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Analogue Holdings Limited
安樂工程集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1977)

**MAJOR TRANSACTION
INVOLVING THE ACQUISITION OF
51% OF EQUITY INTERESTS IN THE TARGET COMPANY
AND GRANT OF THE PUT RIGHT**

THE AGREEMENT

The Board is pleased to announce that on 31 March 2020 (Eastern Time and after trading hours of the Stock Exchange), the Buyer, a wholly-owned subsidiary of the Company, entered into the Agreement with the Sellers in relation to the Acquisition, pursuant to which the Sellers have agreed to sell, and the Buyer has agreed to purchase, the Offered Shares for an aggregate consideration of US\$35.7 million (equivalent to approximately HK\$278.46 million). The Consideration is subject to adjustment in accordance with the terms of the Agreement and will be settled in cash by stages.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) as calculated under Rule 14.06 of the Listing Rules in respect of the Acquisition is more than 25% but all of the percentage ratios are less than 100%, the Acquisition constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules. The Acquisition is subject to the reporting, announcement and the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

As the exercise of each of Call Right, the Book Value Option and the Leaver Options is at the discretion of the Company, according to Rule 14.75(1) of the Listing Rules, on the grant of each of the Call Right, the Book Value Option and the Leaver Options, only the premium (which is nil) will be taken into consideration for calculating the percentage ratios.

The exercise of the Put Right is not at the discretion of the Company. According to Rule 14.74 of the Listing Rules, on the grant of the Put Right, the transaction will be classified as if the Put Right has been exercised. As it is not possible to demonstrate the highest possible monetary value of the Put Right at the time of its grant, the grant of the Put Right will be treated as at least a major transaction pursuant to Rule 14.76(1) of the Listing Rules. Therefore, the grant of the Put Right will be subject to the reporting, announcement and Shareholders' approval requirement under Chapter 14 of the Listing Rules. The Company will comply with the relevant Listing Rules upon the exercise of the Sellers' Put Right.

So far as the Company is aware, having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting on the resolution to approve, the Acquisition and the grant of the Put Right, if the Company were to convene a general meeting to approve the same.

The Company has received written Shareholders' approval in respect of the Acquisition and the grant of the Put Right from Arling Investment Limited which holds approximately 63.48% of the issued shares of the Company, in accordance with Rule 14.44 of the Listing Rules. Accordingly, no Shareholders' meeting will be convened by the Company to approve the Acquisition and the grant of the Put Right.

DESPATCH OF CIRCULAR

Pursuant to Rule 14.41(a) of the Listing Rules, the Company is required to despatch a circular containing, amongst other things, details of the Acquisition and the grant of the Put Right, to the Shareholders within 15 business days after the publication of this announcement, which is on or before 23 April 2020. Given that additional time is required for the Company to prepare and finalise the financial information of the Group to be included in the circular, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules. The circular is expected to be despatched to the Shareholders on or before 28 May 2020.

INTRODUCTION

The Board is pleased to announce that on 31 March 2020 (Eastern Time and after trading hours of the Stock Exchange), the Buyer, a wholly-owned subsidiary of the Company, entered into the Agreement with the Sellers in relation to the Acquisition, pursuant to which the Sellers have agreed to sell, and the Buyer has agreed to purchase, the Offered Shares for an aggregate consideration of US\$35.7 million (equivalent to approximately HK\$278.46 million). The Consideration is subject to adjustment in accordance with the terms of the Agreement and will be settled in cash by stages.

THE AGREEMENT

The major terms of the Agreement are as follows:

Date: 31 March 2020 (Eastern Time and after trading hours of the Stock Exchange)

Parties: Buyer: Anlev (US) LLC, an indirect wholly-owned subsidiary of the Company

Sellers: Six individuals as follows:

Seller	Approximate percentage of Offered Shares to be sold to the Buyer
Mark Gregorio	30.60%
Michael Staub	15.30%
Juan Rondon	2.04%
Kevin Lynch	1.53%
Wayne Locker	1.02%
Angela Williams	0.51%

To the best of knowledge, information and belief of the Directors having made all reasonable enquiries, all of the Sellers are Independent Third Parties.

