

TARGET

Intelligence Report

VOLUME XXIV No. 83

THURSDAY

April 21, 2022

**POWERLONG REAL ESTATE HOLDINGS LTD:
THIS IS ANOTHER SUCCESS STORY,
DESPITE A 77.80-PERCENT GEARING RATIO**

But Are The Company's Many Hotels, Turning A Profit ?

For a corporate entity with a history of just 14 years as a member in good standing of the premier equity market of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)** and, then, just one decade after its shares, started trading on the Main Board of The Stock Exchange of Hongkong Ltd, that same corporate entity successfully floated one of its subsidiaries on the Main Board of The Stock Exchange of Hongkong.

And, if that were not enough, on or about December 31, 2020, that same corporate entity could boast of being the owner and operator of a total of 193 real estate projects in the PRC!

That corporate entity is popularly known, today, by numerous investors, who buy and sell equities on the Main Board of The Stock Exchange of Hongkong Ltd, as Powerlong Real Estate Holdings Ltd (寶龍地產控股有限公司) (Code: 1238).

Powerlong Real Estate Holdings Ltd published and disseminated its 2020 Annual Report in the HKSAR on or about Monday, March 22, 2021.

At Page 82 of the 2020 Annual Report, Management presented the Company's Consolidated Statement of Comprehensive Income.

The following are the highlights of this Report:

	For The Financial Year, Ended December 31		Percentage Increase/(Decrease)*
	2020	2019	
	All Figures Are Denominated In Renminbi (RMB)’000 (except where otherwise stipulated)		
Revenue	35,495,300	26,041,632	36.30
Gross Profit	12,815,786	9,483,041	35.14
Gross Profit Margin*	36.11 percent	36.41 percent	(0.82)
Other Income And Gains, Net ¹	184,226	927,108	(80.13)

Profit For The Year	8,815,350	6,017,897	46.49
Net Profit Attributable To Shareholders	6,093,216	4,041,116	50.78
Net Profit Margin*	17.17 percent	15.52 percent	10.63

* These are **TARGET**'s calculations.

Details of **Notes¹: 'Other Income and Gains – Net'** were presented at Page 157 of the 2020 Annual Report under Note 30 to the Accounts of the Company, copied verbatim in the table below:

	For The Financial Year, Ended December 31	
	2020	2019
	All Figures Are Denominated In RMB'000	
Interest Income	82,241	120,957
Exchange Gains - Net	42,861	1,406
Fair Value Gains On The Remeasurement Of Investments In Joint Ventures	37,919	Nil
Fair Value Gains/(Losses) On Financial Assets At Fair Value Through Profit Or Loss	12,817	(32,395)
Gains On Disposal Of Investment Properties	2,062	9,220
Gains On Disposal Of A Joint Venture And An Associate	2,000	805,854
Dividend Income Of Financial Assets At Fair Value Through Profit Or Loss	1,218	2,390
Losses On Disposal Of Financial Assets At Fair Value Through Profit Or Loss	Nil	(3,993)
Others	3,108	23,669
TOTAL	184,226	927,108

At Page 80 of the 2020 Annual Report, one was presented with the '**CONSOLIDATED BALANCE SHEET**' of the Company, which indicated, inter alia:

- Total Assets: RMB195,131,513,000.00 (2019: RMB162,496,955,000.00);
- Properties Under Development: RMB48,719,297,000.00 (2019: 36,446,920,000.00);
- Completed Properties Held For Sale: RMB14,589,666,000.00 (2019: 10,617,428,000.00);
- Cash and Cash Equivalents: RMB25,338,726,000.00 (2019: RMB20,305,545,000.00); and,
- Total Equity: RMB51,801,166,000.00 (2019: RMB38,907,028,000.00).

At Page 139 of the 2020 Annual Report, under the heading, ‘**FINANCIAL INSTRUMENTS BY CATEGORY**’, specifically, ‘**Financial Liabilities**’, the following table was presented:

Financial Liabilities At Amortised Cost	For The Financial Year, Ended December 31		Percentage Increase/(Decrease)*
	2020	2019	
	All Figures Are Denominated In RMB'000		
Borrowings	66,567,356	55,263,081	20.46
Trade And Other Payables Excluding Other Taxes And Salaries Payables	34,463,682	29,382,615	17.29
Lease Liabilities	888,920	429,833	106.81
TOTAL	101,919,958	85,075,529	19.80

* These are **TARGET**'s calculations.

The Business Of Powerlong Real Estate Holdings Ltd

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