

Newsletter

July 2021

POWERLONG REAL ESTATE HOLDINGS LIMITED

Stock Code: 1238.HK



Stock (9 August, 2021):

Closing Price :	HK\$ 5.80
52-week High/Low :	HK\$ 4.62-8.73
Market Cap :	HK\$ 24.03 billion
No. of Issued Shares :	4,142 million

Recent IR Activities:

Date	Activities	Venue
19 Aug	2021 Interim Results Presentation	Virtual
20 Aug	Post-Results NDR	Virtual
23-25 Aug	Post-Results NDR	Virtual
2 Sep	Barclays China Access Day	Virtual

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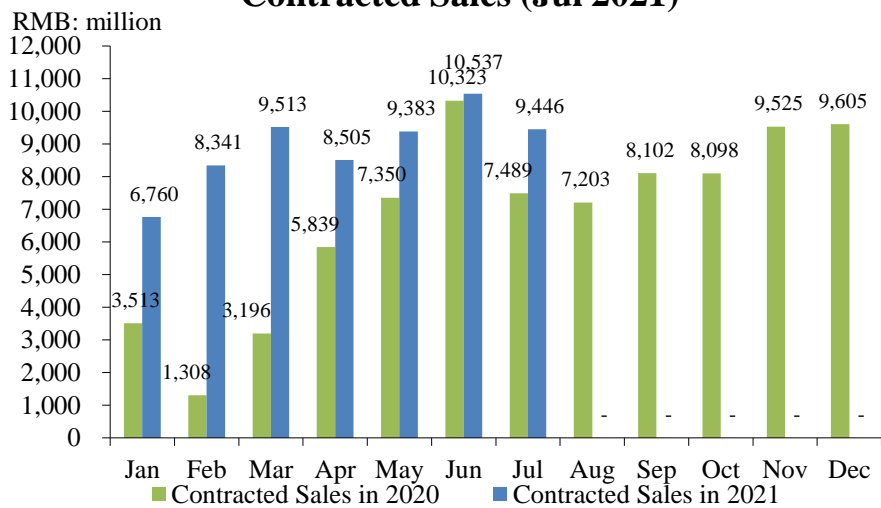
www.powerlong.com

Contracted Sales

In July, the Company recorded contracted sales (including contracted sales value by joint ventures and associated companies) of approximately RMB9,446 million for the GFA of approximately 569,968 sq.m. The Company achieved approximately RMB62,485 million cumulative contracted sales (including contracted sales value by joint ventures and associated companies), representing a YoY increase of 60.1%, and with the GFA of approximately 3,955,761 sq.m., representing a YoY increase of 55.3%.

No.	Type of Business	Contracted Sales (RMB: million)	Ratio
1	Residential	53,091	85.0%
2	Commercial	9,394	15.0%

Contracted Sales (Jul 2021)



Company News

Focus on breakthroughs and Realize Leaps | Powerlong Group 2021 semi-annual work conference was successfully held

On July 9, Powerlong Group 2021 semi-annual work conference with the theme of "Focus on Breakthroughs and Realize Leaps" was successfully held at Le Méridien Shanghai. More than 300 managers from the real estate headquarters and various business units, commercial groups, hotel groups, cultural groups and non-listed sections attended the meeting. Focusing on the theme of the conference, the work summary for the first half of 2021 and the key tasks for the second half of 2021, the persons in charge of each major section made special reports about their respective business and operating conditions, as well as key business difficulties and solutions.



Hoi Wa Fong, President of Powerlong Real Estate, gave a semi-annual work report entitled "Focus on Breakthroughs and Realize Leaps". In summing up and reviewing his work in the first half of the year, Hoi pointed out that under the macro background of tightening regulation in the real estate industry and increasingly fierce competition, the Company successfully achieved various established goals in the first half of the year, especially in the following aspects: new highs in sales performance, improved effectiveness from deep cultivation in investment, significant progress in business operations, continuous positive support from capital market, great leap in technical efficiency and deepening of organizational control and empowerment.

Company News



In the work outline at the beginning of 2021, the Company put forward the goal of "RMB 100 billion", the two drivers of "strategy and organization", the three elements of "products, technology, and talents", and the four focuses of "operation, quality, inventory, and integrity". When talking about the key tasks in the second half of the year, Hoi Wa Fong pointed out that we still need to focus on these ten key tasks throughout the year. In the specific work deployment, "operations", "offices", "capital", "commercial" and "elements" are the five major breakthroughs in the second half of 2021: operations must strengthen management and control to achieve strict compliance with plans, cost innovations, and precise efficiency improvements; commercial offices must ensure breakthrough, achieve core coordination, develop team expertise and establish full management mechanism; optimize strategic investment cooperation and maximize capital push to achieve ratings upgrade; business to grow rapidly, achieve multi-dimensional refinement, remodel properties with quality opening; elements must be effectively implemented to achieve rapid product output, technological model innovation, digital panoramic presentation, and precise planning of talents.



Company News

Hoi Kin Hong, Chairman of the Board of Directors of Powerlong Group, gave important work instructions at the meeting. Hoi said that with the joint efforts of all colleagues in the first half of the year, the Company has achieved excellent results in sales growth, business management and other areas. He expressed his congratulations and gratitude for this on behalf of the Board of Directors. At the same time, for the difficulties and deficiencies in the work, Hoi hopes that every colleague can be result-oriented, fully realize the importance of achieving the planned goals, give full play to wisdom and professionalism and achieve breakthrough.



