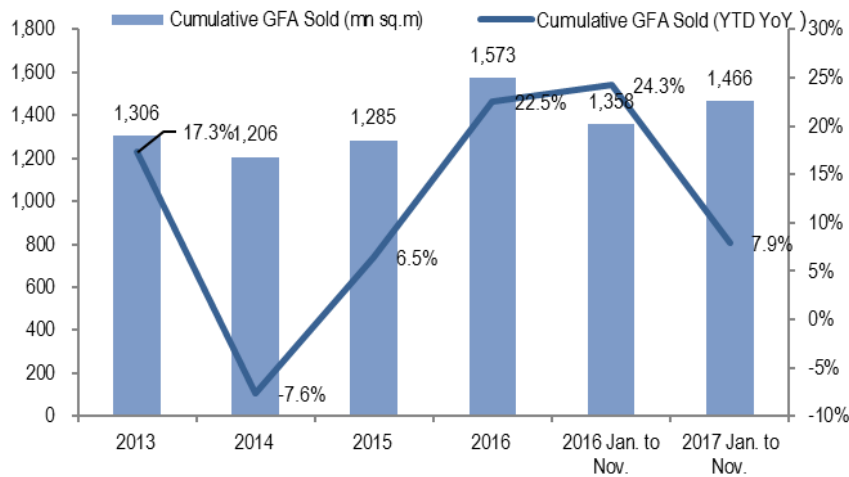


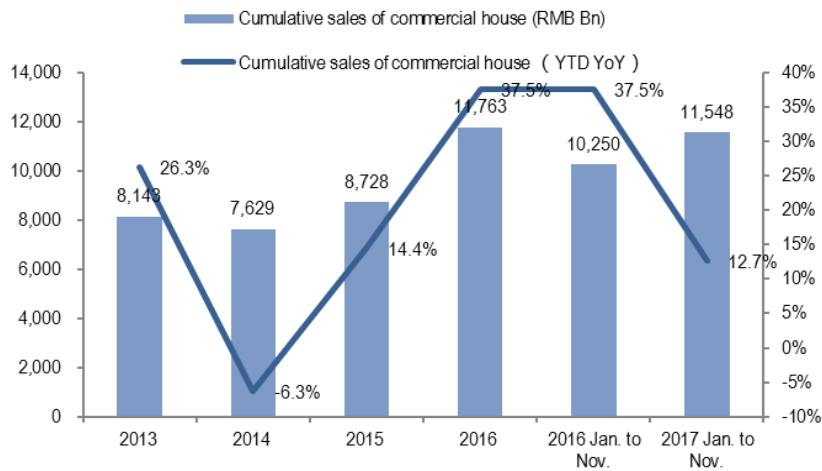
China Property News

Monthly Sales Tracker

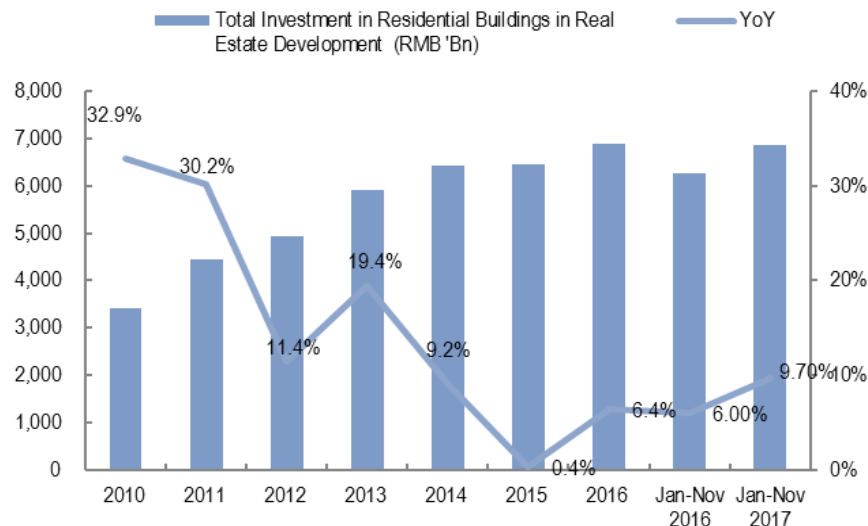
China Cumulative GFA Sold till Nov. 2017



