

IPO FACT SHEET
Bonny International Holding Limited (1906)
ISSUE STATISTICS

Offer Size:	HK\$138m - HK\$180m
Placement Tranche:	300m
Price:	HK\$0.46-HK\$0.60
Board lot:	5,000
Entry fee:	HK\$3,030.23
Historical PE	17.79-23.20x
Net tangible asset per share:	HK\$0.26-HK\$0.29
Market Cap (post-IPO):	HK\$552m- HK\$720m
Open:	12 Apr 2019
Close:	12.00 noon on 17 Apr 2019
Trading:	26 Apr 2019
Sponsor:	Innovax Capital Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2017	314,583	-3.7%
2018	333,725	6.1%
Profit for the year		
2017	18,409	-4.6%
2018	26,375	43.3%

BACKGROUND

- They manufacture and sell seamless and traditional intimate wear products.
- They focus on providing one-stop in-house intimate wear manufacturing solutions to their ODM customers, while they also sell their branded intimate wears mainly under their “Bonny” and “U+ Bonny” brands through their retail network in the PRC.
- They manufacture a wide range of seamless and traditional intimate wears, including bras, underpants, thermal clothes and loungewear, and we also produce functional sportswear.
- Majority of their seamless products are sold to their ODM customers, while we mainly sell traditional products in their branded sales in the PRC.
- For their ODM sales, we manufacture seamless intimate wear products for their customers on an ODM basis and sell to over 20 countries including the United States, Germany, the Netherlands and the PRC.
- For their branded sales, we sell products mainly under their “Bonny” brand through an extensive and structured nationwide retail network in the PRC which consists primarily of their self-operated retail outlets as well as franchised retail outlets, and does not involve distributors or multiple layers of franchisees.

BUSINESS STRATEGY AND FUTURE PLANS

- Fortifying their position in the seamless intimate wear market.
- Optimizing their sales network in the PRC.
- Enhancing product design and research and development capability.

COMPETITIVE STRENGTHS

- We have proven track record in offering integrated in-house intimate wear manufacturing solutions.
- We have developed entrenched relationship with high quality ODM customers with sales to diverse geographical locations.
- Their strong product research and development capability and technical expertise in seamless intimate wear production facilitates their business expansion to new product segment with high growth potential.

- They have stringent and comprehensive quality control over their operations.
- They have an experienced, competent and committed management team.

KEY RISKS

- They rely on few major customers.
- They do not have long-term purchase commitments from most of their ODM customers, which may subject them to uncertainty and revenue volatility from period to period.
- Any disruption of their current production facility could reduce or restrict sales and materially and adversely affect their business.
- They may face labor shortages, increases in labor costs and labor disputes which could adversely affect their growth and results of operations.
- They grant credit terms to their ODM customers and their working capital and cash flow position may be adversely affected if such customers fail to settle or delay in making their payments.
- They had recorded net current liabilities in the past.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation (%)
Will be used for funding their investment in relation to their Beiyuan Production Site for the expansion of their production capacity of their seamless products.	93.20	80.0%
Will be used for enhancing their product design, research and development capability.	11.70	10.0%
Approximately 10%, or approximately HK\$11.7 million, will be used for their working capital and general corporate purposes.	11.70	10.0%
Total:	116.60	100.00%

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