

# BUSINESS



A Wengfu employee conducts an inspection at a production facility in Guiyang, capital of Guizhou province. WU DONGJUN / FOR CHINA DAILY

## Hang Lung bets big on mainland property sector

By WANG YING in Shanghai  
wang\_ying@chinadaily.com.cn

**\$540.7 million**

revenue Hang Lung Properties earned from eight projects on the Chinese mainland

Hang Lung Properties Ltd received more than half of its rental revenue in the fiscal year 2018 from projects in the Chinese mainland, and the executive director of the Hong Kong-based developer expects the ratio to grow further along with its business expansion there.

In its annual fiscal report of 2018, Hang Lung Properties reported that its eight projects in the Chinese mainland contributed HK\$4.24 billion (\$540.7 million) in rent to its HK\$8.18 billion revenue, and Shanghai accounted for 65.9 percent of its total rental revenue generated from the mainland.

"We are positive toward the (Chinese) commercial property market in the long term. The Chinese mainland will continue to increase its weighting in our rental revenue, and will probably reach between 60 percent and 65 percent in five years," said Norman Chan, executive director, Hang Lung Properties Ltd.

According to Chan, since its first project was unveiled in Shanghai in 1999, Hang Lung has taken on the construction and operation of 11 projects in nine cities in the Chinese mainland.

"Projects in the mainland are the long-term vision for Hang Lung Properties. We now have more commercial property space in the Chinese mainland than in Hong Kong, and the revenue is growing steadily. The mainland and Hong Kong together make a great and long-term foundation for Hang Lung Properties," Chan said.

In the real estate sector, once GDP per capita reaches a certain level, commercial property will play a leading role, and can be used for office space, shopping malls, logistics, education, research and development, and healthcare, Feng Lun, founder of Vantone Holdings was quoted as saying by China News Service.

The consumption upgrade and positive economic outlook have also attracted a historic amount of foreign investment into the property sector.

Total commercial real estate transactions achieved a record high of 251.7 billion yuan (\$37.44 billion) in 2018, up 4 percent from the previous year, according to global real estate consultancy CBRE.

Among which, foreign investors invested 78 billion yuan into Chinese commercial real estate, up 61.5 percent year-on-year, the largest amount since 2005.

"Value-added investments in first-tier cities are recommended in 2019. Also, opportunities in second-tier cities with stable leasing fundamentals such as Nanjing and Hangzhou are noteworthy," said Xie Chen, head of research at CBRE China.

The rapid development of coworking and rental housing has created massive conversion opportunities for aging and small to medium-sized retail properties in core areas. Additionally, regional malls in populous emerging areas lacking modern retail facilities are good investment options, Xie said.

Analysts said the upgrade in consumption presents opportunities as well as challenges.

"The difficulties in operating commercial properties have increased a lot," Feng said.

"In order to stand out among the fierce competition, operators need to invest lots of money and effort into a commercial property," said Zhang Hongwei, chief analyst with Shanghai-based property consultancy Tospur.

In the past few years, Hang Lung invested 1.6 billion yuan in the upgrade of its two Shanghai projects — Plaza 66 and Grand Gateway 66.

It is investing \$31.19 billion in five projects that are under construction — four in the provincial capitals of Kunming in Yunnan province, Wuhan in Hubei province, Shengzhou in Zhejiang province and Shenyang in Liaoning province, and one in Wuxi in Jiangsu province.

## Wengfu eyes overseas expansion

### Phosphorus and chemicals maker set to promote its value-added tech

By WANG ZHUOQIONG in Beijing and YANG JUN in Guizhou

Guizhou province's largest phosphorus and chemicals manufacturer Wengfu (Group) Co Ltd has strengthened innovation to raise efficiency of processing phosphorus resources to reduce pollution and upgrade its product structures while expanding into overseas markets.

He Guangliang, chairman of Wengfu (Group) Co Ltd and a deputy to the National People's Congress, said the company has overcome slow growth in the industry by enhancing innovation and developing high-end products.

The company's net profit increased 127% year-on-year in

2018, and is expected to grow at least 30% this year, he said.

Low-cost, high-yield phosphorus-mining technology, which helps extract 95 percent of the mineral from phosphate ore, after removing impurities, is an example of how Wengfu has prioritized high-quality development.

