

IPO FACT SHEET
Yincheng International Holding Co., Ltd. (1902 HK)
ISSUE STATISTICS

Offer Size:	HK\$708.52m - HK\$878.57m
Placement Tranche:	354.262m shares
Price:	HK\$2.00 - HK\$2.48
Board lot:	2,000
Entry fee:	HK\$ 5,009.98
Historical PE	5.8x – 7.2x
Net tangible asset per share:	HK\$ 1.84 - HK\$1.95
Market Cap (post-IPO):	HK\$2,834.1m - HK\$3514.3m
Open:	22 Feb 2019
Close:	12.00 noon on 27 Feb 2019
Trading:	06 Mar 2019
Sponsor:	ICBC International Capital Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2016	2,502,980	19.7%
2017	4,675,644	86.8%
Profit and total comprehensive income for the year/period		
2016	369,664	86.2%
2017	390,609	5.7%

BACKGROUND

- They are an established property developer in the PRC focusing on developing quality residential properties in the Yangtze River Delta Megalopolis.
- They commenced their property development operations in Nanjing and successfully expanded their footprint to other cities in the Yangtze River Delta Megalopolis, including Wuxi, Suzhou, Zhenjiang, Hangzhou, Ma'anshan and Hefei.
- They ranked 93rd among the Top 100 Real Estate Developer in China in 2018 and were awarded as one of the Top 10 property developers in Jiangsu Province in the same year.
- Their main business operations include (i) the development and sale of residential and commercial properties; and (ii) the leasing of investment properties owned and developed by them.

BUSINESS STRATEGIES AND FUTURE PLANS

- They will continue to enhance their leading position in Nanjing and strategically expand into other selected cities.
- They seek to enhance their product quality and customer satisfaction.
- They will continue to adopt a diversified development strategy by utilising different models in property development to increase flexibility and efficiency.
- They will continue to balance their financial management with their growth and to improve their operational efficiency.
- They will continue to attract, retain and motivate their talented and experienced personnel.
- They will further enhance their brand recognition and increase their customers' loyalty.

COMPETITIVE STRENGTHS

- They have an established track record and reputation in developing residential properties.
- They focus on developing quality properties with healthy, comfortable, smart and convenient living environment for customers of all ages.
- They possess strong development and operational capabilities with standardised property development procedures to expedite asset turnover and facilitate efficient operation.

- They provide excellent customer services and maintain close relationship with their customers, enhancing the recognition of their “Yincheng” brand.
- They have abundant land reserves at premium locations in most of the cities in which they operate for their future development.
- They have a professional, experienced and stable management team supported by loyal and committed employees.

KEY RISKS

- They may not have adequate financing to fund their property developments and are exposed to liquidity risks. If they are unable to obtain sufficient funding to repay their debts and/or fund future development costs, their business, financial condition, results of operations and prospects could be materially and adversely affected.
- Their business and prospects are dependent on and may be adversely affected by the performance of the PRC property markets, particularly in the various cities they operate and intend to operate.
- They may not be able to acquire land reserves in desirable locations that are suitable for their development at commercially acceptable prices.
- They may not be successful in managing their growth and expansion into new cities and regions and new businesses.
- They generate revenue principally from the sale of properties, and their ability to realise benefits from a property development project may fluctuate, as it will depend on their property development project schedule and the timing of sales for such project.
- Their operations are subject to extensive government policies and regulations and, in particular, they are susceptible to adverse changes in policies related to the PRC property industry and in regions in which they operate

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation (%)
Construction costs for the development of their property projects, namely Honor Mansion, 2017G63 Ninghai Road Parcel and Huijian Weilai	433.6	60.0%
Repayment of all or any part of certain existing bank and other borrowings.	216.8	30.0%
General working capital purposes.	72.3	10.0%
Total:	722.6	100.0%

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