

IPO FACT SHEET
DaFa Properties Group (6111 HK)
ISSUE STATISTICS

Offer Size:	HK\$656m – HK\$996m
Placement Tranche:	200m shares
Price:	HK\$3.28 – HK\$4.98
Board lot:	1,000
Entry fee:	HK\$5,030.18
Historical PE	16.7x – 25.3x
Net tangible asset per share:	HK\$3.43 – HK\$3.83
Market Cap (post-IPO):	HK\$2,624m – HK\$3,984m
Open:	28 Sep 2018
Close:	12.00 noon on 4 Oct 2018
Trading:	11 Oct 2018
Sponsor:	CCBI

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
FY16	704,646	2.3%
FY17	4,569,636	548.5%
Profit for the year		
FY16	24,723	-57.7%
FY17	137,495	456.1%

BACKGROUND

- The Group is an expanding real estate developer in the Yangtze River Delta Region focusing on the development and sales of residential properties.
- During the Track Record Period, their business operations consisted of (i) property development and sales, (ii) commercial property investment and operations and (iii) property management services
- During the Track Record Period and up to June 30, 2018, they had a diverse portfolio of 29 projects consisting of 24 residential properties, four commercial complexes and one office floor. Of all the aforementioned projects, five projects are located in Shanghai, 24 projects are located in Jiangsu, Anhui and Zhejiang provinces.
- As of June 30, 2018, they had land reserves with a total GFA of 2,238,827.22 sq.m., including (i) completed properties with a total saleable unsold GFA of 249,781.71 sq.m. and a total rentable GFA of 68,468.84 sq.m., accounting for 14.2% of our total land reserves, (ii) properties under development with a total planned GFA of 1,293,586.94 sq.m., accounting for 57.8% of our total land reserves and (iii) properties held for future development with a total planned GFA of 626,989.73 sq.m., accounting for 28.0% of our total land reserves.

BUSINESS STRATEGY AND FUTURE PLANS

- Continuing to deepen penetration in the Yangtze River Delta Region by establishing regional branches in Nanjing, Hefei and Wenzhou to explore land parcels with development potential and seeking opportunities in other cities such as Guangzhou of southern China, Wuhan of central China, Xi'an of northwestern China and Chengdu of southwestern China
- Continuing to enhance their financial structure
- Consolidating and strengthening product competitiveness and continuing to provide products developed from the customer perspective
- Optimizing corporate operations and improving their brand recognition
- Increasing their talent reserves to meet rapid development in the future

COMPETITIVE STRENGTHS

- An expanding residential real estate developer taking root in Shanghai and intensively penetrating into the Yangtze River Delta Region
- Land reserves in core cities of the Yangtze River Delta Region and efficient land acquisition capabilities

- An advocate of situational real estate and a practitioner of quality real estate, providing housing and leading people to a better life
- Customer-oriented residential products designed to meet customer demands; superiorly-situated commercial properties that bring in stable cash flows
- Active and prudent financial policies and operations
- Experienced senior management and executive operation team

KEY RISKS

- They may not be able to acquire land reserves in desirable locations that are suitable for development at commercially acceptable prices in the future, which may affect our business, financial condition, results of operations and prospects.
- Our operations are subject to extensive government policies and regulations and they are particularly susceptible to adverse changes in policies relating to the PRC property industry in regions in which they operate.

DIVIDEND POLICY

- No fixed dividend policy

USE OF PROCEEDS

	(HK\$ m)	As a percentage of gross proceeds from the Invitation (%)
Construction costs for the development of their existing property projects, namely Dafa Bliss Oriental (Wuhu) and Kaize Jinyuan	435.6	60%
Repayment of a majority of a two-year borrowing of RMB530.0 million from an asset management company with a fixed interest rate of 8.5% per annum and maturity date of September 26, 2019	217.8	30%
General working capital	72.6	10%
Total	726.0	100%

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