Wengfu, which launched operations in 2000, discovered that phosphorus-related emissions were making a nearby river turn milky. It started to research how to process and deal with its production waste instead of producing pollution.

"There is a future for companies like us that create more than they consume," He said.

In recent years, the company has achieved steady development of its 7.5 million ton phosphorus mine by creating more value from it.

He said that this had been achieved by developing the mine while creating a ladder chain — producing fertilizer, food, electronics and medical products.

For example, the company has developed high-end refined petrochemical products such as iodine and silicon. To best extract the phosphogypsum — phosphorus production waste — Wengfu invited seven domestic companies to meet the emission and waste management targets. Alongside innovation, Wengfu is also eyeing overseas expansion. Exports make up one-third of Wengfu's total business. It exported about 1.5 million tons of products including fertilizer and imported large amounts of sulfur and coke last year.

He said Wengfu's overseas businesses have to focus on its core technology and services to achieve a substantial advantage in the global market.

Wengfu has evolved from exporting raw materials like phosphate fertilizers and processed products like iodine to transferring higher value-added technologies.

The company mainly exports petrochemical products and fertilizer as well as technological know-how

through licensing and management.

"We can build and manage factories. We can also license, as long as it is economically attractive," He said.

China has become the largest producer, consumer and exporter of phosphorus-fertilizer products in the world. "Quality instead of quantity should be our priority in developing the industry," He said.

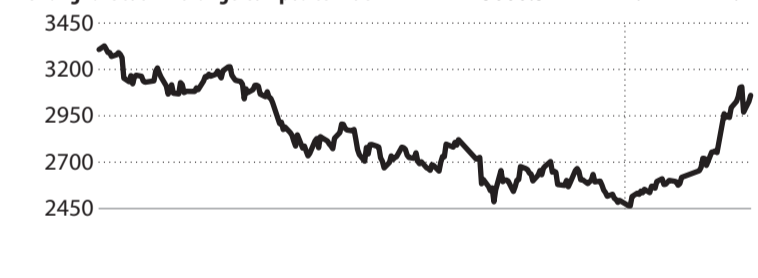
Wengfu is pressing ahead with more than 30 overseas projects in countries such as Vietnam, Indonesia, India, and Kenya, most of which make use of its technologies related to mining and processing.

The company is now set to continue its overseas expansion into economies involved in the Belt and Road Initiative, which aims to connect Asia with Africa and Europe through an infrastructure and trade grid along the ancient Silk Road.

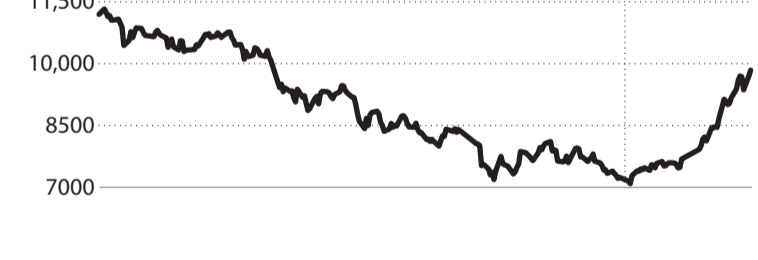
Contact the writers at wangzhuoqiong@chinadaily.com.cn

### Stock Market Performance

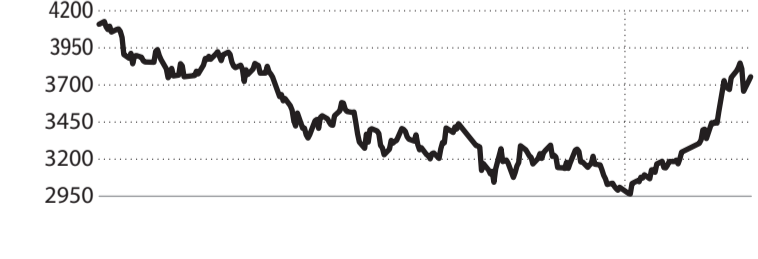
Index	Close	Daily % Chg	YTD % Chg
Shanghai Stock Exchange Composite Index	3060.31	+1.1	+22.7



