

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

Offer Size:	HK\$125m – HK\$150m
Placement Tranche:	250m shares
Price:	HK\$0.5 – HK\$0.6
Board lot:	4,000
Entry fee:	HK\$2,424.18
Historical PE	15.4x – 18.5x
Net tangible asset per share:	HK\$0.16 – HK\$0.18
Market Cap (post-IPO):	HK\$500m – HK\$600m
Open:	28 Sep 2018
Close:	12.00 noon on 12 Oct 2018
Trading:	22 Oct 2018
Sponsor:	Messis Capital

Year ended 31 March	(HK\$'000)	yoy % chg
Revenue		
FY16	190,392	28.3%
FY17	213,048	11.9%
Profit and total comprehensive income attributable to shareholders for the year		
FY16	22,162	108.2%
FY17	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

BUSINESS STRATEGY AND FUTURE PLANS

- 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 charterparties 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\$ m)	As a percentage of gross proceeds from the Invitation (%)
Acquiring vessels	52.0	52.8%
Setting up a shipyard in Hong Kong;	32.0	32.5%
Hiring additional staff	12.0	12.2%
General working capital of the Group	2.5	2.5%
Total	98.5	100%

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