

Company Newsletter (November 2017)

Stock (6 December, 2017):

Closing Price :	HK\$ 3.42
52-week High/Low :	HK\$ 2.15 - 4.49
Market Cap :	13,671 million HK\$
No. of Issued Shares :	3,997 million

Recent IR Activities:

Date	Activities	Venue
Dec 13	Gelonghui "Battles in HK Stock Market 2017"	Beijing
Dec 20	Gelonghui "Battles in HK Stock Market 2017"	Guangzhou
Jan 9	UBS Greater China Seminar	Shanghai

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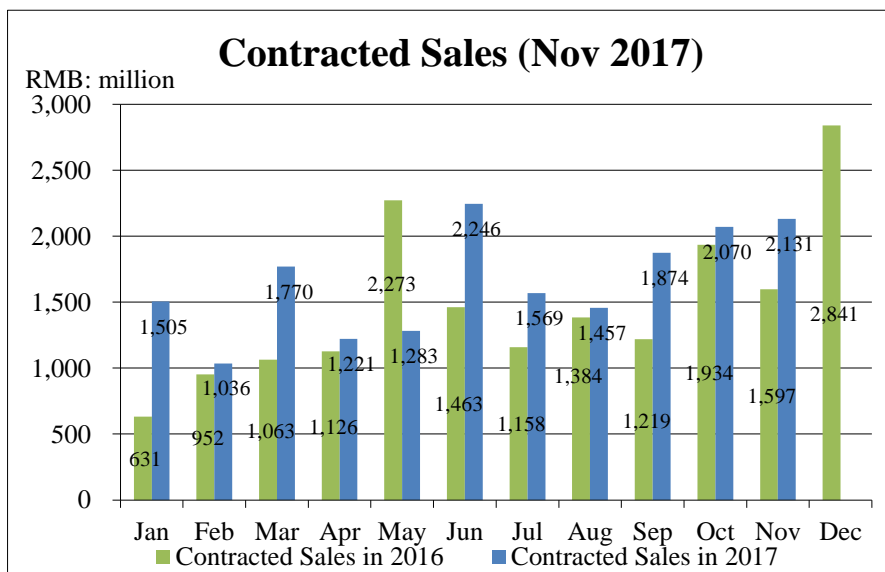
Company Website

www.powerlong.com

> Contracted Sales

In November, the Company recorded contracted sales (including contracted sales value by joint ventures and associated companies) of approximately RMB 2,131 million for the GFA of approximately 139,585 sq.m. The Company achieved approximately RMB 18,162 million cumulative contracted sales (including contracted sales value by joint ventures and associated companies), representing a YoY increase of 22.7%, and with the GFA of approximately 1,362,688 sq.m., representing a YoY increase of 7.3%.

No.	Type of Business	Contracted Sales (RMB: million)	Ratio
1	Commercial	6,706.7	36.9%
2	Residential	11,455.6	63.1%



> Company News

Powerlong's First ARTELS+ Hotel Opened Present Bright New Aesthetics Highlight

On November 28, Powerlong Real Estate hotel Group's own brand hotel - ARTELS+ Lingang Shanghai held a grand opening ceremony.

After nearly two years of layout, four self-established brand under Powerlong hotel group named ARTELS, ARTELS+, ARTELS+ Collections and JUN hotel were completed, marking the establishment of a full brand chain. They cover luxury, high-end and medium-end art hotels together with city business hotels.

After the opening of ARTELS+ Huaian and ARTELS+ Fuyang, ARTELS+ Lingang is the third Powerlong self-established brand art hotel opening in Shanghai. The hotel focuses on the high-end market, and aims to create wonderful experience of “Meet the art in the hotel, let the art merge with life” for high quality people, such as middle class, the elites and the people who pursuit literary feeling. Compared with the “ARTELS+” brand previously released, “ARTELS+ Collections” is a full-service art hotel with more and better facilities, mainly targeting age group of 35-45 years old who pursuit literary feeling.

