

**IPO FACT SHEET**
**Yincheng Life Service (1922)**
**ISSUE STATISTICS**

<b>Offer Size:</b>	HK\$126.69m – HK\$152.03m
<b>Placement Tranche:</b>	66.68m
<b>Price:</b>	HK\$1.90 – HK\$2.28
<b>Board lot:</b>	2,000
<b>Entry fee:</b>	HK\$4,605.95
<b>Historical PE</b>	16.87x – 20.24x
<b>Net tangible asset per share:</b>	HK\$0.69 – HK\$0.78
<b>Market Cap (post-IPO):</b>	HK\$506.7m – HK\$516.8m
<b>Open:</b>	25 Oct 2019
<b>Close:</b>	12.00 noon on 30 Oct 2019
<b>Trading:</b>	06 Nov 2019
<b>Sponsor:</b>	ICBC International Capital Limited

Year ended 31 Dec	(RMB'000)	yoy % chg
Revenue		
2017	305,901	34.5%
2018	467,666	52.9%
Profit for the year/period		
2017	19,821	(14.5)%
2018	27,090	36.7%

**BACKGROUND**

- The Group is an established property management service provider in the PRC with over 20 years' industry experience, providing diversified property management services and community value-added services.
- Through the offering of quality services, they have grown from a local property management service provider in Nanjing, to one of the leading property management service providers in both Nanjing and Jiangsu Province.
- According to the Frost and Sullivan Report, They ranked the 1st, and the 5th among all property management service providers in Nanjing and Jiangsu Province in 2018 in terms of revenue, respectively, and the 34th among the China Top 100 Property Management Companies (中國物業百強企業) in 2019.
- Their business covers a wide spectrum of properties, including residential properties and non-residential properties covering government facilities, financial institutions, property sales offices, parks, highway service area, industrial parks, mixed-use properties, schools and office buildings.
- As at 30 April 2019, their property management services covered 10 PRC cities, including seven cities in Jiangsu Province and three cities in other provinces in the Yangtze River Delta Megalopolis, with GFA under management reaching approximately 19.6 million sq.m.
- They managed 197 properties, including 89 residential properties and 108 non-residential properties, serving over 100,000 households as at 30 April 2019.

**BUSINESS STRATEGIES**

- Continue to expand their business by mergers and acquisitions or investments in order to expand their market shares in the property management service industry in the PRC.
- Continue to scale up their business in non-residential properties to further diversify their revenue streams and growth drivers.
- Continue to develop their community value-added services and enhance their brand recognition.
- Invest in intelligent systems to improve their service quality and enhance their customers' experience.
- Upgrade their internal information technology system to enhance operational efficiency
- Continue to recruit more technical and managerial talents and, at the same time, provide training to their existing staff for the expansion of their operations.

#### COMPETITIVE STRENGTHS

- They are an established property management service provider in the PRC capable of attracting new customers and retaining their existing customers.
- They are able to provide quality property management services and support their rapid business growth by upholding their business model.
- They are capable of offering diversified property management services across various types of properties which allows them to diversify their source of revenue.
- They are able to provide diversified community value-added services to their customers.
- They have an experienced management team and cohesive operational team with proven execution capabilities.

#### KEY RISKS

- Future acquisitions or investments could expose them to risks that may have a material adverse effect on their business, financial condition and results of operations.
- They may not be able to grow their property management portfolio as planned, and failure to manage growth effectively may have a material adverse effect on their business, financial condition and results of operations.
- Termination or non-renewal of their preliminary property management agreements or property management agreements could have a material adverse effect on their business, financial condition and results of operations.
- Their provision of property management services on a lump sum basis could subject them to losses.
- Increase in labour costs and subcontracting costs could slow their growth, harm their business and reduce their profitability.
- They may not be able to successfully collect property management fees from their customers, which may lead to impairment losses on their receivables.

#### DIVIDEND POLICY

- Propose an annual dividend payment at a payout ratio of not less than 25% of their Group's combined net profit after tax for the financial year.

#### USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
Acquire or invest in the following types of companies located in the Yangtze River Delta Megalopolis: (i) property management companies which have good market recognition to expand their property management portfolio; (ii) companies engaging in the provision of specialised services, such as gardening and landscaping services, and/or possess various kinds of qualifications and licences, such as those required for repair and maintenance of specialised elevators and mechanical car park equipment; (iii) companies which provide products or services which are complementary to their community value-added services such as community catering services	61.5	60.0%
Invest in intelligent systems by purchasing or upgrading equipment and facilities.	15.4	15.0%
Upgrade their internal information technology system	10.3	10.0%
Continue to recruit more technical and managerial talents and provide trainings to their existing staff for the expansion of their operations	5.1	5.0%
Provide funding for their working capital and other general corporate purpose.	10.3	10.0%
<b>Total:</b>	<b>102.6</b>	<b>100.0%</b>

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