

IPO FACT SHEET
Pujiang International Group Limited (2060)
ISSUE STATISTICS

Offer Size:	HK\$614.4m - HK\$852m
Placement Tranche:	240m
Price:	HK\$2.56 - HK\$3.55
Board lot:	1,000
Entry fee:	HK\$3,585.78
Historical PE	15.7x – 21.7x
Net tangible asset per share:	HK\$2.30 - HK\$2.55
Market Cap (post-IPO):	HK\$2,048m- HK\$2,840m
Open:	17 May 2019
Close:	12.00 noon on 22 May 2019
Trading:	28 May 2019
Sponsor:	Haitong International Capital Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2017	1,317,693	21.8%
2018	1,383,335	5.0%
Profit attributable to owners of the Company		
2017	71,514	22.5%
2018	115,851	62.0%

BACKGROUND

- The Group mainly provides materials for construction projects and mainly have two business segments, namely, the Cable Business and Prestressed Materials Business.
- They are the largest provider of bridge cables for the construction of super-long-span bridges in China and the third largest prestressed materials manufacturer in China.
- According to Frost & Sullivan, they have supplied cables to 35.1% of the super-long-span bridges constructed in China between 1991 to 2017, of which they have supplied bridge cables for 52.9% of the super-long-span suspension bridges and 30.0% of the super-long-span cable-stayed bridges in China.
- They also ranked second in terms of bridge cables sales revenue in 2017 and they ranked third in terms of prestressed materials sales revenue in 2017, according to Frost & Sullivan.

BUSINESS STRATEGIES

- They seek to enhance their leading market position by capturing the growing market opportunities in the fast-growing infrastructure market both in China and overseas.
- They plan to continue to upgrade and increase their production facilities and enhance their operational effectiveness.
- They will continue to invest in advancing their research and development capabilities.
- They seek to enhance their competitiveness by exploring business acquisition opportunities in the industry and expand their overseas customer base.

COMPETITIVE STRENGTHS

- They are a leader in the bridge cables manufacturing industry and the prestressed materials manufacturing industry in China.
- They possess strong research and technological development capabilities and robust know-how.
- They own industry-leading production facilities and have stringent control in their manufacturing process.
- They have a strong customer base and close relationship with key suppliers.

- They have an experienced management team and technical staff with prominent industry experience.

KEY RISKS

- They recorded operating cash outflows for 2017 and 2018 because their operations are working capital intensive; any insufficient levels of liquidity may adversely affect their cash flow and working capital and results of operations.
- They may experience delays or defaults in payment of trade and retention receivables from their customers, and they have a significant mismatch between their trade receivables and trade payables turnover days which may adversely affect their cash flow and working capital and results of operations.
- Their revenues are dependent on their five largest customers and the loss of any one of them may have a material and adverse impact on their business, financial condition and results of operations.
- They procure a significant portion of their raw materials from their five largest suppliers; and
- Their business, financial condition and results of operations may be affected by changes in the PRC government policies with respect to the infrastructure construction industry.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
For the repayment of banking credit facilities obtained during their ordinary course of business primarily for the funding of their working capital that were secured by various personal and corporate guarantees.	138.4	24.2%
For the acquisition of business in order to strengthen their competitiveness or potentially increase their scale of production by June 2021.	144.2	25.2%
For the expansion of production capacity of galvanised prestressed products for their Prestressed Materials Business at Jiujiang, Jiangxi Province.	126.0	22.0%
For the expansion of research and development centre for their Cable Business.	79.2	13.9%
For the purchase of additional production equipment and environmental protection facilities including waste treatment facilities for their Prestressed Materials Business at Jiujiang, Jiangxi Province.	26.9	4.7%
For working capital and general corporate purposes.	57.4	10.0%
Total:	572.1	100.0%

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