Subject of the Acquisition

Pursuant to the Agreement, the Sellers have agreed to sell, and the Buyer has agreed to purchase, the Offered Shares, representing 51% of the equity interests in the Target Company, free and clear of all encumbrances upon Completion, except encumbrances imposed generally by United States federal and state securities laws or the Shareholders' Agreement. The Completion took place immediately upon signing of the Agreement on the date of the Agreement (Eastern Time).

Consideration

The aggregate Consideration payable for the sale and purchase of the Offered Shares shall be US\$35.7 million (equivalent to approximately HK\$278.46 million). The Consideration is subject to adjustment in accordance with the terms of the Agreement and will be settled in cash in the following manner:

- (1) an aggregate of US\$17.85 million (equivalent to approximately HK\$139.23 million), subject to adjustments set out in the section headed "Adjustment to the Consideration" in this announcement, minus the Estimated Indebtedness and the Estimated Transaction Expenses ("**Closing Payment**"), to be paid to the Sellers upon Completion on a pro rata basis;
- (2) an aggregate of US\$10.71 million (equivalent to approximately HK\$83.538 million), subject to adjustments set out in the section headed "Adjustment to the First Deferred Payment and the Second Deferred Payment" in this announcement ("**First Deferred Payment**"), to be paid to the Sellers within 5 Business Days after the final determination of the First Deferred Payment for First Period on a pro rata basis; and
- (3) an aggregate of US\$7.14 million (equivalent to approximately HK\$55.692 million), subject to adjustments set out in the section headed "Adjustment to the First Deferred Payment and the Second Deferred Payment" in this announcement ("**Second Deferred Payment**"), to be paid to the Sellers within 5 Business Days after the final determination of the Second Deferred Payment for the Second Period on a pro rata basis.

The Consideration was determined after arms' length negotiations between the Buyer and the Sellers with reference to, among others, the unaudited net asset value of the Target Company as at 31 December 2019 and the business prospects of the Target Company.

Adjustment to the Consideration

Completion Adjustment

At least three Business Days before the Completion, the Sellers shall prepare and deliver to Buyer a written statement setting forth their good faith estimate of (i) the working capital of the Target Company calculated as of the Cut-off Time (without giving effect to the transactions contemplated under the Agreement) (“**Estimated Closing Working Capital**”), (ii) the indebtedness of the Target Company as of the Cut-off Time (“**Estimated Indebtedness**”), and (iii) the estimated transaction expenses of the Target Company incurred in connection with, among others, the Agreement and the Shareholders’ Agreement (“**Estimated Transaction Expenses**”), all of which will be prepared and calculated in accordance with GAAP.

The Closing Payment shall be adjusted by an amount (if any) equal to the Estimated Closing Working Capital minus US\$12,607,312 (“**Closing Adjustment**”), provided that if the absolute value of the Closing Adjustment is less than US\$250,000, the Closing Adjustment shall be deemed to be US\$0. If the Closing Adjustment is a positive number, the Closing Payment shall be increased by the amount of the Closing Adjustment. If the Closing Adjustment is a negative number, the Closing Payment shall be reduced by the amount of the Closing Adjustment. At Completion, the Closing Adjustment to the Closing Payment is US\$0.

Post-Completion Adjustment

Within 90 days after the Completion, the Buyer shall prepare and deliver to Sellers a written statement (“**Closing Statement**”) setting forth in reasonable detail its calculation of (i) the working capital of the Target Company calculated as of the Cut-off Time (without giving effect to the transactions contemplated under the Agreement) (“**Final Closing Working Capital**”), (ii) the indebtedness of the Target Company as of the Cut-off Time (“**Final Indebtedness**”), and (iii) the transaction expenses of the Target Company incurred in connection with, among others, the Agreement and the Shareholders’ Agreement (“**Final Transaction Expenses**”), all of which will be prepared and calculated in accordance with GAAP.

