

IPO FACT SHEET
Kaisa Property Holdings Ltd (2168 HK)
ISSUE STATISTICS

Offer Size:	HK\$317.8m – HK\$380.8m
Placement Tranche:	35m
Price:	HK\$9.08 – HK\$10.88
Board lot:	250
Entry fee:	HK\$2,747.41
Historical PE	15.76x – 18.89x
Net tangible asset per share:	HK\$4.38 – HK\$4.82
Market Cap (post-IPO):	HK\$1,271.2m – HK\$ 1,523.2m
Open:	26 Nov 2018
Close:	12.00 noon on 29 Nov 2018
Trading:	6 Dec 2018
Sponsor:	CLSA Capital Markets Limited and ABCI Capital Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2016	539,107	12.8%
2017	669,159	24.1%
Profit and total comprehensive income for the year/period		
2016	58,114	0.7%
2017	71,441	22.9%

BACKGROUND

- They are one of the leading comprehensive property management service providers in China focusing on mid- to high-end properties, in particular in the Guangdong-Hong Kong-Macau Bay Area and Yangtze River Delta.
- During the Track Record Period, approximately 90% of their managed properties are mid- to high-end properties.
- With their leading brand recognition and outstanding service quality, they were awarded the 2017 Specialized Operational Leading Brand of China Property Service Companies and a Certificate of China Property Management Brand Value of RMB2.8 billion, both by China Index Academy.
- According to Frost & Sullivan, they were ranked 14th among the Property Management Service Companies in China and seventh among the Property Management Service Companies in the Guangdong-Hong Kong-Macau Bay Area in terms of revenue in 2017.

BUSINESS STRATEGY AND FUTURE PLANS

- Continue to leverage their extensive experience and well-established service standard and management system to expand their business scale in mid- to high-end market through multiple channels.
- Continue to scale their business in non-residential properties to further diversify their revenue streams.
- Continue to develop one-stop service platforms to optimize user experience, expand product and service offering and increase operational efficiency.
- Continue to develop their smart solution services to build smart home and smart community.

COMPETITIVE STRENGTHS

- One of the leading comprehensive property management service providers in China focusing on mid- to high-end properties and spanning across key economics regions and cities.
- Wide sources of revenue generated from their diversified property management portfolio and service offerings.
- Leverage their proprietary one-stop K Life service platform to build a closed-loop community value chain and increase user experience.
- Centralized and effective management system incorporating advanced and optimized technology.
- Experienced and professional management team as well as human resources policies designed to cultivate outstanding employees.

KEY RISKS

- They may not be able to grow their property management portfolio as planned, which may have a material adverse effect on their business, financial condition and results of operations.
- Their future growth may not materialize as planned, and failure to manage any future growth effectively may have a material adverse effect on their business, financial condition and results of operations.
- They may not procure new property management service contracts as planned or at desirable pace or price.
- Termination or non-renewal of their preliminary property management service contracts or property management service contracts could have a material adverse effect on their business, financial condition and results of operations.
- Increase in staff costs and subcontracting costs could slow their growth, harm their business and reduce their profitability.

DIVIDEND POLICY

- They intend to pay dividends in the amount of 25% of their distributable profit for each year after the Listing.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation (%)
Acquiring or investing in other property management companies which have comparable market positions with them.	139.70	50.0%
Acquiring or investing in companies which are engaged in property management related business and companies which provide community value-added products and services complementary to those of them.	55.80	20.0%
Developing and promoting their K Life mobile app and their community value-added products and services.	28.00	10.0%
Developing their "management digitalization, service specialization, procedure standardization and operation automation".	28.00	10.0%
Working capital and general corporate purpose.	28.00	10.0%
Total:	279.50	100.00%

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