

ANALOGUE HOLDINGS LIMITED

200x150 EAD (BL44.40)
S.F.L.44.55

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FROM L TO R
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ø200 CHWR (CL41.80)
ø150 CHW BY-PASS (CL41.80)

S.F.L.37.85

2019 Annual Results



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COMPANY OVERVIEW

COMPANY OVERVIEW



A leading E&M engineering service provider in Hong Kong



Provides a range of E&M engineering and technology services including; (i) **building services**; (ii) **environmental engineering**; (iii) **ICBT**; and (iv) **lifts & escalators** to private and public sector clients in Hong Kong, Mainland China and Macau



Has over **40 years** of operating history, over **2,400** employees and an **extensive portfolio of clients**



Continuously develop **Innovative E&M engineering technology** and culture of innovation with **35 patents** and designs possessed internationally



Maintain sustainable growth with **stable gross profit margin** and favorable dividend payout ratio at **51%**

HIGHLIGHTS IN FY2019

HIGHLIGHTS IN FY2019

Maintain leading position in Hong Kong with revenue HK\$ 4.5 billion

Satisfactory order intake of HK\$ 6.5 billion, up 13.3% YOY

Net profit margin increased to 5.5%

Record High Value of Outstanding contracts in hand increased to HK\$ 9.4 billion, up 27% YOY

Awarded 316 tenders* with total value of HK\$ 5.5 billion

High dividend payout ratio at 51%

BUSINESS REVIEW

BUILDING SERVICES



Design, installation, testing and commissioning and maintenance of heating ventilation and air-conditioning systems, fire service systems, plumbing and drainage systems and electrical and extra low voltage systems and combined service E&M engineering contracts for a wide range of buildings and premises

- Value of outstanding contracts: **HK\$ 5,804 million**, up HK\$ 2,188 million YOY
- Serving customers from different industry sectors in **Hong Kong, Macau and mainland China** including residential, commercial, industrial, institutional, data centre, hospital and healthcare, as well as infrastructure facilities such as airport, public transportation, road and tunnel, etc.
- Built up a multi-dimensional digital tool with strong capability in **Building Information Modelling (BIM)** while adopting prefabrication and modularisation techniques in projects



Mixed Commercial & Commercial Office Development at Kai Tak



InnoCell residential project, HKSTP, Pak Shek Kok



Fu Shan Public Mortuary, Shatin



Automation of Arrival Bags Delivery, HK Int'l Airport



Xujiahui Center Hong Qiao Block Basement, Shanghai



Intermodal Transfer Terminal Building, Cheklapkok



MTR Shatin Central Link Tuen Ma Line



Kowloon East & Kowloon Central Hospital Cluster



OGCIO Data Centre, Cheung Sha Wan



Galaxy Hotel Phase 3, Macau

ENVIRONMENTAL ENGINEERING



Integrated E&M solutions for the design, construction, operation and maintenance of environmental engineering for sewage, water, solid waste, sludge and gas treatment

- Value of outstanding contracts: **HK\$ 2,335 million**
- Exploring opportunities in **Belt and Road countries and Greater Bay Area**: Secured a contract for the supply of technologies and equipment, including 5 years' operation, for a wastewater treatment plant project in Nepal
- **Steady and recurring income** from 13 Operation and Maintenance (O&M) contracts with duration of 10-15 years



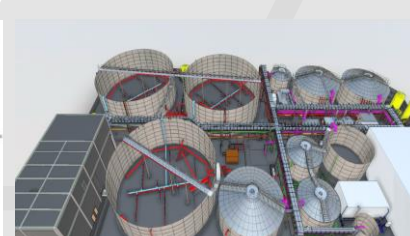
Tai Po Water Treatment Works



Stonecutters Island Sewage Treatment Works



San Wai Sewage Treatment Works



SENTX Landfill Leachate Treatment



Organic Resources Recovery Centre in Siu Ho Wan (O-PARK1)



Wastewater Treatment Plant at Dhobigat, Nepal



CLP Black Point, Penny's Bay Power Stations and Castle Peak Power Station



Shandong Qingdao Jimo Sewage Treatment Plant, China

ICBT (INFORMATION, COMMUNICATIONS & BUILDING TECHNOLOGIES)



