

**IPO FACT SHEET**
**Aoyuan Healthy Life Group Company Limited (3662 HK)**
**ISSUE STATISTICS**

<b>Offer Size:</b>	HK\$609.0m – HK\$752.5m
<b>Placement Tranche:</b>	175m
<b>Price:</b>	HK\$3.48 – HK\$4.30
<b>Board lot:</b>	1,000
<b>Entry fee:</b>	HK\$4,343.34
<b>Historical PE</b>	30.0x – 37.0x
<b>Net tangible asset per share:</b>	HK\$0.972 – HK\$1.172
<b>Market Cap (post-IPO):</b>	HK\$2,436.0m – HK\$3,010.0m
<b>Open:</b>	28 Feb 2019
<b>Close:</b>	12.00 noon on 5 Mar 2019
<b>Trading:</b>	18 Mar 2019
<b>Sponsor:</b>	Guotai Junan International and Zhongtai International

<b>Year ended 31 Dec</b>	<b>(RMB'000)</b>	<b>yoy % chg</b>
Revenue		
2016	265,440	47.9%
2017	435,977	64.2%
Profit and total comprehensive income for the year/period		
2016	41,028	52.4%
2017	69,932	70.4%

**BACKGROUND**

- The Group is a renowned property management service and commercial operational service provider in the PRC, with a focus on mid to high-end properties and mixed use property developments.
- As at 30 September 2018, the Group provided property management services to 61 properties in 25 cities across 11 provinces, municipalities and autonomous regions in the PRC with a total GFA under management of approximately 10.4 million sq.m..
- For the nine months ended 30 September 2018, revenue generated from the property management service segment amounted to RMB322.4 million, representing approximately 72.8% of its total revenue.
- In 2018, it ranked 16th among the Top 100 Property Management Companies in the PRC in terms of overall strength according to CIA and the China Real Estate Top 10 Research Team.
- In addition, it ranked second and third among commercial operational service providers in Southern China and Guangdong Province, respectively, and 14th among commercial operational service providers in the PRC in terms of total contracted GFA as at 30 September 2018.

**BUSINESS STRATEGIES**

- Scale up its commercial operational service business with a focus on cities in the PRC where it can achieve higher profit margins.
- Expand its property management service portfolio.
- Diversify its service offering to meet the evolving needs of its customers.
- Continue to develop and upgrade its O2O platforms to enhance its customers' experience and facilitate the establishment of a big data analytics platform.
- Develop intelligent service systems and upgrade its internal IT system to enhance operational efficiency.

**COMPETITIVE STRENGTHS**

- One of the leading property management service and commercial operational service providers in the PRC with proven track record.
- Offer diversified services which can enhance its brand value and customers' satisfaction.

- Able to capitalise on its long-term and stable business cooperation with the Parent Group.
- Achieved significant growth during the Track Record Period.
- The asset-light expansion model for its commercial operational service business enables rapid expansion.
- An experienced and professional management team with strong execution capability and in-depth knowledge of the industries.

### KEY RISKS

- Its business strategies are subject to uncertainties and risks and its future growth may therefore not materialise as planned.
- The Group may fail to secure new or renew its existing property management service contracts on favourable terms, or at all.
- It may experience fluctuations in its labour and subcontracting costs.
- The Group may fail to effectively anticipate or control its costs in providing property management services, for which it generally charge customers on a lump-sum basis.
- A significant portion of its revenue is derived from property management services and commercial operational services it provides in relation to the Parent Group's property development projects.

### DIVIDEND POLICY

- Expect to pay a dividend equivalent to 40% of the profit after tax upon Listing each year

### USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation (%)
To pursue strategic acquisition and investment opportunities to acquire or invest in other commercial operational service and property management service providers	382.1	62.0%
To pursue selective strategic acquisition and investment opportunities to acquire or invest in service providers which provide various services that are complementary to its property management services and commercial operational services	61.6	10.0%
To continue to develop and upgrade its O2O platforms	74.0	12.0%
To develop intelligent service systems and upgrade its internal IT system	37.0	6.0%
For working capital and general corporate purposes	61.6	10.0%
<b>Total:</b>	<b>616.3</b>	<b>100.0%</b>

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