

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ANALOGUE HOLDINGS LIMITED

安樂工程集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 1977)

PROFIT WARNING

This announcement is made by Analogue Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that, based on the information currently available to the Board, including the latest unaudited consolidated management accounts of the Group, while the gross profit margin of the Group remained stable for the six months ended 30 June 2019 (the “**Period**”) as compared with that of the corresponding period in 2018, the Board preliminarily estimates that the Group is expected to record a substantial decrease in net profit of about 50% for the Period as compared with the unaudited consolidated net profit of approximately HK\$216.7 million recorded in the corresponding period in 2018.

As disclosed in the Company’s prospectus dated 28 June 2019 (the “**Prospectus**”), due to the nature of the Group’s industry and the contract terms of the Group’s service agreements, the revenue under the Group’s contracts secured are recognised based on various work progress milestones. The Board believes that such a decrease in net profit to be recorded by the Group as compared to that for the corresponding period in 2018 is mainly attributable to few factors, including the significant revenue recognised from one of the Group’s notable projects during the six months ended 30 June 2018 which resulted in the Group recording a relatively high net profit for the same period in 2018; the delay in progress of some of our electrical and mechanical (“**E&M**”) engineering projects in Hong Kong resulting in a decrease in project billing for the Period as compared to the corresponding period in 2018, of which were caused by, among others, third party’s delay in the completion of their engineering works preceding the Group’s work stage in the relevant projects. Accordingly, the project billing of these engineering projects which shall only be recognised at the time of commencement of work could not be timely reflected in the Group’s operating results for the Period. In addition, our operating result was also affected by an increase in staff costs, depreciation and amortisation for the Period.

As disclosed on page 10 of the Prospectus, despite the fact that the Group has secured a healthy pipeline of E&M engineering projects in the year ending 31 December 2019 up to 18 June 2019, taking into account the continuation of the trade war between the United States and Mainland China and delay in the progress of some works for E&M engineering projects, the Board held a conservative view that the Group's operating results for the Period and for the year ending 31 December 2019 may be materially and adversely affected by the above mentioned factors. For further details, please see the risk factor headed "Our profit fluctuated during the Track Record Period and our operating results may fluctuate significantly between different periods within a financial year or on a period-on-period basis, due to various factors, some of which are beyond our control. Our historical financial and operating results may not be indicative of future performance, and we may not be able to achieve and sustain the historical level of revenue and profitability." in the "Risk Factors" section of the Prospectus.

The Group is still in the process of preparing and finalising the Group's unaudited interim results for the Period. The information contained in this announcement is based on the Board's preliminary assessment of the unaudited management accounts of the Group and the information available for the time being. Such information has not been audited or reviewed by the auditors of the Company and may be subject to change. Further details of the Group's financial results and performance for the Period will be disclosed in the interim results announcement of the Company, which is expected to be published in August 2019 in accordance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
ANALOGUE HOLDINGS LIMITED
Dr. Poon Lok To Otto
Chairman

Hong Kong, 31 July 2019

As at the date of this announcement, the executive directors of the Company are Dr. Poon Lok To Otto, Mr. Cheng Siu Ngai Kevin, Mr. Law Wei Tak and Mr. Chan Hoi Ming; the non-executive director of the Company is Dr. Mak Kin Wah and the independent non-executive directors of the Company are Mr. Chan Fu Keung, Mr. Lam Kin Fung Jeffrey and Mr. Wong King On Samuel.