

IPO FACT SHEET
Daikiya Group Holdings Limited (6813)
ISSUE STATISTICS

Offer Size:	HK\$160m – HK\$200m
Placement Tranche:	100m
Price:	HK\$1.60 – HK\$2.00
Board lot:	2,000
Entry fee:	HK\$4,040.31
Historical PE	6.94x – 8.68x
Net tangible asset per share:	HK\$0.47 – HK\$0.55
Market Cap (post-IPO):	HK\$640m – HK\$800m
Open:	24 Jan 2020
Close:	12.00 noon on 4 Feb 2020
Trading:	14 Feb 2020
Sponsor:	Alliance Capital Partners Limited

Year ended 31 Mar	(HK'000)	yoy % chg
Revenue		
2018	713,184	28.5%
2019	839,021	17.6%
Profit and total comprehensive income for the year/period		
2018	37,261	-20.8%
2019	92,208	147.5%

BACKGROUND

- The Group is a Hong Kong based Japanese cuisine restaurant group focusing on Japanese all-you-can-eat (日式放題料理) cuisine and have cultivated a diverse local customer base in Hong Kong.
- They have adopted a multi-brand strategy with a view to offering mass market customers with different dining experience with a focus on their flagship brand of Daikiya (大喜屋) established by them in 2010.
- As at the Latest Practicable Date, they operated 15 restaurants in Hong Kong, comprising 13 Japanese all-you-can-eat restaurants and two Japanese a-la-carte restaurants.
- During the Track Record Period and up to the Latest Practicable Date, they opened eight new restaurants including six Japanese all-you-can-eat cuisine restaurants and two Japanese a-la-carte cuisine restaurants which expanded their geographic footprint in Hong Kong and diversified the type of cuisine offerings, and they closed down one all-you-can-eat restaurant in March 2019 due to the expiry of tenancy.
- They have operated two workshops in Hong Kong to support their restaurant operations and serve food preprocessing and storage functions.
- According to the CIC Report, they ranked first in the Japanese all-you-can-eat cuisine restaurant market in Hong Kong in terms of revenue in 2018 with a market share of approximately 37.1%.

BUSINESS STRATEGIES

- Expand their restaurant network in Hong Kong.
- Establish a central kitchen to support their expansion.
- Uplift of their existing restaurants.

COMPETITIVE STRENGTHS

- They pride themselves in their iconic Japanese all-you-can-eat cuisine restaurant brands.
- They have a leading market position in Hong Kong which equips them to be well-positioned for continued growth.
- They are committed to food quality and offer new and seasonal products.

- They have a visionary, dedicated and experienced management team and a team of experienced chefs..

KEY RISKS

- As they generated all of their revenue in Hong Kong during the Track Record Period and expect to continue to derive a substantial portion of their revenue from Hong Kong, they are susceptible to the business environment in and the impact of the social unrest on Hong Kong since June 2019.
- Their success depends substantially on the market recognition of their brands, and any negative publicity or damage to their brands could adversely affect their business and results of operations.
- They may not be able to adequately protect their intellectual property, which in turn could harm the value of their brands and adversely affect their business and results of operations.
- Any failure to maintain their food quality control system could have an adverse effect on their reputation, business and results of operations.
- They require various licences, approvals and permits to operate their business. Any failure in obtaining or renewing any of the licences, approvals and permits for their operations for factors beyond their control could materially adversely affect their business and results of operations.
- Their business may continue to be adversely affected by the recent public protests in Hong Kong.
- The limited choices of commercially attractive locations, failure to renew existing leases, breach of existing lease agreements or increases in rental expenses could materially adversely affect their business and results of operations.

DIVIDEND POLICY

- Declaring and paying dividends on an annual basis of no less than 25% of their total profit for the year attributable to their Group.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
Will be used for expanding their restaurant network in Hong Kong by opening a total of three Japanese all-you-can-eat restaurants.	37.1	28.5%
Will be used for establishing a new central kitchen and cold storage facilities for their Group.	50.0	38.5%
Will be used for refurbishing four of their existing restaurants in Hong Kong to reinforce and enhance their brand image.	29.9	23.0%
Will be used for general working capital of their Group.	13.0	10.0%
Total:	130.0	100.0%

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