The Consideration shall be adjusted by an amount (if any) equals to the (i) the Final Closing Working Capital minus the Estimated Closing Working Capital, plus (ii) the Estimated Indebtedness less the Final Indebtedness, plus (iii) the Estimated Transaction Expenses less the Final Transaction Expenses (“**Post-Closing Adjustment**”). If the Post-Closing Adjustment is a positive number, the Buyer shall pay to the Sellers, on a pro rata basis, an amount equal to the Post-Closing Adjustment. If the Post-Closing Adjustment is a negative number, each Seller severally shall pay to Buyer an amount equal to such Seller’s pro rata portion of the Post-Closing Adjustment. Any payment of the Post-Closing Adjustment shall be due within 5 Business Days of the final determination of the Closing Statement.

Adjustment to the First Deferred Payment and the Second Deferred Payment

In the event the Actual Performance for a Period is within 15% (above or below) of the Target Performance for such Period, the Buyer will pay the Sellers an aggregate amount equal to the applicable Deferred Payment for such Period.

To the extent the Actual Performance for a Period is more than 15% above or below the Target Performance for such Period, the Deferred Payment for such Period will be adjusted in line with the following chart, whereby the “*Performance*” column represents the Actual Performance as a percentage of the Target Performance, and the “*Payment*” column represents the total adjusted Deferred Payment that would be paid (as applicable) as a percentage of the applicable Deferred Payment:

Performance	Payment
145% or higher	140%
Greater than 140% and equal to or less than 145%	135%
Greater than 135% and equal to or less than 140%	130%
Greater than 130% and equal to or less than 135%	125%
Greater than 125% and equal to or less than 130%	120%
Greater than 120% and equal to or less than 125%	115%
Greater than 115% and equal to or less than 120%	110%
Equal to or less than 115% but greater than or equal to 85%	100%
Less than 85% but equal to or greater than 80%	80%
Less than 80% but equal to or greater than 75%	70%
Less than 75% but equal to or greater than 70%	60%
Less than 70% but equal to or greater than 65%	50%
Less than 65% but equal to or greater than 60%	40%
Less than 60% but equal to or greater than 55%	30%
Less than 55% but equal to or greater than 50%	20%
Less than 50%	0%

With respect to the calculation of the Actual Performance in the Second Period, (i) to the extent the Actual Performance in the First Period exceeded 145% of the Target Performance for the First Period, such excess performance beyond 145% will be added to the Actual Performance in the Second Period, and (ii) to the extent the Actual Performance in the First Period was 85% or less of the Target Performance for the First Period, any actual excess over 100% in the Actual Performance in the Second Period will be reduced and applied to the First Period, and the Deferred Payment for the Second Period will be increased by any amount that the First Deferred Payment would have been increased with such revised numbers.

Notwithstanding the above, (i) under no circumstances will the actual adjusted Deferred Payment for a Period be greater than 140% of the targeted Deferred Payment, regardless of the Actual Performance, and (ii) to the extent the Actual Performance for a Period is less than 50% of the applicable Target Performance, no Deferred Payment will be made for such Period.

Any payments made pursuant to the adjustment of Deferred Payment, to the extent in excess of or less than the respective baseline Deferred Payment amounts, shall be treated as adjustments to the Consideration.

Completion

Completion took place immediately upon signing of the Agreement on the date of the Agreement (Eastern Time).

Upon Completion, each of the Sellers has executed his/her respective Employment Agreement with the Target Company for their provision of administrative, financial and other executive and managerial services to the Target Company in accordance with the terms and conditions thereof for a term of five years in the case of Mark Gregorio and Michael Staub, and three years in the case of each other Seller, each commencing from the date of the Agreement, and shall thereafter automatically renew for one year terms unless either party gives the other party 30 days' notice of its election not to renew, or until his/her employment is terminated in accordance with the terms and conditions thereof.

SHAREHOLDERS' AGREEMENT

On 31 March 2020 (Eastern Time and after trading hours of the Stock Exchange), the Shareholders' Agreement was entered into among the Sellers, the Buyer and the Target Company. The Shareholders' Agreement contains various rights of shareholders in the Target Company, including but not limited to the following:

Board composition

The board of directors of the Target Company is fixed and remains at all times at five directors, of whom three shall be designated by the Buyer, and two shall be designated by Sellers holding at least 80% of all the shares in the Target Company owned by the Sellers.

