

## IPO write-up

# Times Property

Ivan LI, CFA  
 ivanli@kimeng.com.hk  
 (852) 2268 0641

### Stock Information

Stock code:	1233 HK
Issue size:	430.74m shares (all new)
Green shoe option:	15%
Public/Placement tranche:	10%/90%
Share issue price:	HKD3.2-4.5
Market cap after listing:	HKD5,513.5-7,753.3m
Use of proceeds (net):	HKD1,548.2m, 56.7% financing new and existing projects, 33.3% settling part of the outstanding installments, 10.0% general working capital
Application list open	29th Nov- 4th Dec 2013
Expected listing date:	11th Dec 2013
Book runners:	UBS, Haitong International
Profit forecast:	N/A
Dividend policy:	No fixed dividend policy (indicative only)
PBR:	1.26-1.58x pro forma adjusted asset value per share (prospectus)
Post IPO shareholders	Founder Mr. Shum (75%)
Cornerstone investors	4 investors, including Yue Xiu Securities, and Fusion Capital (owned by chairman of Guangzhou R&F (2777)). Total amount HKD449m, 6.9% of post-IPO share capital.

### Company background

Times Property (Times) is one of the leading property developers in Guangdong Province, focusing on the development of mid-market to high-end residential properties. Its business comprises three areas: (i) property development, i.e., the development of residential and commercial properties for sale, (ii) property leasing, i.e., the development, leasing and sub-leasing of commercial properties owned by the company or Independent Third Parties, and (iii) property management, i.e., the provision of property management services to residential customers.

### Selling points and strength

- 1) The company is one of the leading property developers in Guangdong Province, one of the most economically prosperous regions in China, with the well-recognized "Times Property" (時代地產) brand.
- 2) The company has land reserves sufficient to support its operation in the next five years.
- 3) The company has standardized operating procedures that enable it to develop strong execution capabilities and utilize resources efficiently.

### Some points of concern

- 1) Business is heavily dependent on the growth of the real estate market in the PRC and, in particular, in Guangdong and Hunan Provinces.
- 2) Business is subject to extensive governmental regulations and policies and, in particular, the company is susceptible to policy changes in the PRC property industry.
- 3) Times had negative net operating cash flows for the years ended December 31, 2010 and 2011 and the six months ended June 30, 2013. If the company is unable to meet payment obligations, business, financial condition and results of operations may be materially and adversely affected.

### Financial Summary (Year ended Dec 31)

CNY'000	FY2010	FY2011	FY2012	1H13
Revenue	1,547,206	2,466,811	3,197,142	2,362,705
Gross profit	390,837	685,554	908,958	548,063
Net profit	165,347	247,169	362,916	165,946
Adjusted net profit (m)	38.7	119.2	271.1	134.0
Gross profit margin (%)	25.3	27.8	28.4	23.2
Adjusted net profit margin (%)	2.5	4.8	8.5	5.7
Gearing ratio (%)	125.6	143.3	171.6	224.2

Source: Company data, Maybank Kim Eng

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