

IPO FACT SHEET
Poly Property Development Co.,Ltd. (6049)
ISSUE STATISTICS

Offer Size:	HK\$4,093.34m – HK\$4,680.00m
Placement Tranche:	133.3334m
Price:	HK\$30.70 – HK\$35.10
Board lot:	200
Entry fee:	HK\$7,090.74
Historical PE	43.8x – 50.0x
Net tangible assets per share:	HK\$9.03 – HK\$10.12
Market Cap (post-IPO):	HK\$16,373.3m – HK\$18,720.0m
Open:	09 Dec 2019
Close:	12.00 noon on 12 Dec 2019
Trading:	19 Dec 2019
Sponsor:	GF Capital (Hong Kong) Limited, Huatai Financial Holdings (Hong Kong) Limited and ABCI Capital Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2017	3,240,334	26.4%
2018	4,229,378	30.5%
Profit for the year/period		
2017	224,682	50.6%
2018	336,067	49.6%

BACKGROUND

- The Group is a leading comprehensive property management service provider in China with extensive property management scale and state-owned background, ranking fourth by China Index Academy in 2019 among the Top 100 Property Management Companies in China in terms of overall strength.
- Its three main business lines, namely, (i) property management services, (ii) value-added services to non-property owners, and (iii) community value-added services, form an integrated service offering to its customers along the value chain of property management.
- The Group has been providing property management services in China for more than 23 years with a focus on first-tier and second-tier cities covering the five national-level urban agglomerations in China, according to China Index Academy. As at 30 June 2019, its total contracted GFA reached 454.9 million sq.m. covering 148 cities across 27 provinces, municipalities and autonomous regions in China and it managed 846 properties in China as at 30 June 2019.
- The growth in its total revenue during the Track Record Period was primarily attributable to a general increase in revenue from its business lines. In particular, its revenue from property management services (68.8% of total revenue in 2018) increased mainly due to an increase in its total GFA under management and an increase in the number of properties managed by the Group as it expanded its business scale.

BUSINESS STRATEGIES

- Further expand the scale of its property management business through multiple channels and to solidify its leading industry position.
- Continue to provide a diverse range of high-quality and in-depth value-added services.
- Further enhance application of Internet of Things combining smart management system by information technologies.
- Further improve its human resources training and incentive system to support sustainable development of its business.

COMPETITIVE STRENGTHS

- A property management service provider with leading industry position, extensive property management scale and outstanding financial performance, ranking first in China among the Top 100 Property Management Companies with state-owned background.
- Strong leverage on the leading position of its Controlling Shareholder, Poly Developments and Holdings, in the real estate industry in

China, leading to its highly visible and sustainable growth opportunities.

- Outstanding market development capabilities and reputable brand with state-owned background for continually building the new service system for property management.
- An industry leading player in the management of service quality with consistent high-level service standards and comprehensive and diverse offerings of value-added services.
- Focus on digitisation and smart management with cost efficiency.
- Professional and dedicated management team with an entrepreneurial and pragmatic spirit supported by an effective human resources system.

KEY RISKS

- The Group's historical results may not be indicative of its future prospects and results of operation and its future growth may not materialise as planned, and failure to manage any future growth effectively may have a material adverse effect on its business, financial position and results of operations.
- The Group may not procure new property management service contracts as planned or at desirable pace or price.
- Termination or non-renewal of its property management service contracts for a significant number of properties could have a material adverse effect on its business, financial position and results of operations.
- The Group's ability to maintain or improve its current level of profitability depends on its ability to control operating costs, in particular, labour and sub-contracting costs, and its profit margins and results of operations may be materially and adversely affected by the increase in labour or sub-contracting or other operating costs.
- The Group may not be able to collect property management fees from customers and as a result, may incur impairment losses on receivables. In addition, it recorded intangible assets, including goodwill and property management contracts, on its consolidated statement of financial position in connection with the acquisitions of subsidiaries during the Track Record Period and any recognition of impairment losses on such intangible assets would adversely affect its financial position.

DIVIDEND POLICY

- Target to distribute approximately 25% of its profit for the year attributable to owners of the Company from the year ending 31 December 2019 onwards.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
To pursue selective strategic investment and acquisition opportunities and to further develop strategic alliances and expand the scale of its property management business	2,445.1	57.0%
To further develop its value-added services	643.5	15.0%
To upgrade its systems for digitisation and smart management	772.1	18.0%
For working capital and general corporate purpose	429.0	10.0%
Total:	4,289.7	100.0%

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