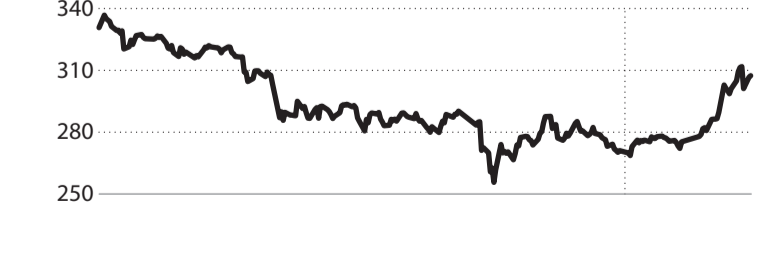
Index	Close	Daily % Chg	YTD % Chg
Shenzhen Stock Exchange Component Index	9841.24	+1.4	+35.9



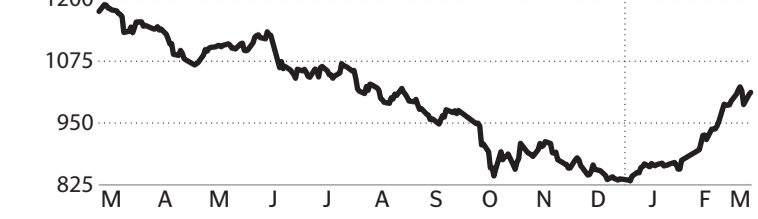
Index	Close	Daily % Chg	YTD % Chg
Shanghai Shenzhen CSI 300 Index	3755.35	+0.7	+24.7



Index	Close	Daily % Chg	YTD % Chg
Shanghai B-Share Stock Price Index	307.41	+0.3	+13.4



Index	Close	Daily % Chg	YTD % Chg
Shenzhen B-Share Stock Price Index	1012.08	+0.5	+20.9



### Gainers and Losers

GAINERS		Close		Daily % Chg		LOSERS		Close		Daily % Chg	
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<b>Shanghai Stock Exchange</b>				DahuaGrpDalnChmIndustry				0.45 -3.85			
Jishi Media Co Ltd	3.16	10.10	LiaoningFuAnHvyIndustry	15.40	-3.51	Hang Seng					
Huayi Electric Co Ltd	6.33	10.09	ZhejiangFeiEnvrSc&Tch	5.97	-2.93	WH Group Ltd	7.74 6.46				
Shenyang Jinshan Enrgy	2.73	10.08	ChangshuFengfnPwEqpmnt	9.76	-2.40	Country Garden	11.06 4.34				
Zhejiang Huge Leaf Co	4.15	10.08	Zhejiang Dongri	9.51	-2.26	China Unicom Hong Kong	9.71 3.74				
Henan Anciai Hi-Tech Co	5.79	10.08	Shanghai Bailian Group	10.26	-2.19	China Resources Land	31.05 3.67				
Shanghai Zhixin Electr	5.36	10.06	Anji Foodstuff Co Ltd	13.86	-2.19	Hengan International	66.20 3.04				
ShanghaiFeiloAcoustics	6.02	10.05	Zhuzhou Smelter Group	9.56	-2.15						
ZhejingHtCnstrSftySc&Te	6.68	10.05	Zhejiang Guangsha Co	3.75	-2.09						
ZhejiangTunEnvrSc&TchC	12.50	10.04	ARTS Group Co Ltd	15.98	-2.08						
Aerospace Comm	15.90	10.03									

Shenzhen Stock Exchange		Close		Daily % Chg	
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ShenzhenDasIntelltech	5.78	10.10	Huagong Tech Co Ltd	17.77	-4.46
Leo Group Co Ltd	2.62	10.08	Northcom Group Co Ltd	12.58	-2.93
Chuying Agro-pastora	3.17	10.07	Yunnan En New Material	64.33	-2.82
ChinZhngHtchnclEngGrp	5.80	10.06	Beijing Lanxum Tech	10.59	-2.40
BeijingWartekInfoTch	9.53	10.05	ChangchnHgh&NwTchIndst	278.99	-2.27
Digital China Group Co	16.69	10.02	Berry Genomics Co Ltd	45.00	-2.13
Tatwah Smartech Co Ltd	7.03	10.02	Shenzhen Inovance Tech	27.50	-2.07
STO Express Co Ltd	24.73	10.01	HangzhouTigermdCnsltnng	62.06	-2.05
Wens Foodstuffs Group	45.32	10.00	Shenzhen Hepalink Ph	27.12	-2.02
Fujian Sunner Dev	33.44	10.00	Walvax Biotechnology	21.44	-1.83

