

IPO FACT SHEET
Rizhao Port Jurong Co., Ltd. (6117)
ISSUE STATISTICS

Offer Size:	HK\$548.0m - HK\$604.0m
Placement Tranche:	400m
Price:	HK\$1.37 - HK\$1.51
Board lot:	2,000
Entry fee:	HK\$3,050.43
Historical PE	12.9x – 14.2x
Net tangible asset per share:	HK\$1.31 - HK\$1.34
Market Cap (post-IPO):	HK\$2,192.0m- HK\$2,416.0m
Open:	31 May 2019
Close:	12.00 noon on 5 Jun 2019
Trading:	19 Jun 2019
Sponsor:	China Securities (International) Corporate Finance Company Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2017	520,514	6.6%
2018	532,061	2.2%
Profit and total comprehensive income for the year		
2017	126,982	62.0%
2018	149,152	17.5%

BACKGROUND

- The Group is the largest port for grain and woodchip imports in China in terms of 2018 throughput. According to the CIC Report, in 2018, its throughput of both soybean and woodchip imports (including the throughput from its leased-out berths) ranked first in China and its throughput of dried tapioca imports ranked second in China.
- It is located at the Shijiu port area of the Port of Rizhao, a major coastal port for commodities trading that is ranked the seventh largest coastal port in China and 11th in the world in terms of 2018 throughput.
- The Group also enjoys benefits from being the only port in China that is directly connected to two major rail lines of over 1,000 kilometers, namely, the Wa-Ri Rail Line (瓦日線) and the Xin-He-Yan-Ri-Longhai Rail Line (新菏兖日-隴海線), according to the CIC Report.
- Its total throughput increased from approximately 10.9 million tonnes in 2011 to approximately 25.9 million tonnes in 2018 at a CAGR of 13.2%.

BUSINESS STRATEGIES

- Leverage the Belt and Road initiative and expand its business capacity.
- Provide one-stop integrated and efficient port services.
- Strengthen brand reputation and expand its customer base.
- Become a “smart port”.
- Develop a sustainable and environmentally-friendly port.

COMPETITIVE STRENGTHS

- The largest port for grain and woodchip imports in China, well positioned to benefit from strong industry growth.
- Its strategic location and robust transportation network lay a solid foundation for its business.
- Advanced port infrastructure and high operational efficiency enable it to achieve an industry-leading collection and distribution capacity.
- Its stable base of high-quality and long-term customers and strong innovation capabilities support its sustainable growth.

- Senior management team with in-depth experience and strong support from its Controlling Shareholders.

KEY RISKS

- Its business, financial condition and results of operations are susceptible to fluctuations in the economic conditions of the PRC and its hinterland, as well as uncertainties in the global economic, geopolitical and market conditions.
- Its historical operating results may not be indicative of its future financial performance.
- It primarily handles a limited number of major cargo types, and a decrease in the demand for these types of cargos could materially and adversely affect it.
- The Group relies on a number of major customers in its business.
- Its business and operations require significant capital resources on an ongoing basis; any failure to obtain sufficient and sustained funding may materially and adversely affect its business, financial condition and results of operations.
- It may not be able to achieve its future plans.
- The Group had net current liabilities as of December 31, 2016, 2017 and 2018 and March 31, 2019.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
For the acquisition of the West-6 berth to ensure that the Group has sufficient berthing capacity to support its future business growth.	361.2	70.0%
For the procurement of equipment and machinery for the West-6 berth, including port cranes, belt conveyors, steel structures and other miscellaneous equipment and machinery.	103.2	20.0%
For working capital and general corporate purposes.	51.6	10.0%
Total:	516.0	100.0%

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