

Tuesday, 02 July 2019

IPO FACT SHEET

Kelfred Holdings Limited (1134)

ISSUE STATISTICS

Offer Size: HK\$125m – HK\$150m

Placement Tranche: 125m

Price: HK\$1.00 - HK\$1.20

 Board lot:
 4,000

 Entry fee:
 HK\$4,848.37

 Historical PE
 16.1x - 19.3x

 Net tangible asset per share:
 HK\$0.36 - HK\$0.40

 Market Cap (post-IPO):
 HK\$500m - HK\$600m

Open: 29 June 2019

Close: 12.00 noon on 8 July 2019

Trading: 16 Jul 2019

Sponsor: Cinda International Capital Limited

Year ended 31 Dec	(HKD\$'000)	yoy % chg
Revenue		
2017	362,775	14.1%
2018	421,094	16.1%
(Loss)/profit for the year		
2017	32,887	-26.6%
2018	31,025	-5.7%

BACKGROUND

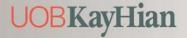
- Founded in 1986, the Group are an established eyewear manufacturer in the PRC and Hong Kong that produce and sell a wide range of spectacle frames and sunglasses mainly through ODM and OEM business models.
- Their integrated and customised services offering include product design and development, raw materials procurement, production, quality control, packaging and delivery.
- Leveraging on their over 30 years of experience in the eyewear industry, they pride themselves on their broad network of renowned and trusted customers worldwide (who are primarily international eyewear retailers, trading companies and licensed brand owners).
- They have produced quality eyewear products under their customers' designated brand names and sold the same to 36 countries during the Track Record Period.
- During the Track Record Period, their sales covered all the top ten spectacle frame importing countries around the globe in 2018 in terms
 of trade value according to the Frost & Sullivan Report.

BUSINESS STRATEGIES

- Increase the level of automation in their production process and further enhance their production efficiency and capacity.
- Expansion of customer base in the United States and Asia market and promotion of their brand.
- Strengthen their design and development capability.
- Continue to enhance their quality control capability.

COMPETITIVE STRENGTHS

- They have a stable and established customer base that span across multiple countries.
- They possess strong eyewear product design and development capabilities.
- They have strong commitment on craftsmanship and quality of their eyewear products.
- They have a competent management team with experience and knowledge in the eyewear industry.



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KEY RISKS

- They are exposed to concentration risk of reliance on their five largest customers.
- They do not have a publicly recognised brand name.
- They rely on marketing and sales of their products overseas.
- Their financial performance and results may be adversely affected by trade protectionism and global trade policies.

DIVIDEND POLICY

No fixed dividend Policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
Strengthen their production capacity.	50.3	54.0%
Repay their bank borrowings.	14.4	15.5%
Promote corporate image and brand building.	10.3	11.0%
Enhance design and development capabilities.	8.4	9.0%
Enhance quality assurance capabilities.	4.2	4.5%
General working capital.	5.6	6.0%
Total:	93.2	100.0%



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