ARTELS+ Lingang Shanghai located at No. 3127, Hongyin Road, Lincheng District, Shanghai Lingyue, close to the southeast end of Shanghai Lingang Powerlong Plaza, situated in the heart of Lingang Industrial Park and only 35 minutes drive to Shanghai Disney Resort and Pudong International Airport . The total area of the hotel is 18,000 square meters, including 184 art rooms and 500 square meters multi-functional banquet hall.

Combined with the opening ceremony, ARTELS+ Lingang Shanghai has launched an art exhibition with “Water” theme which has geographical features, opening the curtain of the high-end art hotel in Powerlong with a unique artistic feast.



> Company News

Powerlong's First ARTELS+ Hotel Opened Present Bright New Aesthetics Highlight (Cont'd)



Grand Opening of Yiwu Powerlong Plaza

Powerlong Launched Initial Asset-light Project with Customer Turnover Reached 150,000 on the Opening Day

On November 27, Powerlong endeavored to build the grand opening of Yiwu Powerlong Plaza. On the opening day, the traffic volume exceeded 150,000, which greatly enhanced the brand influence of Powerlong in Yiwu.

Yiwu Powerlong Plaza is an important masterpiece under the strategic layout of “Focus on Shanghai and Intensive Development in Yangtze River Delta”. It is also the initial asset-light project launched by Powerlong.



> Company News

Grand Opening of Yiwu Powerlong Plaza

Powerlong Launched Initial Asset-light Project with Customer Turnover Reached 150,000 on the Opening Day (Cont'd)

Because of its grand opening, Yiwu Powerlong Plaza becomes the new representative of Foting District. The commercial project covers an area of 81,000 square meters, converging various of diversified business patterns such as catering, leisure, kid's paradise, shopping, and entertainment.

The opening of Yiwu Powerlong Plaza will bring together many famous brands. More than 120 brands such as Starbucks, Pizza Hut, ONLY, etc. have settled in and opened the bustling commercial feast. As a result, it brings the one-stop shopping center mode of experiencing sense and interaction to Foting District in order to build a high-end city.



> Company News

Powerlong Museum Shanghai Opens Powerlong Group Explores and Inherits Chinese Culture to a New Height

On November 18, the opening ceremony of the “Powerlong Art Gallery Shanghai, Shucanglou Collectible Exhibition and the Art Museum” was grandly held at the Powerlong Art Museum in Minhang Area, Shanghai.

During the press conference on the grand opening, Mr. Hoi Kin Hong, Chairman of the Board of Executive Directors and the founder of Powerlong Art Museum, said “With the rapid development of China's economy, Chinese culture and artwork have ushered in the best opportunities in history. The position of traditional culture will be easily raised under the current economic circumstances. Powerlong Group has been benefiting from the great opportunities of national reform and opening up policies thus we would like to contribute to the society through culture and art.”

Powerlong Art Museum Shanghai, founded under the tenet of “Promoting the essence of traditional culture and the development of contemporary art”, it covers an area of 23,000 square meters and owns 10 exhibition halls of 500 to 1,100 square meters in total, of which 3 are permanent exhibition halls of boutique collections. There are 4 exhibition halls equipped with international standards constant temperature and humidity system among the 7 exhibition halls. The modern and contemporary art exhibition halls holds the space up to 5 to 9 meters that can meet the needs of organizing various types and sizes of art exhibitions. The performance hall can accommodate nearly two hundred people and can be used for wide range of academic activities, small-scale performance space, meetings, as well as organizing diversified forms of art training and general education activities to undertake public aesthetic education responsibility.



> Company News

Powerlong Museum Shanghai Opens

Powerlong Group Explores and Inherits Chinese Culture to a New Height (Cont'd)

On the opening day, two important exhibitions were launched at the same time – “Shucanglou Collection Exhibition – From Streams to a Sea” and “Powerlong Museum Inaugural Exhibition – Tracing the Past and Shaping the Future”. “Shucanglou” mainly collects the modern and contemporary national famous calligraphy and painting boutique. In this exhibition, parts of the collection of “Shucanglou” are permanent standing collection in Powerlong Museum Shanghai. “Powerlong Museum Inaugural Exhibition” is planned out by Mr. Wu Congrong, themed with “Tracing the Past and Shaping the Future”, which aims to seek for the culture of oriental art so as to provide an exhibition platform for modern artists, and enhance national cultural confidence.