China Cumulative Sale of Commercial House till Nov. 2017



Total Investment in Residential Buildings in Real Estate Development till Nov. 2017



**AMTD Outlook: Given 2016 high base, YoY(till Nov) growth of home sales slowed down to 7.9% by GFA and 12.7% by values. We believe the home sales growth will decline in December 2017 as well, due to recent mortgage curb. On the contrary, investment of residential buildings still recorded 9.7% YoY(till Nov) growth, which is the highest growth in last 3 years. We believe low inventory level will push more developers to increase its investments. Additionally, land price and raw material price surging are another reasons for investment growth.**

## China Property Market and Policy Dynamics

### 1 China's Home Sales Reverse Declines for Biggest Gain in 5 Months

Sales by value, excluding affordable housing, increased 12.4 percent from a year earlier to 1.02 trillion yuan (\$151 billion), according to Bloomberg, based on data released December 14 by the National Bureau of Statistics. Sales fell the two previous months.

Source: Bloomberg; {NSN P0XJ366S972J <GO>}

### 2 China's property investment, sales slow in first 11 months

Both investment and sales in China's property sector slowed in the first 11 months as the market remained cool amid government policies to curb speculation.

Real estate investment rose 7.5 percent year on year in the first 11 months of 2017, down from 7.8 percent in the first 10 months according to National Bureau of Statistics (NBS).

Investment in residential property, which accounts for 68.4 percent of total investment in the sector, rose 9.7 percent year on year, down from 9.9 percent in the first 10 months.

Source: Xinhua News

Link: [http://news.xinhuanet.com/english/2017-12/14/c\\_136825485.htm](http://news.xinhuanet.com/english/2017-12/14/c_136825485.htm)

### 3 China Mofcom Says No New ODI in Property, Sports, Entertainment

Ministry of Commerce spokesman Gao Feng says Irrational outbound direct investment has been "effectively curbed. Policies to attract foreign investment show effect and it sees 4,641 new foreign companies in Nov., up 161.5% on year

Source: Bloomberg; {NSN P0XKC96J1JV2 <GO>}

### 4 Beijing pilots common ownership property for elders, with average sale price of 45,000 yuan/sq.m

Beijing has piloted properties with common ownership for elder people in Chaoyang District, named Gonghe Garden. Now it has 143 contracted sales, with average sale price 45,000 yuan per sq.m. The property is only restricted to elders over 60 years old and they are obligated to pay 3,000 yuan per month for the service and facility fee provided by the elder nursing home.

Source:Sina Finance

Link: <http://finance.sina.com.cn/china/dfjj/2017-12-13/doc-ifypnyqi4396967.shtml>

## 5 **Zengcheng, Guangzhou listed two lands for both commercial and residential use with a total of RMB 3.9 Bn.**

Total area of the land was more than 224K sq.m with a total starting price of 3.91 Bn yuan. It is required the introduction of companies with hardware development technologies, especially on 8K panel. The government aims to build a smart industrial cluster in the area.

Source: Guandian Property

Link: <http://www.guandian.cn/article/20171213/194992.html>

## 6 **China's property price rally to stall in 2018 as small city boom wanes**

China's home price growth is likely to stall in 2018 as a surprise boom in smaller cities is expected to lose steam while measures to tighten credit and other property curbs continue to constrain the market, a Reuters poll showed on Wednesday. Average nationwide new home prices are expected to flatline by end-2018 after rising a median 2 percent in the first six months from the same period a year earlier, according to a Reuters poll which surveyed 18 property analysts and economists from Dec. 1 to 12.

