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[For Immediate Release]

POLYFAIR

Polyfair Holdings Limited

Announces Details of Proposed Listing on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited

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Share Offer of 200,000,000 Shares

At an Offer Price between HK\$0.25 and HK\$0.35 Per Share

Investment Highlights

- A one-stop façade and curtain wall works solutions subcontractor in Hong Kong, with solutions covering design and project management services. Its customers are primarily property developers (including subsidiaries of property developers) and main contractors from the private sector in Hong Kong
 - Design services generally include developing designs, conducting structural calculations, and preparing shop drawings; while project management services generally include sourcing and procuring building materials, arranging for building material logistics and installation works, on-site project management and post-project completion services
 - Since establishment in 2006, the Group has completed façade and curtain wall works for over 20 projects, covering both commercial and residential buildings. The Group has also undertaken a project for large scale residential complex, namely the Victoria Skye located in the Kai Tak district
 - Stable business relationships with major suppliers
 - Long-term and strong business relationships with major customers
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(Hong Kong, 31 January 2018) – **Polyfair Holdings Limited** (“**Polyfair Holdings**” or the “**Group**”, stock code: 8532), a subcontractor that provides one-stop façade and curtain wall works solutions in Hong Kong, announced the details of its proposed listing on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (“SEHK”).

Polyfair Holdings intends to issue a total of 200,000,000 offer shares (the “Offer Shares”), of which 90%, or 180,000,000 new shares (the “Shares”), are for placing (the “Placing”), subject to reallocation. The remaining 10% of the Offer Shares, or 20,000,000 Shares, are for the subscription by the public (the “Public Offer”), subject to reallocation. After deducting underwriting fees and estimated expenses in connection with the Placing and the Public Offer and assuming an offer price (the “Offer Price”) of HK\$0.30 per share (being the mid-point of the indicative Offer Price range of HK\$0.25 to HK\$0.35 per Share), net proceeds from the Share Offer are estimated to be approximately HK\$34.2 million.

The Public Offer begins on 31 January 2018 (Wednesday) and will end at noon on 5 February 2018 (Monday). The final Offer Price and allotment results is expected to be announced on or around 22 February 2018 (Thursday). Trading of Polyfair Holdings’ shares is expected to commence on the GEM of the SEHK on 23 February 2018 (Friday) under the stock code 8532. The Shares will be traded in board lots of 8,000 shares each.

Sunfund Capital Limited is the Sole Sponsor of the share offer. Huabang Securities Limited and Future Land Resources Securities Limited are the Joint Bookrunners and Joint Lead Managers, whereas Sunfund Securities Limited is the Co-Lead Manager.

Competitive Strengths

Well-established track record in the façade and curtain wall works industry in Hong Kong

Established in 2006, the Group has over 10 years’ experience and has established a good reputation in the façade and curtain wall works industry in Hong Kong. Since establishment, the Group has undertaken 37 projects, of which 28 were completed. The Group receives tender invitations for potential projects from time to time, which come either directly from recurring customers, or through referrals and recommendations from business associates, demonstrating the Group’s good reputation in the industry. Polyfair HK, the Group’s wholly-owned subsidiary, has been registered as a registered subcontractor under the Subcontractor Registration Scheme of the Construction Industry Council since 2007, which enhances customers’ confidence. Successful and timely completion of various landmark buildings has earned the Group a good reputation in the industry and has given the Group a competitive edge in pursuing new business opportunities, facilitating the business development and future expansion.

Stable business relationships with major suppliers

The Group’s suppliers mainly include building material suppliers and subcontractors for the labour intensive installation works. The Group has maintained good business relationships with a stable pool of suppliers and the relationships with major suppliers has been ranging from approximately two to 11 years. The Group maintains a stringent selection, management and monitoring policy on suppliers to ensure the timely supply of quality building materials and completion of works for all its projects. Having a stable supply of building materials and installation works allows the Group to effectively maintain the timeliness and quality of the works.



Providing one-stop façade and curtain wall works solutions

The Group provides one-stop façade and curtain wall works solutions that allows customers to save time and costs in identifying and engaging multiple parties to perform different stages of works, as well as reduce management effort. The Group has established effective operating procedures to streamline and monitor projects. The capacity to provide one-stop façade and curtain wall works solutions enables the Group to minimise the possibility of having significant deviation from the original designs so as to increase work efficiency and implement effective control over quality of works and completion time, and obtaining more business opportunities.