Apart from focusing on the fine arts platform of art galleries, Powerlong's biggest goal in developing cultural industries is to pursue the possibilities of culture, art and aesthetics in the current social development, to collaborate with various businesses of the Group to explore diversifying culture. As a result, more cultural and artistic genes have been gradually incorporated into the development of other major industries such as real estate, commerce, the development of hotel and tourism, architectural design as well as supporting facility.

> Research Report

S&P Raised the Rating of Powerlong

High Growth in Business Efficiency Attracted Attention

On November 21, S&P Global Ratings raised Powerlong's corporate family rating to “B+” from “B”, and its outstanding senior unsecured ratings to “B” from “B-”. The ratings outlook is stable. S&P stated that they have raised the rating because they believed the Company will continue to deleverage over the next two years. They also expected Powerlong's earnings stability and capability to service debt to materially improve as the Company ramps up its expanding investment property portfolio.

S&P predicts that recurring rental income of Powerlong Real Estate will continue to grow by more than 25% each year for the next two years. So far, Powerlong has 33 commercial and business complexes with an operating area of over 3.5 million square meters. According to the company's “New Five-Year Development Plan”, Powerlong plans to have around 50 malls by 2020. Following its expansion, Powerlong's recurring rental income (excluding management fees) will cover more than half of the interest payments. S&P factors this increasing stability and stronger investment property portfolio through a one-notch uplift in the comparable ratings analysis.



> Research Report

S&P Raised the Rating of Powerlong High Growth in Business Efficiency Attracted Attention (Cont'd)

S&P also believes that while increasing the number of shopping malls, Powerlong's asset quality has improved because the new malls are mostly in higher-tier cities with stronger demand, particularly Shanghai and Hangzhou. Since December 2013, the company has opened six new malls in Shanghai and four in Hangzhou. These new malls generally command yield on costs of over 11%. The benchmark projects such as Shanghai Qibao Powerlong City, Hangzhou Binjiang Powerlong City and the soon-to-be-opened premium project of Xiamen Powerlong City have now formed an integrated, multi-functional and efficient cluster that covers offices, high-end hotels and shopping malls, art galleries, art centers and other formats. Mr Hoi Wa Fong, Chief Executive Officer of Powerlong Real Estate, said in an interview with the media recently "This comprehensive cluster has brought economies of scale. In particular, the combination of business and culture in the complex is being further practiced and verified. Powerlong will always support and pursue such development and operation standard."

S&P prospects for stability in real estate also reflect expectations of steady growth of the company, increase of recurring rental income, continuous reduction of financing costs, optimization of debt structure and good control over financial leverage. S&P also forecasts that the company will maintain steady and fast development in the near future.

> Awards of the Month

Date	Awards	Issued by
20 Nov	2017 China Annual City Power Model Enterprise	www.guandian.cn
20 Nov	2017 China Commercial Real Estate TOP100	www.guandian.cn



> Company Introduction

Powerlong Real Estate Holdings Limited (the “Company” and “Powerlong”) is a real estate enterprise listed on the main board of The Stock Exchange of Hong Kong Ltd., specializing in the development and operation of high-quality, large-scale, multi-functional commercial complexes. Powerlong has developed a series of urban complexes named “Powerlong City Plaza” integrating large-scale shopping centers, supermarkets, department stores, retail stores, cinemas, food plazas, quality residential properties and other leisure facilities, which have become large-scale commercial landmarks in cities where such complexes locate. Property projects are generally located in prime positions close to the city center of fast-growing, emerging cities in Shanghai Municipality, Jiangsu Province, Zhejiang Province, Fujian Province, Shandong Province, Tianjin Municipality, Henan Province, Chongqing Municipality, Anhui Province. Powerlong has been awarded for many years China Real Estate Top50 Enterprises, China Commercial Real Estate Top5 Enterprises, China Top10 Listed Real Estate Enterprises, China Top5 Commercial Project Brand Value, China Top5 Commercial Real Estate Corporate Brand Value, etc.

