

IPO FACT SHEET
Dexin China Holdings Company Ltd. (2019 HK)
ISSUE STATISTICS

Offer Size:	HK\$1,234.24m – HK\$1,729m
Placement Tranche:	532m
Price:	HK\$2.32 – HK\$3.25
Board lot:	1,000
Entry fee:	HK\$3,282.75
Historical PE	6.22x – 8.71x
Net tangible asset per share:	HK\$1.26-HK\$1.44
Market Cap (post-IPO):	HK\$6,106m - HK\$8,554m
Open:	14 Feb 2019
Close:	12.00 noon on 19 Feb 2019
Trading:	26 Feb 2019
Sponsor:	CCB International Capital Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2016	6,979,701	22.5%
2017	6,553,989	-6.1%
Profit and total comprehensive income for the years/period		
2016	513,411	694.0%
2017	839,369	63.5%

BACKGROUND

- They are a leading comprehensive property developer based in Zhejiang Province, China, focusing primarily on the development of residential properties and the development, operation and management of commercial and mixed-use properties.
- Building on 23 years of experience, they have become a leading comprehensive property developer in Zhejiang Province and are expanding into the Yangtze River Delta Region and key hub cities, while establishing a distinctive brand image of developing properties with their fine and distinctive Hangzhou workmanship (杭派精工).
- According to the Industry Report, in 2017, they ranked fifth in terms of total contracted sales of residential properties in all of the 11 prefecture-level cities in Zhejiang Province, with a market share of 2.2%.
- They have also received Top 100 Real Estate Enterprise in China awards jointly issued by the Enterprise Institute of Development Research Center of the State Council, the Real Estate Institute of Tsinghua University and China Index Academy for five consecutive years from 2014 to 2018, with their rankings rising consistently from 75th to 74th, 72nd and 63rd in 2015, 2016, 2017 and 2018, respectively.

BUSINESS STRATEGY AND FUTURE PLANS

- Continue to consolidate their leading position in the markets in Zhejiang Province and expand their presence into the Yangtze River Delta Region and key cities of China.
- Continue increasing quality land reserves at competitive costs and seize opportunities of urban rotation and structural differentiation in customer demand.
- Continuously improve product's quality competitiveness and customer satisfaction level, and strengthen the construction of intelligent communities.
- Further expand the commercial property development business through the "One Body Two Wings"(一體兩翼) development goal to enrich their project portfolio and leverage on commercial properties and industrial city (產城) developments to derive synergy and become an operator with comprehensive strength.
- Improve operation efficiency and optimize their capital structure.
- Attract and motivate talents through systematic training programs and competitive compensation.

COMPETITIVE STRENGTHS

- A leading comprehensive property developer deeply rooted in Zhejiang Province with a presence in the Yangtze River Delta Region and the major cities of China.
- Strategically expanding their business across the nation through their presence in key regions, and acquiring land reserves at strategic and advantageous locations to support their long-term development.
- Maintaining high operational efficiency while meeting client's individual demands to enhance product premium and brand reputation, and achieving a balanced development on scale, profitability and brand image.
- Developing high-quality products under their fine and distinctive Hangzhou workmanship (杭派精工) with their high-standard construction quality management system.
- Experienced management team and professional employee team.

KEY RISKS

- Their business and prospects are heavily dependent on the economic conditions in the PRC and the performance of the PRC property markets, particularly in various major cities in the Yangtze River Delta Region, and any potential decline in property sales or prices or demand for properties in the PRC generally or in the major cities in this region could have a material adverse effect on their business, financial condition and results of operations.
- 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 their business, financial condition, results of operations and prospects.
- They may not have adequate financing to fund their future land acquisitions and property developments, and such capital resources may not be available on commercially reasonable terms, or at all.
- They are subject to risks associated with certain covenants or restrictions under their bank borrowings, trust and other financing arrangements which may adversely affect their business, financial condition and results of operations.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation (%)
Will be used as the development costs for the development of some of their existing property projects.	820.70	60.0%
Will be used for land acquisition and construction costs for their potential property development projects and acquisition of land reserves by seeking and acquiring land parcels in cities where they are currently operating and planning to expand their operations.	410.30	30.0%
Will be used for their general corporate and working capital purposes.	136.80	10.0%
Total:	1,367.80	100.00%

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