

IPO FACT SHEET
Shanghai Realway Capital Assets Management Co., Ltd. (1835 HK)
ISSUE STATISTICS

Offer Size:	HK\$191.7m – HK\$268.4m
Placement Tranche:	38.34m
Price:	HK\$5.00 – HK\$7.00
Board lot:	400
Entry fee:	HK\$2,828.22
Historical PE	10.65x – 14.91x
Net tangible asset per share:	HK\$2.73 – HK\$3.22
Market Cap (post-IPO):	HK\$766.8m – HK\$1,073.5m
Open:	31 Oct 2018
Close:	12.00 noon on 5 Nov 2018
Trading:	13 Nov 2018
Sponsor:	Alliance Capital Partners Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2016	83,422	139.2%
2017	130,875	56.9%
Profit and total comprehensive income for the year/period		
2016	43,109	316.6%
2017	63,346	46.9%

BACKGROUND

- They are investment fund managers specialising in the management of real estate investment funds in the PRC.
- According to Frost & Sullivan, they were the 10th largest real estate investment fund manager in China as at 31 December 2017 in terms of AUM.
- Their funds' portfolio covers commercial real estate projects, distressed assets projects and urbanisation and redevelopment projects.
- Since their establishment in 2010, the funds they manage have invested in a total of 25 sizeable investment projects, 15 of which were completed and successfully exited. These investment projects comprised portfolio assets which were spread over more than 10 PRC cities, including Shanghai, Shenzhen, Chengdu, Hangzhou, Nanjing, Wuxi, Ningbo, Xi'an, Hefei, Fuzhou and Jining.
- They manage two broad types of funds, namely Project Funds and FOFs. Project Funds are set up for specific projects, whereas, FOFs are set up with high flexibility and may invest in different projects which fall within the designated investment scope of each FOF, at different stages. The fund life of Project Funds generally range from 15 to 48 months, and the fund life of FOFs generally range from 36 to 60 months. As at the Latest Practicable Date, they managed a total of 10 Project Funds and six FOFs with total AUM of approximately RMB4,452.9 million.

BUSINESS STRATEGY AND FUTURE PLANS

- Enhance their ability to secure quality portfolio assets through further development of their FOFs and enriching their product offerings to expand their customer base.
- Expand their marketing capabilities to directly attract high-net-worth investors.
- Replicate the success of their business model in other PRC cities and Hong Kong by establishing local presence.
- Continue to expand their professional team and enhance their risk management capabilities.

COMPETITIVE STRENGTHS

- Established brand recognition developed through their demonstrated track record which allows them to attract investors and secure quality projects.
- Effective business model, particularly with the development of FOFs as a private fund manager, which helped them secure quality investment projects and attracted investors.

- Strong execution and risk management capabilities in handling every aspect of the investment cycle of their funds' portfolio assets.
- Stable management team and experienced technical team.

KEY RISKS

- Project sourcing, assessment and transaction design — If they are unable to source, identify and select quality investment projects and complete negotiations with counterparties to their satisfaction on time or at all, their reputation, business, financial condition and results of operations would be materially and adversely affected.
- Fund raising — If they are unable to raise sufficient capital for their investment funds, their management fee income will be significantly affected, and their business, financial condition and results of operations would be materially and adversely affected.
- Project management — If they are unable to implement investment projects on schedule or within budget for and on behalf of their funds, the amount of realisable return and the timing of such realisation for their funds would be significantly affected, and their business, financial condition and results of operations would be materially and adversely affected.
- Investment exits — If their funds are unable to exit their investments effectively and on time, they may not achieve the target return for their funds and their performance fee income will be significantly affected, and their business, financial condition and results of operations would be materially and adversely affected.

DIVIDEND POLICY

- No fixed dividend policy

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation (%)
For setting up new FOFs.	109.20	60.0%
For geographical expansion of their business in the PRC by setting up new subsidiaries and expansion of representative offices.	54.60	30.0%
To provide funding for their working capital and other general corporate purposes.	18.20	10.0%
Total:	182.00	100.00%

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