In response to the key tasks in the second half of the year, Hoi made three important instructions: First, the Company has to comprehensively improve the management level of strategic suppliers. The Company has grown to today's scale and has higher requirements for the selection and management of strategic partners. The Company must select the best partners in various fields, fully stimulate the advantages of the partners, and allow more professional companies to do professional work to create better products. Secondly, the Company must accelerate the implementation of standardization construction. All work has its basis and direction, and the improvement of work efficiency plays an important role in the sustainable development and growth of the enterprise. Currently, the Company has attained certain degree of standardization in planning and positioning for product development and design. On this basis, each line must quickly promote the implementation of standardized work, run through each management process, and comprehensively improve the Company's management efficiency. Thirdly, the Company must continue to pay close attention to quality and create products of higher standards. As an urban complex development and operator, the Company must fully integrate and utilize local characteristics in planning and design of each product and set a local quality benchmark. It is hoped that, the goal of "Best Products with Superior Quality" under Powerlong's brands to be achieved through the investment and improvement in recent years.

Company News

This year is the starting year of Powerlong's second five-year plan, and it is also the year to achieve the goal of RMB 100 billion. All works will be carried out in an orderly manner. Powerlong colleagues will face new challenges, focus on the "Ten key tasks", complete the "five breakthroughs", and achieve a new leap forward.

Company News

“Sold out” at Wenling Powerlong Plaza within two hours

Last phase of Wenling Powerlong Plaza opened for sale on July 29, 2021. Continuing its strong sales performance in previous launches, more than 1,000 people participated in the lottery. All available listings were sold out in just two hours, generating total sales of approximately RMB 900 million.



The project is located in the prime area of Wenling's urban development, and is seamlessly connected to Taizhou's first S1 light rail. The geographical position is superior and the transportation is convenient. Looking back at its past sales, the project was sold out on the first day during its 5 previous launches with the total sales revenue exceeded RMB 4 billion, winning triple honors in terms of local sales units, sales area and sales amount.

The launch in Wenling Powerlong Plaza not only created satisfactory sales, but also brought important changes and influence to urban development and to people's lives. Wenling Powerlong Plaza celebrated its Grand Opening on June 11, 2021 and was Powerlong's first project opened in 2021. The project covers an area of over 100,000 square meters, and strives to build a one-stop urban shopping mall. With a 24-hour constant temperature swimming pool, children's dream paradise, Bitewang Paradise, and a Li-Ning flagship store of over 1,000 square meters, Powerlong Wenling Plaza aims at providing local consumers with fashionable and diverse consumption experiences.



Company News

Hoi Kin Hong, Chairman of the Board of Directors of Powerlong Group, was listed on the Forbes China Philanthropy List for the sixth time

On July 20, Forbes released the 2021 China Philanthropy List, which was based on the charity donations of Chinese private entrepreneurs in 2020. Hoi Kin Hong, Chairman of the Board of Directors of Powerlong Group, was selected which was the sixth time Hoi Kin Hong being included on the list.

As a beneficiary and advocate of China urbanization process, Powerlong Group saw its huge social responsibility since its establishment. It has always focus its corporate development achievements towards public welfare and charity and has been actively involved in poverty alleviation and public welfare for more than 30 years. As of today, Powerlong Group has donated more than RMB 1.4 billion to the society, involving targeted poverty alleviation, social care, medical and health care, cultural education and other aspects.

Powerlong Charity Foundation donated over RMB 10 million yuan to help Henan flood prevention and disaster relief

Henan have recently been hit by catastrophic floods. Powerlong Group paid great attention to the disaster. On July 22, Powerlong Charity Foundation announced a donation of RMB 10 million to help emergency flood prevention and relief in Henan. The donation will be used to protect the people's lives in the disaster-stricken areas, to purchase emergency relief supplies and on post-disaster reconstruction. At the same time, the foundation donated RMB 500,000 to the China Women's Development Foundation to support women, children and families in the area.

Research Reports

JPM initiates coverage on Powerlong Real Estate with target price of HKD 11

On July 20, the internationally renowned investment bank JPM released its initiation research report on Powerlong Real Estate (HK.1238) with "overweight" rating based on its optimism towards Company's income from property assets and commercial operations.

The research report pointed out that Powerlong Real Estate can maintain high profit growth through its unique commercial assets and layout strategy. It is listed as the industry's top pick with a target price of HKD 11. JPM said that the current real estate regulation is tightening and the industry growth rate is slowing down, Powerlong Real Estate can use its deterministic growth to increase the Company's valuation. At the same time, Powerlong Real Estate has significant advantages in the COD project model, especially establishing a good brand awareness among local governments, helping the company acquire land at low cost, and laying a solid foundation for future development.

In addition, JPM also takes a positive attitude towards the development of the Yangtze River Delta, especially Hangzhou Bay, saying that it is one of the key construction areas of the country's 14th Five-Year Plan, while Powerlong Real Estate has been deeply involved in the Yangtze River Delta, with 70% in the Yangtze River Delta region. It will support the Company's strong profit growth in the future. JPM predicts that by 2023, Powerlong Real Estate's compound annual growth rate will reach 17%, the highest among the medium-sized real estate companies under its coverage. It also predicts that from 2020 to 2023, the Company's profit compound annual growth rate will reach 22%, and the growth is certain, which is an important catalyst for its value revaluation.

Honors of the month

Award Date	Awards	Awarding Authority
20 July	Powerlong Real Estate: 297th on China's Top 500 Companies	Fortune China
29 July	Powerlong Real Estate: “2021 China Green Real Estate Index TOP10” “2021 China Green Real Estate Index (Private Enterprises) TOP10” “2021 China's Green Real Estate Operation Index TOP10” “2021 Top 10 China Full-Decoration Companies (No. 2)” Baolong TOD Fengyong New City: "2021 China's Top 10 Green Real Estates"	China International Green Finance and Green Building Forum

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 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.