Design, hardware and software development, engineering, installation and maintenance of information & communication technology solutions and intelligent and green building technology solutions

- Value of outstanding contracts: **HK\$ 834 million**
- The **award-winning Cloud-based Chiller Plant Energy Management Platform** commercialised in 2019 at a monthly subscription business model
- Secured an **Automated Guided Vehicular (AGV) Parking System contract** for HKSTP
- Investment in R&D for IOT, data analytics and AI: self-developed **Fault Detection & Diagnostic (FDD) software** and **Energy Management Visualization (EMV) software** enable better monitoring of building services equipment and energy consumption pattern are ready for launch in 2020



HKCEC



Automatic Guided Vehicle System



Two Taikoo Place



28 Hennessy Road



Nina Tower



HK's border-crossing points



Victoria Dockside



Tsing Yi Vehicle Examination Centre

LIFTS & ESCALATORS



Design, production, sale and installation and maintenance service for a wide range of lifts and escalators and moving walkway meeting different uses and requirements

- Value of outstanding contracts: **HK\$ 436 million**
- Obtained the **highest rating in safety and quality performance for Lift Contractors' Performance Rating and Escalator Contractors' Performance Rating Systems of EMSD** for 7 years since commencement
- Secured the first orders in: HKHA lift contract for the Fu Shan Estate; Installation of self-developed **Anlev Predictive Maintenance & Remote Monitoring System (APMRMS)** in 35 lifts in the government buildings; Commercial and residential complex in Mexico and Portugal

ANLEV Anlev Elevator Ltd 安力電梯有限公司	
EMSD Lift and Escalator Contractors' Performance Rating (CPR) 機電工程署升降機及自動梯承辦商表現評級	
Assessment period from January 2013 to December 2019 評核期: 2013 年 1 月至 2019 年 12 月	
Safety Performance Rating 安全表現評級	Services Quality Performance Rating 服務質量表現評級
Full Mark (滿分)	Full Mark (滿分)



Central-Mid-Levels Escalator and Walkway System



Fu Shan Estate (HKHA)



