

IPO FACT SHEET
WEIMOB INC (2013 HK)
ISSUE STATISTICS

Offer Size:	HK\$844.7m - HK\$1,055.95m
Placement Tranche:	301.7m shares
Price:	HK\$2.80 - HK\$3.50
Board lot:	1,000
Entry fee:	HK\$ 3,535.27
Historical PE	1,910.4x – 2,388x
Net tangible asset per share:	HK\$ 0.57 - HK\$0.68
Market Cap (post-IPO):	HK\$5,631.8m - HK\$7,039.7m
Open:	31 Dec 2018
Close:	12.00 noon on 8 Jan 2019
Trading:	15 Jan 2019
Sponsor:	Deutsche Securities Asia Limited, Haitong International Capital Limited

Year ended 31 Dec	(RMB\$m)	yoy % chg
Revenue		
2016	189.2	66.0%
2017	534.0	182.2%
Profit/(Loss) for the year/period		
2016	(80.9)	-8.7%
2017	2.6	N.A

BACKGROUND

- They are the leading provider of cloud-based commerce and marketing solutions and targeted marketing services on Tencent's social networking service platforms for SMBs in China in terms of revenue in 2017.
- Through their SaaS products, they offer a variety of intelligent business solutions tailored for industry verticals, and their targeted marketing services enable businesses to advertise to a select audience on China's leading digital content platforms.
- According to Frost & Sullivan, they had a market share of 5.8% in the cloud-based commerce and marketing solutions market for SMBs in China, and a market share of 4.2% in the cloud-based commerce and marketing solutions market for all business sizes in China in 2017, both as measured by revenue.
- They deliver their SaaS products and targeted marketing services primarily through China's leading social media platform, WeChat, where they were also the largest third-party service provider for SMBs in terms of revenue and number of paying merchants in 2017.

BUSINESS STRATEGY AND FUTURE PLANS

- Strengthening and extending their Marketing Cloud and Sales Cloud offerings.
- Expanding into new industry verticals.
- Increasing monetization of their client base.
- Deepening collaboration with Tencent and other decentralized mobile platforms.
- Enhancing their ecosystem through their Weimob Cloud platform.
- Growing and enhancing their sales channels.
- Exploring strategic partnerships and acquisition opportunities.

COMPETITIVE STRENGTHS

- China's largest third-party service provider for SMBs in the WeChat ecosystem.
- China's leading cloud-based commerce and marketing solutions provider for SMBs.
- Decentralized, intelligent business solutions empowering SMBs to digitize their operations.

- Large and monetizable client base.
- Extensive nationwide sales network.
- Continuous technology innovation powered by strong research and development capability.
- Innovative and entrepreneurial management team.

KEY RISKS

- They rely on Tencent's platforms and services to conduct their businesses.
- Due to their limited operating history in new and developing markets, their ability to accurately forecast their future operating results and prospects is limited and subject to a number of uncertainties.
- If they fail to improve and enhance the functionality, performance, reliability, design, security, and scalability of their products and services to suit their clients' evolving needs, their clients may not repurchase their solutions and services, which, in turn, will have a material and adverse impact on their business, financial condition, results of operations, and prospects.
- They utilize local channel partners to market and promote their products and services and generate a considerable portion of revenue from their local channel partners. If they are unable to develop and maintain successful relationships with their local channel partners, their business, operating results, and financial condition could be adversely affected.
- Their business, growth and prospects are significantly affected by the growth in digital channels and usage of SaaS products and targeted marketing in China.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation (%)
For recruiting more talents in the areas of AI, machine learning and smart hardware with competitive compensation to develop intelligent business algorithm database, enhance their Weimob Cloud platform and develop intelligent business solutions integrating software and hardware.	214.40	25.0%
For investment in a big data center including purchase of IT servers and equipment to set up more server and real-time computing nodes to increase the data storage capacity and enhance real-time computing capability.	42.90	5.0%
For pursuing strategic cooperation, investments and acquisitions that they believe can expand their products and offerings, allow us to enter new industry verticals, strengthen their technological and research and development capabilities, or investing in other mobile or digital sectors that are complementary to their current businesses.	214.40	25.0%
For investment in improving sales and marketing capabilities.	128.60	15.0%
For purchasing social media advertising traffic for targeted marketing business to enhance their cooperation with Tencent and other leading social media platforms in China.	85.80	10.0%
For expanding their Marketing Cloud and Sales Cloud product offerings, and expanding their sales channel to enlarge the client base of their cloud offerings.	85.80	10.0%
For working capital and general corporate use.	85.80	10.0%
Total:	857.50	100.00%

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