

IPO FACT SHEET
CIMC Vehicles (Group) Co., Ltd (1839)
ISSUE STATISTICS

Offer Size:	HK\$1,690.7m – HK\$2,141.2m
Placement Tranche:	265m
Price:	HK\$6.38 - HK\$8.08
Board lot:	500
Entry fee:	HK\$4,080.71
Historical PE	8.05x – 10.19x
Net tangible asset per share:	HK\$5.37 – HK\$5.62
Market Cap (post-IPO):	HK\$11,260.70m - HK\$14,261.20m
Open:	27 June 2019
Close:	12.00 noon on 3 July 2019
Trading:	11 Jul 2019
Sponsor:	Haitong International Capital Limited

Year ended 31 Dec	(RMB in millions)	yoy % chg
Revenue		
2017	19,367.0	33.1%
2018	24,168.2	24.8%
Profit for the year		
2017	1,011.5	34.4%
2018	1,232.0	21.8%

BACKGROUND

- They are a leader in the global semi-trailer industry with well-recognized brands in the principal markets where they operate. They began to manufacture and sell semi-trailers in 2002.
- According to Frost & Sullivan, they have been the world's largest semi-trailer manufacturer for five consecutive years since 2013, with a 10.3% market share in 2017 by sales volume of semi-trailers.
- In China, they ranked first in the semi-trailer industry by sales volume of semi-trailers, with a market share of 15.7% in 2017; and in North America, their principal overseas market, they ranked among the top five semi-trailer manufacturers in 2017 in terms of sales volume of semi-trailers, according to Frost & Sullivan.
- They primarily engage in the manufacture and sale of semi-trailers and truck bodies for specialty vehicles. Their semi-trailers mainly include five product lines, comprising chassis and flatbed trailers, fence trailers, tank trailers, refrigerated trailers and van trailers.
- They market and sell an extensive range of semi-trailers and truck bodies in China, North America, Europe and other regions, covering over 40 countries.
- They focus on production facility improvement and product research and development to enhance production efficiency and improve product quality and capabilities. As a leading global manufacturer of semi-trailers, as of the Latest Practicable Date, they owned over 800 registered patents across multiple countries. They also played a leading role in setting 14 national and industry standards in China.
- Through their research and development efforts, they have been able to develop and launch new product lines, both independently and through cooperation with third parties. For example, in 2017, they launched the first generation of curtain-side trailers and center-axle car carriers in China.

BUSINESS STRATEGIES

- Strengthen their global operations with comprehensive local knowledge.
- Further digitalize their production process.
- Continue to develop new products and improve product features.
- Promote an agile organization adaptive to digitalized manufacturing and operation.
- Capture emerging business opportunities with growth potential.

COMPETITIVE STRENGTHS

- Highly integrated and synergistic global operations and local knowledge.
- Outstanding manufacturing and research and development capabilities.
- Proven track record of successful worldwide acquisitions and investments.
- Comprehensive portfolio of brands and products targeting different regional markets and customers.
- Experienced and visionary management team and solid corporate governance.

KEY RISKS

- Significant changes in general economic and market conditions as well as in the industry standards in the regions where they operate could materially adversely affect market demand for their products.
- They are subject to the risks associated with international trades.
- Their further success depends, in part, on their ability to expand their production capacity and to further improve their productivity and upgrade their production facilities, which is subject to risks and uncertainties.
- They may fail to implement and maintain effective quality control systems at their production facilities, due to which they may face potential product liability and warranty claims or suffer losses due to defective products.
- They may not be able to develop and introduce new products that meet changing market demand or gain general market acceptance in a timely manner, and their research and development may not always yield anticipated results.
- They rely on certain key raw materials, parts and components and utilities, such as steel, tires, rims and axles in their manufacturing process, and any failure or shortage in the supply of such key materials, parts and components and utilities may adversely affect their business.
- Increasing competition within the semi-trailer and truck body markets could have an adverse impact on their ability to maintain competitiveness.
- Their entry into new markets is subject to risks and restrictions.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
To develop new manufacturing or assembly plants in the US and Europe.	1254.3	70.0%
To research and develop new products.	179.2	10.0%
To repay certain bank borrowings.	179.2	10.0%
Working capital and general corporate purposes.	179.2	10.0%
Total:	1791.9	100.0%

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