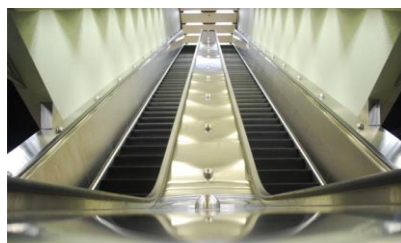
The Hong Kong Palace Museum



Tin Shui Wai Hospital



Catehua, Mexico



Metro Trains Melbourne, Australia



Waterloo Station, UK



Kimpo Metro, South Korea

FINANCIAL OVERVIEW

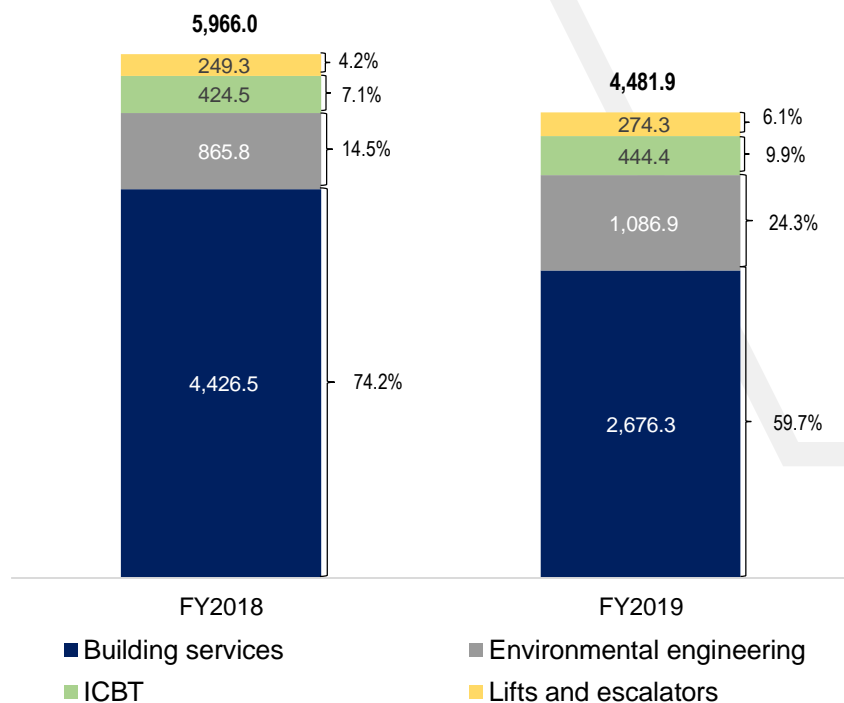
KEY FINANCIAL DATA

(HK\$ in millions)	FY2018	FY2019
Revenue	5,966.0	4,481.9
Gross Profit	888.4	786.7
Gross Profit Margin	14.9%	17.6%
Net Profit	315.3	245.0
Net Profit Margin	5.3%	5.5%
Earning per Share (cents)	30.0	20.0
Final dividend per Share (cents)	N/A	8.92
Dividend Payout Ratio	N/A	51.0%
Value of Outstanding Contracts in Hand	7,419.6	9,408.5

REVENUE BREAKDOWN

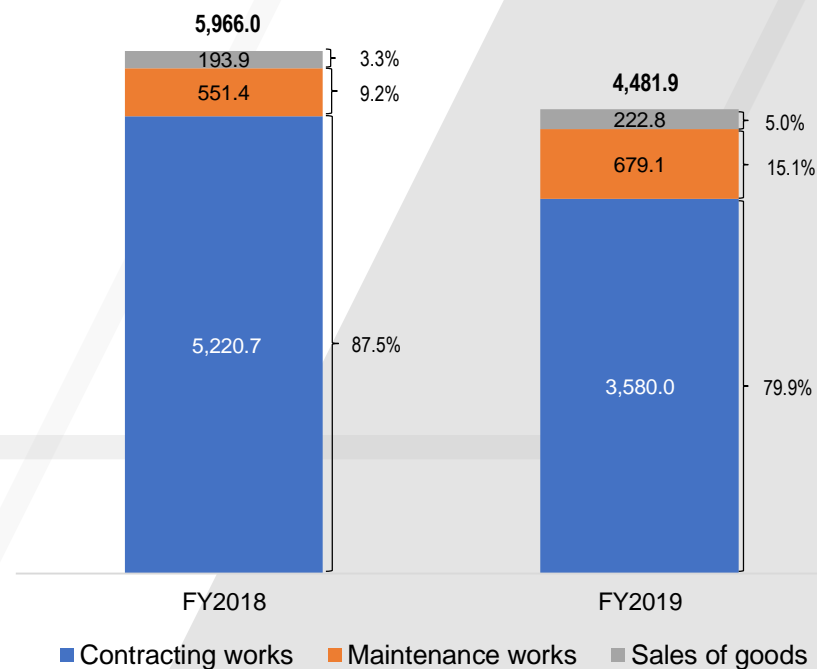
Revenue by Segment

(HK\$ in millions)



