

IPO FACT SHEET
CSSC (Hong Kong) Shipping Company Limited (3877)
ISSUE STATISTICS

Offer Size:	HK\$2,055.59m - HK\$2,178.31m
Placement Tranche:	1,534.02m Shares
Price:	HK\$1.34 - HK\$1.42
Board lot:	2,000
Entry fee:	HK\$2,868.62
Historical PE	3.9x – 4.1x
Net tangible asset per share:	HK\$1.26 - HK\$1.28
Market Cap (post-IPO):	HK\$8,222.3m- HK\$ 8,713.2m
Open:	28 May 2019
Close:	12.00 noon on 4 June 2019
Trading:	17 Jun 2019
Sponsor:	China International Capital Corporation Hong Kong Securities Limited

Year ended 31 Dec	(HK'000)	yoy % chg
Revenue		
2017	1,329,949	28.9%
2018	2,104,811	58.3%
Profit for the year		
2017	602,592	39.4%
2018	706,522	17.3%

BACKGROUND

- Established in 2012, the Group are the first shipyard-affiliated leasing company in Greater China and one of the world's leading ship leasing companies.
- They offer customised and flexible ship leasing solutions that suit their customers' different needs.
- According to the F&S Report, in terms of revenue in 2018, they ranked fourth in the global ship leasing industry with a market share of 3.9% and first in the global non-bank ship leasing industry with a market share of 14.8%.
- Their core business is the provision of leasing services, which include finance lease and operating lease.
- Leveraging their strong expertise in the marine industry, their leasing services primarily focus on ship leasing.
- They also provide shipbroking and loan services to their customers.

BUSINESS STRATEGIES

- Continue to focus on ship leasing and develop professional and high-value businesses.
- Cope with changes in the global energy landscape and comprehensively deploy the new energy industry chain.
- Expand their financing channels and stabilise their finance costs.
- Continue to develop their non-ship leasing business.

COMPETITIVE STRENGTHS

- They are one of the world's leading ship leasing companies and enjoy wide recognition.
- As a shipyard-affiliated leasing company, they have a unique competitive edge.
- They have strong expertise and extensive experience in the marine industry, which allows us to capture business opportunities in the marine industry.
- Their comprehensive risk management system has allowed us to achieve stability in asset quality.
- Their continuous optimisation of asset portfolio has allowed us to diversify their risk exposure and enjoy performance stability.

- They have an experienced, committed and professional management team.
- They benefit from various industry development opportunities as well as regional and national policies.

KEY RISKS

- Any significant deterioration in the quality of their loan receivables may materially and adversely affect their results of operations.
- The value of their leased assets, and the other collateral or guarantees, may not be sufficient to compensate their loss.
- Fluctuations in interest rates may have an adverse impact on their business.
- Any payment default on the part of their customers may have an adverse impact on their results of operations.
- Their cash flow position may deteriorate because of potential mismatch in the time between cash inflows and cash outflows.
- The marine industry is highly cyclical, which may have a material impact on their business.

DIVIDEND POLICY

- Declaring and paying dividends on an annual basis of approximately 30% of their distributable net profit attributable.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
Strengthen the capital base of their ship leasing business, which they believe will enhance the competitiveness of their ship leasing services and their vessel portfolio..	1,220.8	60.0%
As the capital base for their sale-and-leaseback projects in respect of marine clean energy equipment (including marine LNG/LPG units).	610.4	30.0%
As working capital and for general corporate purposes.	203.5	10.0%
Total:	2,034.6	100.0%

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