

IPO FACT SHEET
Huijing Holdings Company Limited (9968)
ISSUE STATISTICS

Offer Size:	HK\$1,521.0m – HK\$1,883.6m
Placement Tranche:	788.1m
Price:	HK\$1.93 – HK\$2.39
Board lot:	2,000
Entry fee:	HK\$4,828.17
Historical PE	22.8x – 28.2x
Net tangible asset per share:	HK\$0.52 – HK\$0.59
Market Cap (post-IPO):	HK\$10,140.22m – HK\$12,557.06m
Open:	31 Dec 2019
Close:	12.00 noon on 9 Jan 2020
Trading:	16 Jan 2020
Sponsor:	China Galaxy International Securities (Hong Kong) Co., Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2017	1,197,774	-42.8%
2018	2,238,462	86.9%
Profit for the year/period		
2017	157,932	-53.3%
2018	400,968	153.9%

BACKGROUND

- The Group is an established integrated residential and commercial property developer in the PRC, focusing in the Guangdong and Hunan provinces.). In 2018, the total contracted sales of the Group, together with its joint venture, achieved a 97.7% year-on-year growth and amounted to RMB2,562.4 million.
- According to JLL, in terms of contracted sales among the top 100 local property developers, the Group, together with its joint venture, ranked 28th in Dongguan (with market share of 0.6%), 63rd in Changsha (with market share of 0.4%) and 39th in Hefei (with market share of 0.6%), and accounted for 1.3% and 0.8% of the market share in Heyuan and Hengyang respectively.
- As at September 30, 2019, the Group, together with its joint venture, had acquired 16 property project with an aggregate site area of 2.0 million sq.m.. It has subsequently on November 19, 2019 acquired an additional property project with a site area of 6,042 sq.m. As such, it has held a total of 17 property projects as at the Latest Practicable Date, 12 of which are situated in Dongguan.
- As at September 30, 2019, it had acquired interest in three land parcels with an aggregate site area of 162,209 sq.m., and a portion of land with a site area of 266,353 sq.m. for future development. It had also contracted to acquire interest in 12 land parcels for future developments with an aggregate site area of 574,738 sq.m.

BUSINESS STRATEGIES

- Continue to focus on property projects in the Greater Bay Area and Heyuan and continue to make deep-plough investments in high growth potential cities that enjoy government policy support.
- Continue to pursue urban renewal projects.
- Focus on developing integrated tailored developments, and continue to cooperate with entities in emerging industries.
- Attract, retain and motivate skilled and talented employees.

COMPETITIVE STRENGTHS

- Reputation as a recognized regional developer and strategic focus on high growth potential cities.
- Ability to control land acquisition costs and construction costs.
- Its experience in procuring and developing urban renewal projects.

- Ability to coordinate various resources, including partnering with government and other parties to deliver tailor-made properties.
- Its strategy of tailoring project-specific development plans for land parcels.
- It has a professional management team with extensive industry experience.

KEY RISKS

- Its business and prospects depend on the performance of the PRC property market and may be adversely affected by any market fluctuations.
- Its expansion into new geographical markets presents certain risks and uncertainties.
- Its involvement in urban renewal developments may require more costs and resources and the benefits from such developments may not become apparent in the near future.
- It may not be able to acquire land reserves in desirable locations that are suitable for its development at commercially acceptable prices in the future, which may affect its business, financial conditions, results of operation and prospects.
- Its business and operations, including its urban renewal projects, are highly subject to government policies and regulations. The Group is susceptible to adverse changes in policies in the PRC real estate market and in regions it operates.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
To fund development costs for certain urban renewal projects	860.3	55.0%
For the development and construction costs for the development of its existing property projects	312.8	20.0%
For repayment of certain existing interest-bearing bank borrowings and other borrowings, which are working capital loans for its project companies	312.8	20.0%
To provide funding for its working capital and other general corporate purposes	78.2	5.0%
Total:	1,564.1	100.0%

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