Revenue by Nature

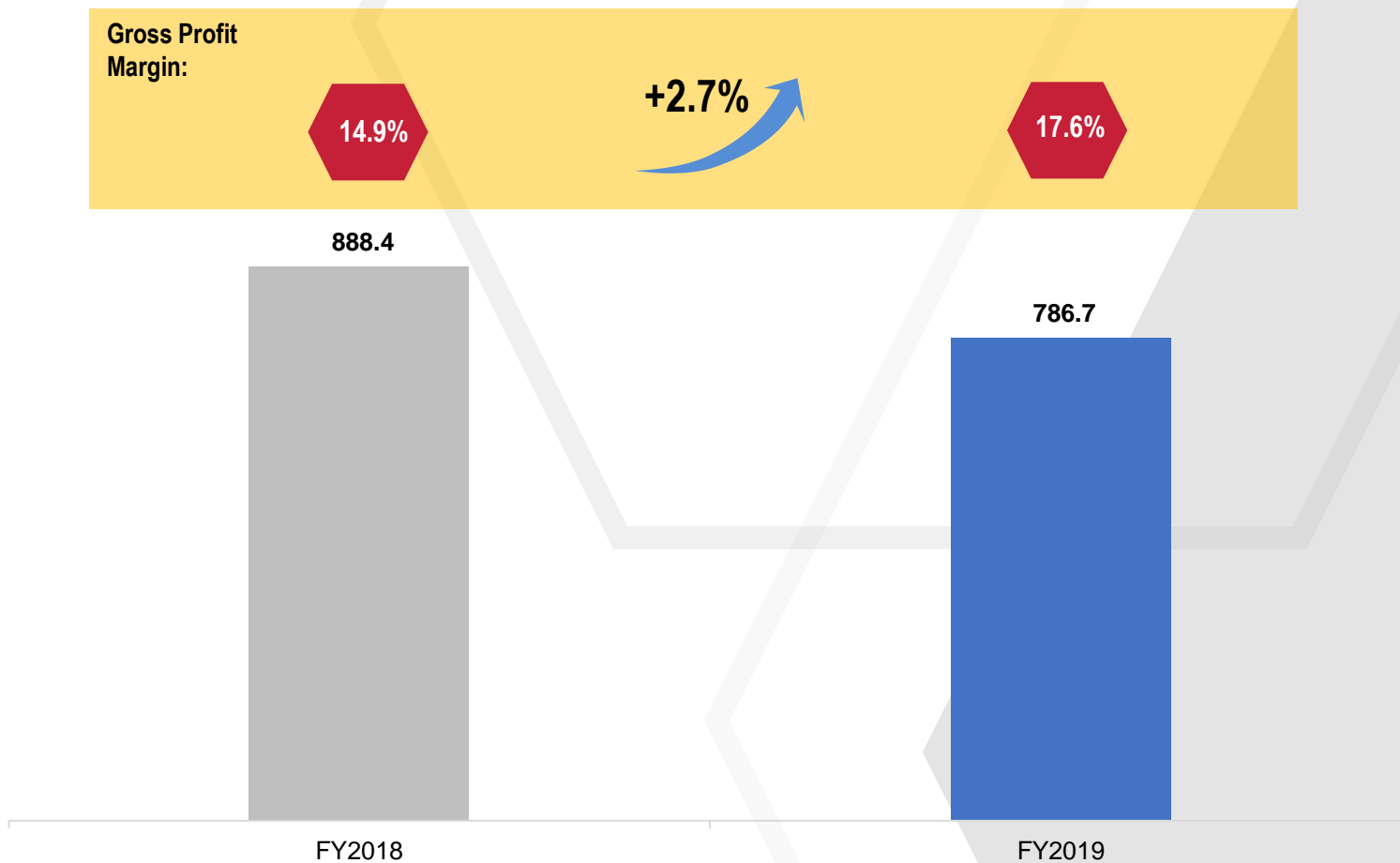
(HK\$ in millions)



GROSS PROFIT

Gross Profit & Gross Profit Margin

(HK\$ in millions)



HEALTHY FINANCIAL POSITION

(HK\$ in millions)	31 Dec 2018	31 Dec 2019
Current assets	2,660.3	3,000.8
Current liabilities	1,831.0	1,619.8
Bank balances and cash	570.0	686.5
Net current assets	829.3	1,381.0
Total assets less current liabilities	1,221.9	1,803.5
Current ratio	1.5x	1.9x
Gearing ratio	-	-
Return on Equity	20.6%	16.5%

INNOVATIVE TECHNOLOGIES

ENVIRONMENTAL ENGINEERING



Advanced Technologies in Environmental Systems

- **ATAL Multistage Flocculation System (AMSFS I & II)**
For suspended solid removal in wastewater treatment
- **ATAL Multistage Flocculation Magnetic (AMSFM)**
A containerized high rate clarifier system for black stream water treatment
- **ATAL Biological Aerated Filter (ABAF)**
A high discharge quality, small foot-print filter for sewage treatment
- **ATAL High Power Ultrasound (AHPUS)** reactor
Used in sludge digestion
- **ATAL Nano-bubble (ANANO)** technology
For wastewater treatment plant
- **ATAL Electrocoagulation (AEC)** process
For high concentrated wastewater
- **ATAL Extra-deep-bed Denitrification Filter (AEDNF)**
For wastewater tertiary treatment



Stonecutters Island
Sewage Treatment
Works



Organic Resources
Recovery Centre Phase 1
(O.Park1)



