

IPO FACT SHEET
Yun Lee Marine Group Holdings Limited (2682 HK)
ISSUE STATISTICS

Offer Size:	HK\$125.0m – HK\$150.0m
Placement Tranche:	250m
Price:	HK\$0.50 – HK\$0.60
Board lot:	4,000
Entry fee:	HK\$2,424.18
Historical PE	15.4x – 18.5x
Net tangible asset per share:	HK\$0.15 – HK\$0.17
Market Cap (post-IPO):	HK\$500.0m – HK\$600.0m
Open:	4 Mar 2019
Close:	12.00 noon on 11 Mar 2019
Trading:	18 Mar 2019
Sponsor:	Messis Capital Limited

Year ended 31 Mar	(HK\$'000)	yoy % chg
Revenue		
2017	190,392	28.3%
2018	213,048	11.9%
Profit and total comprehensive income for the year/period attributable to owners of the Company		
2017	22,162	108.2%
2018	32,398	46.2%

BACKGROUND

- The Group is a maritime services provider in Hong Kong with over 20 years of operating history. Services of the Group include (i) vessel chartering and related services; and (ii) ship management.
- According to the Ipsos Report, the Group had a market share of approximately 4.2% in the local vessel chartering industry in Hong Kong in 2017.
- As at the Latest Practicable Date, the Group's self-owned vessels had an average age of approximately 17.4 years and an average remaining accounting useful life of approximately 12.7 years.
- For each of the three years ended 31 March 2018 and the six months ended 30 September 2018, the Directors estimated that the utilisation rate of the Group's self-owned vessels was approximately 97.8%, 93.7%, 90.7% and 90.2%, respectively, based on the number of days that the Group's self-owned vessels were chartered to the customers under time charter per financial year.
- During the Track Record Period, the Group's customers mainly included (i) contractors in Hong Kong; (ii) Government departments; and (iii) vessel chartering services providers. For each of the three years ended 31 March 2018 and the six months ended 30 September 2018, the total revenue attributable to the five largest customers, in aggregate, amounted to approximately 80.7%, 80.2%, 68.2% and 64.6% of the Group's total revenue, respectively.

BUSINESS STRATEGIES

- Expanding the Group's vessel fleet and capacity to capture attractive business opportunities.
- Establishing a shipyard to provide vessel repair and maintenance services.
- Further expanding the Group's manpower and enhance the skills of its staff.

COMPETITIVE STRENGTHS

- Strong presence and proven track record in the maritime services industry in Hong Kong.
- Comprehensive vessel fleet and established relationships with third-party vessel owners.
- Stable and experienced management team with substantial industry expertise and know-how.

KEY RISKS

- Most of the Group's revenue is derived from non-recurring contracts, failure to obtain new contracts may affect the Group's sustainability and financial performance.
- Failure to retain qualified personnel to operate the Group's vessel fleet may adversely affect the Group's business operations and financial performance.
- The Group or the owners of the Group's chartered vessels may not be able to renew or maintain the Operating Licences of the Group's vessel fleet.
- The Group's ability to compete for vessel chartering contracts largely depends on the availability of vessels and there is no guarantee that the Group will be able to renew the charter parties with the owners of the Group's chartered vessels.
- The Group's five largest customers, and the HZMB Project and the 3RS Project accounted for a substantial portion of the Group's revenue during the Track Record Period.

DIVIDEND POLICY

- No fixed dividend policy

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation (%)
For acquiring vessels	48.0	64.9%
For setting up a shipyard in Hong Kong	22.0	29.6%
For hiring additional staff	4.1	5.5%
Total:	74.1	100.0%

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