receipt of progress payments from their customers, and payments to their suppliers and subcontractors.
- They are exposed to their customers' credit risks and their liquidity position may be adversely affected if their customers fail to make payment on time or in full.
- Increases in construction material costs, shortage or delay of delivery of certain construction materials and substandard construction materials may have an adverse impact on their financial results.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
Financing the start-up costs for projects commencing from the calendar year 2019.	82.2	89.9%
Purchasing metal scaffold equipment and related expenses.	9.2	10.1%
Total:	91.4	100.0%

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