Shandong Qingdao
Jimo Sewage
Treatment Plant, China

ICBT



Smart Energy Analytics Platform

- An award-winning solution - **Cloud-based Chiller Plant Energy Management Platform**, all-in-one system leveraging big data analytics and machine learning for building energy efficiency
- **Physics-guided Machine Learning (PGML)** technologies: utilizing the power of AI and data mining to ensure accuracy by applying scientific laws and theories in calculations
- Self-developed **Fault Detection & Diagnostic (FDD) software** and **Energy Management Visualization (EMV) software** ready for launch in 2020



28 Hennessy Road



IoT Hub - Smart Building Platform

- A **centralised cloud platform** that integrates all building systems and IoT devices into one control platform for smart facility management
- **Integrate all IoT devices and building systems** into one single cloud platform
- **Real-time data processing** for immediate actions
- Ready for any **data analytics applications**, for example: wellness prediction, predictive maintenance, energy management etc.

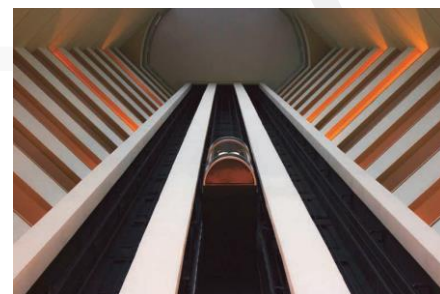


LIFTS & ESCALATORS



High Speed Lifts

- Design and build high-speed lifts that can handle speeds of up to 7 metres per second or 1,400 feet per minute, **double the speed of commonly used lifts**



Luxury Lifts

- State-of-the-art technology meets Italian luxury design in high-end fashion stores, residential and commercial buildings and private homes, providing **personalised lifts and solutions built around fashion, design and elegance**



Anlev Predictive Maintenance & Remote Monitoring System (APMRMS)

- Monitor and analyse the lift performance for timely and effective maintenance actions to **improve performance reliability** and **reduce manpower** requirement
- Received the **first order of 35 lifts from EMSD** for installation at various government buildings

