

IPO FACT SHEET

Xinyuan Property Management Service (Cayman) Ltd. (1895)

ISSUE STATISTICS

Offer Size:	HK\$260m – HK\$375m
Placement Tranche:	125m
Price:	HK\$2.08 – HK\$3.00
Board lot:	1,000
Entry fee:	HK\$3,030.23
Historical PE	12.31x – 17.76x
Net tangible asset per share:	HK\$1.03 – HK\$1.26
Market Cap (post-IPO):	HK\$1,040m – HK\$1,500m
Open:	25 Sep 2019
Close:	12.00 noon on 30 Sep 2019
Trading:	11 Oct 2019
Sponsor:	Orient Capital (Hong Kong) Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2017	296,719	30.2%
2018	393,329	32.6%
Profit for total comprehensive income for the year		
2017	69,430	167.5%
2018	76,089	9.6%

BACKGROUND

- They are one of the fast growing property management companies among the Top 100 property management companies in terms of revenue growth rate in the PRC during the Track Record Period. As at 31 March 2019, properties they have contracted to manage are located in over 35 cities in the PRC, including Zhengzhou, Jinan, Xi'an, Chengdu, Suzhou, Beijing and Shanghai.
- According to F&S, they were ranked 33rd among property management companies in the PRC in terms of total revenue in 2018.
- According to the China Property Management Institute, the E-house China R&D Institute and the China Real Estate Appraisal, they were ranked 12th among property management companies in the PRC in 2018, based on the comprehensive index rating that is determined based on, among other things, the GFA under management, the financial performance, property owners' satisfaction and number of accredited projects of property management companies. The shares in Xinyuan Science were quoted on the NEEQ on 16 March 2017, and it ceased to be quoted on the NEEQ on 24 January 2019 in contemplation of the Listing.
- A total of 45, 54, 61, 61 properties, representing approximately 80.4%, 71.1%, 63.5% and 62.9% of the number of properties under their management as at 31 December 2016, 31 December 2017, 31 December 2018 and 31 March 2019 respectively, were properties developed by the Xinyuan Real Estate Group.
- During the same period, their revenue attributable to properties developed solely by the Xinyuan Real Estate Group amounted to approximately 96.2%, 88.9%, 84.3% and 83.6% of their revenue generated from the provision of property management services for the same periods.
- The revenue contribution from the transactions with the Xinyuan Real Estate Group only accounted for a relatively small proportion of their total revenue. The majority of the revenue of their Group was derived from Independent Third Parties, which accounted for approximately 80.7%, 83.5%, 82.1% and 81.5% of the revenue of their Group for the years ended 31 December 2016, 2017 and 2018 and the three months ended 31 March 2019, respectively.

BUSINESS STRATEGIES

- Further improving their service quality and expanding the scale of their property management business and geographical reach.
- Strengthening their services offered.
- Upgrading and developing their own information technology and smart systems.

COMPETITIVE STRENGTHS

- They are one of the fast growing property management companies that offers a competitive service package.
- Their advanced information technology systems provide a strong support to their rapid business development.
- Due to their quality services, they have achieved a high customer satisfaction, which serves as a solid foundation for the future development of their business.
- Their ability to formulate standardised working procedures ensures the stability and quality of their service offerings.
- Their experienced, professional and stable management team supports their sustainable growth, and they are devoted towards training their current employees and nurturing their next generation of senior management.
- The unwavering support from and cooperation with the Xinyuan Real Estate Group have caused their business to continue to grow.

KEY RISKS

- Risks relating to their business and industry.
- Risks relating to conducting business in the PRC.
- Risks relating to the Global Offering.
- Risks relating to statements made in this prospectus.

DIVIDEND POLICY

- They expect to pay a dividend equivalent to not more than 30% of the profit after tax in each financial year after Listing.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
Will be used to expand their property management services, seek strategic acquisition and investment opportunities.	165.4	60.0%
Will be used to expand the types of services offered in their value-added services business line.	41.4	15.0%
Will be used to upgrade and develop their own information technology and smart systems.	41.4	15.0%
Will be used in funding their working capital needs and other general corporate purposes.	27.5	10.0%
Total:	275.7	100.0%

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