Source: Reuters; Yahoo Finance

Link: <https://uk.finance.yahoo.com/news/chinas-property-price-rally-stall-2018-small-city-091658992--finance.html>

## Property Company News

### 1 **Sunac [1918:HK] placing of existing shares and subscription of new shares**

On December 15, Sunac sold 251.5 million shares at HK\$31.10 each. The price represents an 11.9 percent discount to Thursday's close of HK\$35.30. The company initially offered 226.5 million shares. Total amount raised was around HK\$7.822 billion or more than US\$ 1 billion.

Source: Bloomberg, Guandian Property

Link: <http://www.guandian.cn/article/20171215/195093.html>

### 2 **Country Garden [2007:HK] has withdrawn listing application of its property management service**

On December 14th, Country Garden [2007:HK] withdrew proposed spin-off application of its property management service from Shanghai Stock Exchange. The reason of the withdrawal related to proposed adjustment of business strategy and shareholding structure.

Source: Guandian Property

Link: <http://www.guandian.cn/article/20171214/195075.html>

### 3 **CIFI [884:HK] issuance of US\$ 300M senior perpetual capital securities**

The company has issues perpetual capital securities amounting US\$ 300M. Coupon rate will be 5.375% and callable on or after Feb 28, 2021. Proceeds will be used for refinancing existing debts. CIFI currently is rated Ba3 at Moody's, BB- at S&P and BB at Fitch.

Source: Company announcement, Bloomberg; {NSN P0UPVZ6JIJUO <GO>}

#### 4 Wanda Group's Yin Hai Leaves Post as Vice President

Yin left post as senior vice president after serving 24 years in Wanda Group, without giving reason. Yin, a "comrade in arms" of Wanda Group chairman Wang Jianlin, joined Wanda after leaving the military. Wanda Commercial Properties Vice President Chen Ping also left company, without giving reason either

Source: Bloomberg, the Paper

[Link: http://www.thepaper.cn/newsDetail\\_forward\\_1902767](http://www.thepaper.cn/newsDetail_forward_1902767)

#### 5 Fitch Affirms Poly Real Estate [600048:CH] at 'BBB+'; Outlook Stable

Fitch Ratings has affirmed China-based Poly Real Estate Group Company Limited's [600048:CH] Long-Term Foreign-Currency Issuer Default Rating (IDR) and its foreign-currency senior unsecured rating at 'BBB+'. The Outlook is Stable. The ratings on Poly are supported by the company's solid business profile, which is evident in its good-quality land bank that focuses on Tier 1 and 2 cities, and large scale. Poly's growing non-development business also provides steady income that strengthens the company's debt service ability.

Source: Bloomberg; {NSN P0XR993PWT1C <GO>}

#### 6 Gemdale Corp. [600383:CH] plans to sell up to RMB 15 billion bond

Company's board has passed the debt financing plan with up to 15 billion yuan. The proceeds raised will be used to optimize debt structure, to invest in potential projects and to facilitate liquidity and cash flows.

Source: Guandian Property

[Link: http://www.guandian.cn/article/20171212/194965.html](http://www.guandian.cn/article/20171212/194965.html)

#### 7 Tahoe Group [000732:CH] acquired three lands in Zhangzhou with RMB 4.33 Billion

On Dec 12, Tahoe Group beat competitors including Evergrande [3333: HK] and CM Property [000024:CH] to acquire 3 lands in Zhangzhou, Fujian through its wholly owned subsidiary. Total price was 4.33 billion yuan, with 13,067.73 yuan/sq.m floor price.

Source: Guandian Property

[Link: http://www.guandian.cn/article/20171213/194970.html](http://www.guandian.cn/article/20171213/194970.html)

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### Analyst Certification

We, Donald Yu, Max Liang and Michelle Li, hereby certify that (i) all of the views expressed in this research report reflect accurately our personal views about the subject companies and their securities; and (ii) no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed by us in this research report, nor is it tied to any specific investment banking transactions performed by AMTD Asset Management Limited.

### Firm Disclosure

AMTD Asset Management Limited has investment banking relationship with Tahoe Group and/or its affiliate(s) within the past 12 months.

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