### Cross Currency Rates

	USD	EUR	CNY	HKD	GBP	KRW	BRL	RUB	JPY	INR	CAD
USD		1.128	0.149	0.127	1.323	0.001	0.261	0.015	0.009	0.014	0.746
EUR	0.886		0.132	0.113	1.173	0.001	0.232	0.014	0.008	0.013	0.661
CNY	6.709	7.569		0.855	8.876	0.006	1.748	0.102	0.060	0.096	5.006
HKD	7.850	8.856	1.170		10.383	0.007	2.045	0.119	0.070	0.113	5.857
GBP	0.756	0.853	0.113	0.096		0.001	0.197	0.012	0.007	0.011	0.564
KRW	1129.750	1270.860	168.391	143.920	1494.310		294.265	17.176	10.135	16.240	842.730
BRL	3.841	4.319	0.572	0.489	5.078	0.003		0.058	0.034	0.055	2.864
RUB	65.762	74.183	9.804	8.378	86.983	0.058	17.132		0.590	0.945	49.064
JPY	111.460	125.740	16.612	14.199	147.423	0.099	29.027	1.695		1.602	83.170
INR	69.564	78.478	10.368	8.862	92.023	0.062	18.124	1.058	0.624		51.909
CAD	1.340	1.512	0.200	0.171	1.773	0.001	0.349	0.020	0.012	0.019	

Data provided by Bloomberg

### International Stock Markets

	Daily Close	% Chg	YTD % Chg
Hang Seng Index	28,920.87	1.5	
Hang Seng China Ent Index	11,466.14	1.7	
TAIEX Taiwan Stock Index	10,343.33	0.9	
Nikkei 225	21,503.69	1.8	
Sensex	37,461.76	1.1	
KOSPI	2,157.18	0.9	
S&P/ASX 200	6,174.82	-0.1	
New Zealand 50 Gross Index	9,397.25	0.1	
Straits Times Index STI	3,213.15	0.7	
Bangkok SET Index	1,629.07	0.1	
Bursa Malaysia KLCI Index	1,671.28	0.4	
VN-Index	1,001.32	1.7	
Dow Jones	25,650.88	0.8	

### Commodities

	Close	Daily % Chg	YTD % Chg
Brent Crude Oil (USD/bbl)	66.89	0.5	
Gold (USD/t oz.)	1291.10	-0.6	
Silver (USD/t oz.)	15.27	-0.5	
Copper (USD/lb.)	2.90	0.3	
Aluminum (USD/MT)	1819.75	-1.4	
Corn (USD/bu.)	3.62	-0.6	
Wheat (USD/bu.)	4.29	-2.5	
Soybeans (USD/bu.)	8.90	-0.6	
Coffee (USD/lb.)	0.97	-1.3	
Sugar #11 (USD/lb.)	0.12	-0.1	
Palm Oil (MYR/MT)	2131.00	0.6	

### ETFs

EQUITY ETFs	Ticker	Close	Daily % Change
China 50	510050	2.70	0.41
China AMC CSI 300 Index	510330	3.74	0.65
China CSI 500	510500	5.93	1.63
China SME	159902	3.12	1.43
China Universal CSI Consumer Staples Index	159928	2.33	0.30
E Fund ChiNext Price Index	159915	1.70	2.29
E Fund CSI 300	510310	1.62	0.87
E Fund CSI 300 Financials ex Banks Index	512070	2.14	0.71
E Fund Hang Seng China Enterprises Index	510900	1.22	1.50
E FUND SZSE100 INDEX FUND	159901	4.48	0.83
Fortune SGAM Xianjin Tianyi Money Market	511990	100.00	0.00
Guangfa CSI 500	510510	1.57	1.55
Guotai Shanghai Stock Exchange 180 Financial Index	510230	5.81	-0.15
Harvest CSI 300 Index	159919	3.73	0.59
Huatai-Pinebridge CSI 300	510300	3.74	0.67
Shanghai SSE180	510180	3.35	0.54
SSE Pledge Urban Investment Bond	511220	95.77	0.10
Yinhua Traded Money Market Fund	511880	100.66	0.00