Right of first refusal

If the Buyer (or its permitted transferee) (collectively, the "**Selling Shareholder**") receives a bona fide offer from any third party purchaser that the Selling Shareholder desires to accept to transfer all or any portion of its shares in the Target Company, the other shareholder(s) of the Target Company shall have a right of first refusal to buy such shares.

Tag-along right

If the Selling Shareholder proposes to transfer any of its shares in the Target Company to any person, each other shareholder(s) of the Target Company shall be permitted to participate in such sale.

Drag-along right

If the Selling Shareholder proposes to consummate, in one transaction or a series of related transactions, a Change of Control, the Selling Shareholder shall have the right to require that each other shareholder of the Target Company to participate in such sale on substantially the same terms and conditions as the Selling Shareholder.

Sellers' Put Right and Buyer's Call Right

Put Right

At any time on or after the date that is seven years from the date of the Shareholders' Agreement (i.e. on or after 31 March 2027 (Eastern Time)), the Sellers shall have the right (the "**Put Right**") to cause Buyer to purchase all, but not less than all, of the shares in the Target Company held by all Sellers at a price which shall be the fair value of such shares as of the date of the exercise of the Put Right or Call Right (as defined below), as applicable (the "**Purchase Price**").

Call Right

At any time on or after the date that is two years from the date of the Shareholders' Agreement (i.e. on or after 31 March 2022 (Eastern Time)), the Buyer shall have the right (the "**Call Right**") to cause each Seller to sell all, but not less than all, of the shares in the Target Company held by the Sellers to the Buyer at the Purchase Price.

Notwithstanding the above, upon the Sellers' exercise of the Put Right, to the extent that the Buyer is unable to purchase the shares in the Target Company from the Sellers, the Buyer shall have the right to refuse such purchase, and to the extent the Buyer exercises such right, the Buyer must promptly use its commercially reasonable efforts to permit or cause either the Target Company or the shares in the Target Company held by the Sellers to be sold to a third party purchaser. To the extent the Target Company or the shares in the Target Company held by Sellers for any reason are not sold within twelve months of Sellers' exercise of the Put Right, the Sellers shall have the right to re-exercise the Put Right as if it had not previously been exercised.

Target Company's Book Value Option and Leaver Options

Book Value Option

If, before the Permitted Termination Date, the Target Company terminates employment of a Seller for cause, or a Seller terminates his/her employment other than for good reason or without the Target Company's consent, the Target Company shall have an option ("**Book Value Option**"), exercisable by notice to such Seller within one year following the date of termination, to purchase from such Seller all of his or her shares in the Target Company at their book value, as determined from the Target Company's audited balance sheet as of the year ended most recently before such date of termination.

Leaver Options

If a Seller's employment is terminated on or after the Permitted Termination Date or at any time by the Seller's death or permanent disability or incapacity (such Seller, the "**Leaver**"), the Target Company and the other Sellers shall have options ("**Leaver Options**") to purchase any or all of the Leaver's shares in the Target Company ("**Leaver's Shares**"), exercisable within one year after the date of termination ("**Option Period**") at their fair value. The Target Company shall exercise its option by notice given at least 60 days before the end of the Option Period, to the Leaver and other Sellers, of the number of shares that the Target Company elects to purchase or shall notify Leaver and the other Sellers of the Target Company's determination that it will not exercise its option with respect to any of Leaver's Shares within five days after such determination, but not later than 60 days before the end of the Option Period. The other Sellers shall have the option to purchase all or any of Leaver's Shares not elected to be purchased by the Target Company, pro rata with respect to their ownership of shares in the Target Company with respect to themselves or in such other amounts as they shall agree.

INFORMATION OF THE GROUP AND THE BUYER

The Group is a leading electrical and mechanical (“E&M”) engineering service provider in Hong Kong which provides multi-disciplinary and comprehensive E&M engineering and technology services, including (i) building services, (ii) environmental engineering, (iii) information, communications and building technologies, and (iv) lifts and escalators.

The Buyer is a Delaware limited liability company. It is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding.

INFORMATION OF THE SELLERS

Each of the Sellers is an individual and an Independent Third Party.

