

Company Newsletter (March 2018)

Stock (9 April, 2018):

Closing Price : HK\$ 4.13

52-week High/Low : HK\$ 3.12-4.82

Market Cap : 16,509 million HK\$

No. of Issued Shares : 3,997 million

Recent IR Activities:

Date	Activities	Venue
Apr 10	BNP Paribas Property Corporate Day	Hong Kong
Apr 11	UBS 2018 HK/China Property Conference	Hong Kong

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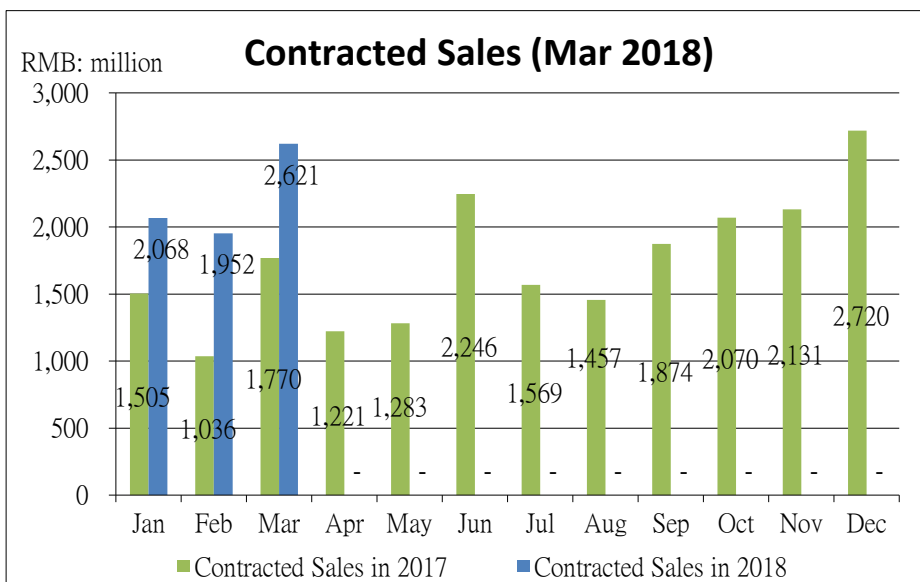
Company Website

www.powerlong.com

> Contracted Sales

In March, the Company recorded contracted sales (including contracted sales value by joint ventures and associated companies) of approximately RMB2,621 million for the GFA of approximately 188,076 sq.m. The Company achieved approximately RMB 6,641 million cumulative contracted sales (including contracted sales value by joint ventures and associated companies), representing a YoY increase of 54.0%, and with the GFA of approximately 518,438 sq.m., representing a YoY increase of 101.5%.

No.	Type of Business	Contracted Sales (RMB: million)	Ratio
1	Commercial	1,440	22%
2	Residential	5,201	78%



> Company News

Powerlong Real Estate Consolidated its presence in Yangtze River Delta, New Project in Xuzhou

On 13 March 2018, Powerlong Real Estate is pleased to acquire a land in Beihuan Road, Feng County, Xuzhou, Jiangsu. The land, occupying an area of 196,424 square meter, is classified as residential development, with ASP of RMB617/square meter, total GFA of approximately 500,000 square meter and average plot ratio of 2.5.

Xuzhou has be a key gateway city in the East China. It is an important centre of scientific education, culture, finance, tourism, healthcare and exhibition in the East China as well as an important economic, commercial and external trade centre in Jiangsu. The project is situated in Feng County, Xuzhou. According to the statistics from 2014-2017, the turnover of the residential market in the region was significantly improved, especially the turnover of the residential market from 2016-2017.

In particular, Powerlong Real Estate has already had nearly 20 property projects in Jiangsu, including the Xuzhou Project. These projects are situated in the fast-growing cities such as Nanjing, Suzhou, Wuxi, Changzhou, Zhenjiang and Yangzhou. This has once again demonstrated Powerlong's confidence in its strategy of "consolidating its presence in the Yangtze River Delta" and its strong capability.

Powerlong Real Estate Pushed Ahead its Strategy in Yangtze River Delta by Acquiring a Land in Yongkang, Jinhua

On 6 March 2018, Powerlong Real Estate newly acquired a land in Jiefang Street, Yongkang City, Jinhua, Zhejiang. The land, occupying an area of 68,812 square meter, is a mixed-use land for residential and commercial purpose. This is Powerlong Real Estate's first project in Jinhua City.