Long-term and strong business relationships with some of major customers

The Group has developed long-term business relationships with reputable property developers including two developers who are listed on the Stock Exchange. The Group has maintained business relationships of approximately over seven years with these property developers. Meanwhile, the Group has also maintained business relationships of approximately three to 10 years with most of its major customers. Furthermore, the Group receive invitations from customers to tender for potential projects from time to time. Long-term and strong business relationships with major customers strengthen the Group's ability to secure projects from its customers in the future.

Extensive experience and technical know-how of the management team

The management team has extensive industrial and managerial knowledge, skills and technical know-how throughout the construction and engineering industry. Executive Directors and the Chairman of the Board, Mr. Chow Mo Lam, Executive Director and the Chief Executive Officer, Mr. Yu Lap On Stephen, and Executive Director and Senior Project Manager, Mr. Wong Kam Man, have approximately over 20 years, 35 years and 35 years of experience, respectively, in the construction and engineering industry. Moreover, other members of the management team possess the requisite industry knowledge and management experience in project execution, and expertise in the façade and curtain wall works industry. Other than the management team, the Group has also employed a stable pool of skilled employees.

Mr. Chow Mo Lam, Executive Director and the Chairman of the Board of Polyfair Holdings Limited, concluded: "I am pleased to witness that the Group has achieved a major milestone in its business development. In light of the increasing number of residential and commercial buildings as well as the public infrastructure and property development in Hong Kong as supported by the Government's policies, the gross output value of construction works in Hong Kong is currently and expected to continue growing. At the same time, façade and curtain wall works have grown from a niche market to a distinct sub-sector of the construction industry. With the blooming construction industry, it is expected that the market of façade and curtain wall works will grow simultaneously. In order to capture business opportunities, the Group will enlarge its capital base for the issue of surety bonds, increase its flexibility in allocating and utilising financial resources as well as expand operation teams. Leveraging on its abundant operational experience and unique competitive edge, we believe that the Group will further expand its business in Hong Kong to strengthen and enhance its market position in the façade and curtain wall works industry, bringing maximum returns to shareholders in the long run."



Offering Details

Offering Size	200,000,000 new Shares
Offering Structure	Public Offer: Accounts for about 10% of the total number of Share Offer, or 20,000,000 new Shares (subject to reallocation) Placing: Accounts for about 90% of the total number of Share Offer, or 180,000,000 new Shares (subject to reallocation)
Offer Price	HK\$0.25 to HK\$0.35 per Share
Capitalisation	HK\$200 million to HK\$280 million
Stock Code	8532

Use of Proceeds

Assuming the offer price is fixed at HK\$0.30 per Share (being the mid-point of the indicative range of the Offer Price of HK\$0.25 to HK\$0.35 per Share), net proceeds are estimated to be approximately HK\$34.2 million and will be used as follows:

Settling upfront costs of three new projects and one potential project	32.7%
Satisfying the surety bond requirement of one of the new projects	18.7%
Expanding operation teams, offices and equipment	39.8%
General working capital	8.8%

Historical Performance

(HK\$'000)	Year ended 31 March		Four months ended 31 July	
	2016	2017	2016	2017
Revenue	172,029	109,607	40,135	58,065
- Residential buildings	25,020	85,843	27,163	58,065
- Commercial buildings	147,009	23,764	12,972	-
Gross Profit	24,969	19,551	8,143	7,969
Gross Profit Margin (%)	14.5%	17.8%	20.3%	13.7%
Net Profit	16,425	7,182	5,442	-459
Net Profit Margin (%)	9.5%	6.6%	13.6%	-0.8%

About Polyfair Holdings Limited

Founded in 2006, Polyfair Holdings Limited ("Polyfair Holdings" or the "Group") is a subcontractor that provides one-stop façade and curtain wall solutions in Hong Kong. Its design services generally include developing designs, conducting structural calculations and preparing shop drawings; while project management services generally include sourcing and procuring building materials, arranging for building material logistics and installation works, on-site project management and post-project completion services. With its business philosophy of "Excellence in Quality and Services", the Group has completed façade and curtain wall works for over 20 projects, covering both commercial and residential buildings. It has also undertaken a project for large scale residential complex, namely the Victoria Skye located in the Kai Tak district. More details: www.polyfaircurtainwall.com.hk

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