INFORMATION OF THE TARGET COMPANY

The Target Company is a corporation incorporated in New York which is principally engaged in the business of providing new construction, modernization, repair and maintenance services in the vertical transportation sector for both residential and commercial real estate customers.

Based on the unaudited financial statements of the Target Company for the year ended 31 December 2019 prepared in accordance with GAAP, the net asset value of the Target Company as at 31 December 2019 was approximately US\$16.6 million (equivalent to approximately HK\$129.5 million). Some financial data of the Target Company as extracted from its financial statements prepared in accordance with GAAP is set out below:

	For the year ended	
	31 December	
	2018	2019
	(audited)	(unaudited)
	<i>US\$'million</i>	<i>US\$'million</i>
Profit before taxation	3.2	10.5
Profit after taxation	3.6	10.2

Further details in relation to the financial information of the Target Company and of the Group as enlarged by the Target Company as required under the Listing Rules, prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, will be disclosed in the circular to be despatched to the Shareholders in due course.

Upon Completion, the Target Company will become an indirect non-wholly owned subsidiary of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Lifts and escalators is a profitable with a sustainable recurring revenue business sector and is dominated by some very significant players globally. The Directors consider that there are still enough market size available for the Group's lifts and escalators business to grow.

The Group's successful lifts and escalators business model is to be flexible and have an innovative approach to products and most importantly to satisfy customer demands, which sometimes goes beyond standard products from a catalogue. This model can be further complemented by providing the customers with a long-term service contract together with the products.

The Group's vertical supply chain currently has a manufacturing facility in Nanjing, the People's Republic of China ("PRC") and a long and successful presence in installations, modernisations and services of lifts and escalators in Hong Kong.

The Group is gradually expanding its lifts and escalators business in the PRC, Korea, Australia, Mexico, etc. and is executing its vision to provide products and services on a global basis.

An opportunity has arisen after successful partnership with one of our distributors in USA to form a closer relationship through the Acquisition. The growth from an existing distributor partnership to an equity partnership provide the opportunity for both the Sellers and the Buyer to understand each other, and ensure the alignment of the strategic goals and culture fits. The Target Company has been operating in New York City since 1989 and its primary activities are modernisation, installation, repair and maintenance for elevators and escalators in residential and commercial properties in New York metropolitan area. The Directors consider that the Acquisition will allow the Group to gain local presence, knowledge and more than 30 years' experience in the US lifts and escalators market.

Based on information available to the Company, the revenue of the Target Company has grown at the compound annual growth rate of 17% from 2014 to 2019, from US\$54 million (equivalent to approximately HK\$421 million) in 2014 to US\$118.7 million (equivalent to approximately HK\$925.9 million) in 2019. The Target Company's profit before tax has also grown from less than US\$0.5 million (equivalent to approximately HK\$3.9 million) in 2014 to over US\$10 million (equivalent to approximately HK\$78 million) in 2019.

In light of the satisfactory financial performance of the Target Company and its extensive experience in the USA lifts and escalators market, the Company believes that the Acquisition will be a very successful first step for the Group to enter USA market and beyond.

Taking into consideration of the aforesaid, the Directors consider that the terms and conditions of the Agreement are on normal commercial terms and are fair and reasonable and that the Acquisition is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) as calculated under Rule 14.06 of the Listing Rules in respect of the Acquisition is more than 25% but all of the percentage ratios are less than 100%, the Acquisition constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules. The Acquisition is subject to the reporting, announcement and Shareholders' approval requirement under Chapter 14 of the Listing Rules.

As the exercise of each of the Call Right, the Book Value Option and the Leaver Options is at the discretion of the Company, according to Rule 14.75(1) of the Listing Rules, on the grant of each of the Call Right, the Book Value Option and the Leaver Options only the premium (which is nil) will be taken into consideration for calculating the percentage ratios.