Yongkang City is located in the central of Zhejiang and is a county-level city of Jinhua City. It is also known as "City of Metal Products" with over 10,000 metal product enterprises across the city. The population of the city is 750,000, 300,000 of which live in major city area. GDP of the city in 2016 was RMB1.75 billion, representing a growth of 7.8% and ranking first among other counties in Jinhua. Located in the core region in Jiefang Street, Yongkang City, the project land acquired belongs to the Jiefang Street Commercial Circle, adjacent to Pacific Ocean Nanlong Department Store and Shengli Road Commercial centre. The region enjoys superior commercial ambience and is well-equipped with ancillary facilities for business, healthcare and education. According to the planning, the project's self-owned commercial property will account for 21%.Powerlong Real Estate



> Company News

Powerlong Real Estate Pushed Ahead its Strategy in Yangtze River Delta by Acquiring a Land in Yongkang, Jinhua(Cont'd)

will make an important addition to this mature commercial circle by leveraging the operational experience in commercial property accumulated over the years and its core competitiveness.

In early 2018, under the guidance of the business strategy of “consolidating its presence in the Yangtze River Delta”, in order to enhance supports to the prosperous development in Zhejiang, Powerlong Real Estate specially established Zhejiang Business Department taking charge of the development of the projects in Zhejiang. The project is also the first project upon establishment of Zhejiang division, laying a solid foundation for division to continuously consolidate its presence in Zhejiang.

Shanghai Qingpu Powerlong Plaza was Launched for Sale for the First Time and Recorded Strong Sales of RMB330 Million in Just an Hour

On 31 March 2018, the shops in Qingpu Powerlong Plaza which is located above a metro station were launched for sale for the first time. In this sale, Powerlong Plaza offer 179 rooms, achieving outstanding performance and strong sales of RMB330 million in just an hour.

As a genuine city complex, Qingpu Powerlong Plaza features diversified types of operation including commercial street, office, high-end hotel etc. Currently, over 80% of shops in the commercial street have been occupied by tenants. In addition, a number of well-known brands have signed contracts with Powerlong, for example, Yonghui Superstores, Balabala, Lukfook Jewellery, YUYUTO, MINISO, Metersbonwe etc. Various types of operation will definitely attract more consumption and congregate more consumers.

As of today, Powerlong Real Estate has 7 commercial projects in operation in Shanghai. Among the commercial products, Qibao Powerlong City has nearly been sold out; Qingpu Powerlong Plaza will launch more products to the market in subsequent times; Baoshan Powerlong City, which lights up the Wu Song Kou International Cruise Terminal, is about to be launched for sale; office products of Wujing Powerlong Plaza will be displayed soon. In the future, Powerlong will remain fully and firmly committed to continuing to consolidate its presence in Shanghai and make its main business, commercial property development and operation stronger with a view to striving to be the exemplar of quality city complex.



> Research Report

Citi Raised Target Price Upward to HK\$5.88

On 27 March 2018, Powerlong Real Estate published its annual consolidated results for 2017. According to the research report of Citi, Citi raised TP of Powerlong Real Estate to HK\$5.88. In the report, it is indicated that the growth of results in the future will be underpinned by Powerlong's current two-wheel driven model combining rental and sales and the quality landbank in Yangtze River Delta with a total value of RMB220 billion. It is expected the sales of Company will reach RMB35 billion, with CAGR of 2018-2020 of 50%. The rental income of the investment property segment in 2020 will reach RMB3 billion, with CAGR of 2018-2020 of 25%. The CAGR of the overall revenue of the Company for the next three years will be 30%. It is expected that Powerlong will experience fast growth from 2018 to 2020. The current valuation is attractive and TP is raised to HK\$5.88.

In the report of Citi, it is also indicated that the consolidated results of Powerlong Real Estate in 2017 was outstanding. The core profit was approximately RMB2.27 billion, representing increase of approximately 41% over the same period in 2016. Rental and property management service revenue was approximately RMB1.81 billion, representing an increase of 30% over the same period in 2016, among which, rental income increased significantly by 42.8% over the same period last year. Gross profit margin was steadily maintained at 33.5%, ranking top in the industry.

The upward adjustment of TP of Powerlong Real Estate is another upward adjustment in just two months after Citi raised the TP in its report on 29 January 2018. In its report, Citi indicated that the future growth of Powerlong Real Estate had higher visibility and fully recognized the investment value of Powerlong Real Estate since it owned quality landbank and its properties held for investment had high values.



> Awards of the Month

Date	Awards	Issued by
21 Mar	2018 Top 50 Property Developers in China 2018 Top 10 Property Developers in China in Terms of Comprehensive Strengths in Commercial Property 2018 Top 10 Responsible Property Developers in China	China Real Estate Association, Shanghai E-house R&D Institute and China Real Estate Appraisal
22 Mar	Top 50 Property Enterprises in China 2018 Best 5 Commercial Property Enterprises in China 2017-2018 Responsible Enterprise in China's Property Industry for the Year	China Real Estate TOP10 Research
28 Mar	Most Progressive Hotel Group in China	2018 Asia Hotel Forum Annual Meeting

> Company Introduction

Powerlong Real Estate Holdings Limited (the “Company”, “Powerlong” and “Powerlong Real Estate”) 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.