GROWTH STRATEGIES

GROWTH STRATEGIES

Record high outstanding contracts in hand:
HK\$ 9.4 billion



Stable profitability with steady gross profit margin



Nurturing young engineers



Long-term graduate trainee and apprenticeship training program



Growth Strategies

- New technology
- New market
- New business model

M&A OPPORTUNITIES



Facilitating business growth horizontally, vertically & geographically



Discussion with companies in South East Asia, North America and Europe

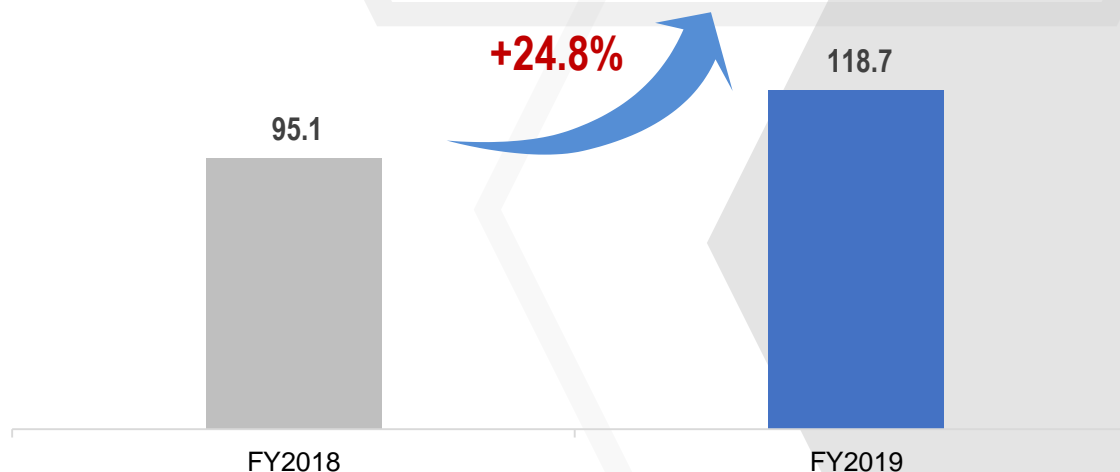
ACQUISITION OF TEI



- Acquired **51% shares** of Transel Elevator & Electric Inc. (“TEI”) for a consideration of US\$ 35.7M through the Group’s wholly owned US subsidiary
- The payments are by stages subject to achieving the business plan in 2020 and 2021
- The M&A will **create strategic synergies** within the Group and **further enhance the Group’s presence** in the lift and escalator sector and mark **a successful first step** to enter the US market and beyond
- TEI operates in NYC since 1989 and the primary activities are modernisation, installation, repair and maintenance for elevators and escalators in residential and commercial properties in New York metropolitan area
- TEI revenue has grown **17% CAGR** from US\$54M (HK\$421M) to US\$118.7M (HK\$926M) and its profit before tax from <US\$ 0.5M (HK\$4M) to >US\$10.5M (HK\$82M) **from 2014 to 2019**

Revenue of TEI

(US\$ in millions)



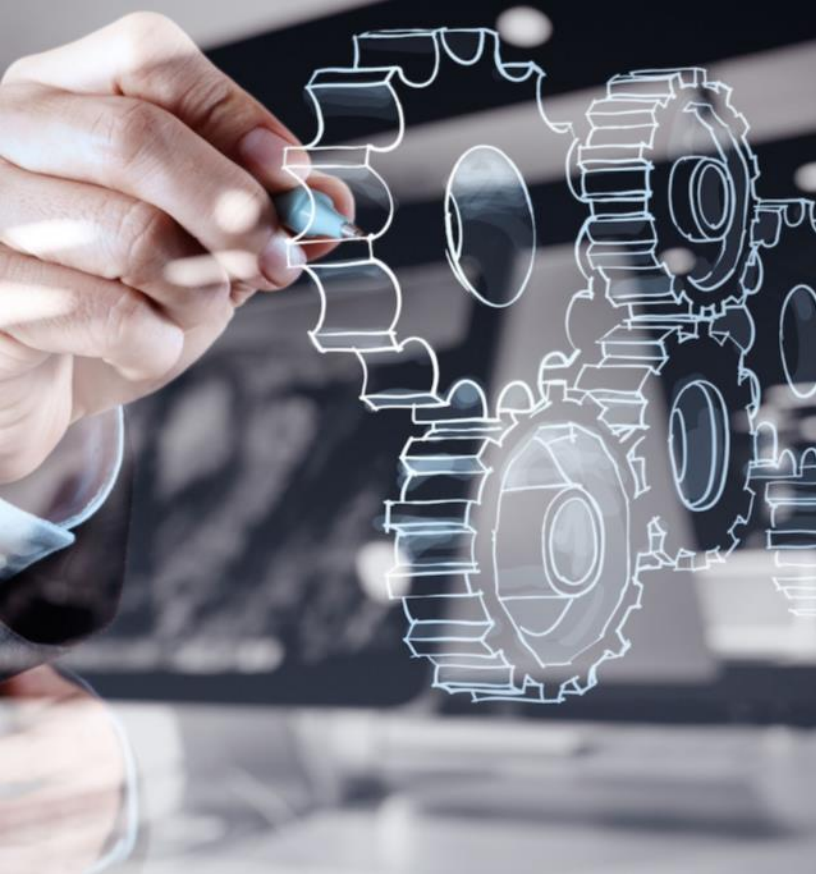
SHAREHOLDING IN NANJING CANATAL (603912.SH)



- Nanjing Canatal Data Centre Environmental Tech Company Limited (南京佳力圖機房環境技術股份有限公司), a company incorporated in the PRC
- Listed on the Shanghai Stock Exchange since November 2017
- Engaged in research and development and production of precision air-conditioning systems and offers a wide range of precision air-conditioning and refrigerating system products
- **Market Cap was RMB 4.129B on 30 March 2020**

Proposed Disposal and Reallocate Resources

- Analogue has been a shareholder of Canatal since inception in 2003; currently holds 25.81% shares of Nanjing Canatal
- Intends to dispose 3% of the shares and reducing the holding to 22.81%
 - 1% (up to 2,169,500 shares) by bidding
 - 2% (up to 4,339,000 shares) by block trading
- Disposal period start from 14 April to 12 July 2020
- Market price on 30 March 2020 was RMB 4.129B which value the 3% at **RMB 124M**
- Opportunity to realise part of the interests in the investment in Nanjing Canatal at a reasonable price and **allocate resources for the development of other business**



THANK YOU