The exercise of the Put Right is not at the discretion of the Company. According to Rule 14.74 of the Listing Rules, on the grant of the Put Right, the transaction will be classified as if the Put Right has been exercised. As it is not possible to demonstrate the highest possible monetary value of the Put Right at the time of its grant, the grant of the Put Right will be treated as at least a major transaction pursuant to Rule 14.76(1) of the Listing Rules. Therefore, the grant of the Put Right will be subject to the reporting, announcement and Shareholders' approval requirement under Chapter 14 of the Listing Rules. The Company will comply with the relevant Listing Rules upon the exercise of the Sellers' Put Right.

So far as the Company is aware, having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting on the resolution to approve, the Acquisition and the grant of the Put Right, if the Company were to convene a general meeting to approve the same.

The Company has received written Shareholders' approval in respect of the Acquisition and the grant of the Put Right from Arling Investment Limited which holds approximately 63.48% of the issued shares of the Company, in accordance with Rule 14.44 of the Listing Rules. Accordingly, no Shareholders' meeting will be convened by the Company to approve the Acquisition and the grant of the Put Right.

DESPATCH OF CIRCULAR

Pursuant to Rule 14.41(a) of the Listing Rules, the Company is required to despatch a circular containing, amongst other things, details of the Acquisition and the grant of the Put Right, to the Shareholders within 15 business days after the publication of this announcement, which is on or before 23 April 2020. Given that additional time is required for the Company to prepare and finalise the financial information of the Group to be included in the circular, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules. The circular is expected to be despatched to the Shareholders on or before 28 May 2020.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Actual Performance”	for any Period, the Target Company’s net income before tax determined in accordance with GAAP
“Acquisition”	the acquisition of the Offered Shares by the Buyer from the Sellers pursuant to the terms and conditions of the Agreement
“Agreement”	the stock purchase agreement dated 31 March 2020 (Eastern Time) entered into among the Sellers and the Buyer in relation to the Acquisition
“Board”	the board of Directors
“Book Value Option”	has the meaning ascribed to it in the section headed “SHAREHOLDERS’ AGREEMENT – Target Company’s Book Value Option and Leaver Options” of this announcement
“Business Day(s)”	any day except Saturday, Sunday or any other day on which commercial banks located in New York or Hong Kong are authorised or required by law to be closed for business
“Buyer”	Anlev (US) LLC, a Delaware limited liability company and an indirect wholly-owned subsidiary of the Company
“Call Right”	has the meaning ascribed to it in the section headed “SHAREHOLDERS’ AGREEMENT – Sellers’ Put Right and Buyer’s Call Right” of this announcement

“Change of Control”	being any of the following events: <ul style="list-style-type: none"> (a) the sale of all or substantially all of the consolidated assets of the Target Company and its subsidiaries to a third party purchaser; (b) a sale resulting in no less than a majority of the shares of the Target Company (or other voting stock of the Target Company) being held by a third party purchaser; or (c) a merger, consolidation, recapitalization or reorganization of the Target Company with or into a third party purchaser that results in the inability of the shareholders of the Target Company to designate or elect a majority of the board of directors (or its equivalent) of the resulting entity or its parent company
“Closing Adjustment”	has the meaning ascribed to it in the section headed “THE AGREEMENT – Adjustment to the Consideration” of this announcement
“Closing Payment”	has the meaning ascribed to it in the section headed “THE AGREEMENT – Consideration” of this announcement
“Closing Statement”	has the meaning ascribed to it in the section headed “THE AGREEMENT – Adjustment to the Consideration” of this announcement
“Company”	Analogue Holdings Limited (stock code: 1977), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement, which took place on the date of the Agreement (Eastern Time)
“Consideration”	the aggregate consideration payable by the Buyer to the Sellers for the Offered Shares in the amount of US\$35.7 million (equivalent to approximately HK\$278.46 million), subject to adjustment in accordance with the terms of the Agreement
“Cut-off Time”	11:59 p.m. (Eastern Time) on the day before the Completion
“Deferred Payment”	the First Deferred Payment or the Second Deferred Payment, as applicable
“Directors”	directors of the Company
“Eastern Time”	Eastern Time Zone

“Employment Agreement(s)”	the employment agreements dated 31 March 2020 executed between each of the Sellers and the Target Company upon Completion for their provision of administrative, financial and other executive and managerial services to the Target Company
“Estimated Closing Working Capital”	has the meaning ascribed to it in the section headed “THE AGREEMENT – Adjustment to the Consideration” of this announcement
“Estimated Indebtedness”	has the meaning ascribed to it in the section headed “THE AGREEMENT – Adjustment to the Consideration” of this announcement
“Estimated Transaction Expenses”	has the meaning ascribed to it in the section headed “THE AGREEMENT – Adjustment to the Consideration” of this announcement
“Final Closing Working Capital”	has the meaning ascribed to it in the section headed “THE AGREEMENT – Adjustment to the Consideration” of this announcement
“Final Indebtedness”	has the meaning ascribed to it in the section headed “THE AGREEMENT – Adjustment to the Consideration” of this announcement
“Final Transaction Expenses”	has the meaning ascribed to it in the section headed “THE AGREEMENT – Adjustment to the Consideration” of this announcement
“First Deferred Payment”	has the meaning ascribed to it in the section headed “THE AGREEMENT – Consideration” of this announcement
“First Period”	the period from 1 July 2020 to 30 June 2021
“GAAP”	United States generally accepted accounting principles in effect from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)

“Leaver”	has the meaning ascribed to it in the section headed “SHAREHOLDERS’ AGREEMENT – Target Company’s Book Value Option and Leaver Options” of this announcement
“Leaver Options”	has the meaning ascribed to it in the section headed “SHAREHOLDERS’ AGREEMENT – Target Company’s Book Value Option and Leaver Options” of this announcement
“Leaver’s Shares”	has the meaning ascribed to it in the section headed “SHAREHOLDERS’ AGREEMENT – Target Company’s Book Value Option and Leaver Options” of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offered Shares”	34 issued shares of the Target Company, representing 51% of the equity interests in the Target Company
“Option Period”	has the meaning ascribed to it in the section headed “SHAREHOLDERS’ AGREEMENT – Target Company’s Book Value Option and Leaver Options” of this announcement
“Period”	the First Period or the Second Period, as applicable
“Permitted Termination Date”	for each of Kevin Lynch and Wayne Locker, the second anniversary of the date of the Shareholders’ Agreement and for each other Seller, the seventh anniversary of the date of the Shareholders’ Agreement
“Post-Closing Adjustment”	has the meaning ascribed to it in the section headed “THE AGREEMENT – Adjustment to the Consideration” of this announcement
“Purchase Price”	has the meaning ascribed to it in the section headed “SHAREHOLDERS’ AGREEMENT – Sellers’ Put Right and Buyer’s Call Right” of this announcement
“Put Right”	has the meaning ascribed to it in the section headed “SHAREHOLDERS’ AGREEMENT – Sellers’ Put Right and Buyer’s Call Right” of this announcement
“Second Deferred Payment”	has the meaning ascribed to it in the section headed “THE AGREEMENT – Consideration” of this announcement
“Second Period”	the period from 1 July 2021 to 30 June 2022
“Sellers”	Six individuals being (a) Mark Gregorio; (b) Michael Staub; (c) Juan Rondon; (d) Kevin Lynch; (e) Wayne Locker; and (f) Angela Williams

“Selling Shareholder”	has the meaning ascribed to it in the section headed “SHAREHOLDERS’ AGREEMENT – Right of first refusal” of this announcement
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ Agreement”	the shareholder’s agreement dated 31 March 2020 (Eastern Time) entered into among the Sellers, the Buyer and the Target Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Transel Elevator & Electric Inc., a corporation incorporated in New York that is principally engaged in the business of providing new construction, modernization, repair and maintenance services in the vertical transportation sector for both residential and commercial real estate customers
“Target Performance”	(i) for the First Period, the Target Company’s achievement of net income before tax of US\$14,500,961, and (ii) for the Second Period, the Target Company’s achievement of net income before tax of US\$15,479,598
“US\$”	United States Dollars, the lawful currency of the USA
“USA”	United States of America
“%”	per cent

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

Hong Kong, 31 March 2020

For the purpose of this announcement, unless otherwise indicated, conversions of US\$ into HK\$ is calculated at the approximate exchange rate of US\$1.00 to HK\$7.80. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.

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.