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瑞安房地產  
SHUI ON LAND

**Shui On Land Limited**

**瑞安房地產有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 272)**

**ANNOUNCEMENT  
2020 ANNUAL RESULTS PROFIT WARNING**

This announcement is made by Shui On Land Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09(2)(a) of the Listing Rules.

The board of directors of the Company (the “**Board**”) wishes to inform potential investors and shareholders of the Company that, based on the information currently available to the Company, it is expected to record a net loss for the year ended 31 December 2020 due to the following reasons, including but not limited to:

- a) An approximately 4% decline in the fair value of the Group’s investment properties and other property assets when compared with the book value of investment properties and other property assets at 31 December 2019, of which a total of RMB2.0 billion was recorded during the first half of 2020. As a reference, the book value of the Group’s investment properties and other property assets totaled RMB52.1 billion as of 31 December 2019;
- b) Lower revenue and profit recognized from property sales, partly due to the delay in construction and handover of residential units to buyers during the COVID-19 outbreak in the first half of 2020.

Based on currently available information, the Company estimates that Loss Attributable to Shareholders for the year ended 31 December 2020 will not exceed RMB0.8 billion. Notwithstanding the above, the Board believes that the balance sheet and cashflow conditions of the Group remain substantively stable. The Company estimates that as of 31 December 2020,

the net gearing ratio of the Group will be at approximately 45% as compared to 52% as of 31 December 2019. The decrease in net gearing is largely attributable to increasing cash generated from robust residential property pre-sales during the year.

The Company believes the estimated net loss is due mainly to the revaluation losses in its investment properties and other property assets during the first half of 2020, which is non-cash related. Notwithstanding the ongoing impact from COVID-19 on the global economies, with China having substantially contained the COVID-19 outbreak and its gross domestic product showing a year-on-year 6.5% growth in the fourth quarter of 2020, the Company is cautiously optimistic regarding its operations. The Group's contracted property sales for the full year of 2020 increased by 69% to RMB21.2 billion compared with that for the corresponding period in 2019. As of 31 December 2020, the Group's total locked-in sales were RMB21.6 billion, for delivery and to be recognized in the Group's financial results in 2021 and beyond. In terms of its commercial property operation, the Company notes that in December 2020, the overall sales volume in its retail properties have increased to over 110% of the same period in 2019. As such, based on its current operational performance and barring unforeseen circumstances, the Company is hopeful that the revaluation losses in its properties, and the overall net loss, will be largely limited to 2020.

The information contained in this announcement is based on a preliminary review and analysis on the internal management accounts available as of the date of this announcement, which have not been audited or reviewed by the auditors of the Company.

The Company is still in the process of finalizing the 2020 annual results of the Group. Details of the Group's financial information for the year ended 31 December 2020 is expected to be disclosed in its annual results announcement, which is currently scheduled to be on 23 March 2021.

**Shareholders of the Company and potential investors are advised to exercise caution in dealing in the securities of the Company.**

By Order of the Board  
**Shui On Land Limited**  
**Vincent H. S. LO**  
*Chairman*

Hong Kong, 5 March 2021

*At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman), Mr. Douglas H. H. SUNG (Chief Financial Officer and Chief Investment Officer) and Ms. Stephanie B. Y. LO; and the independent non-executive directors of the Company are Sir John R. H. BOND, Professor Gary C. BIDDLE, Dr. Roger L. McCARTHY, Mr. David J. SHAW, Mr. Anthony J. L. NIGHTINGALE, Mr. Shane S. TEDJARATI and Ms. Ya Ting WU.*

*\* For identification purposes only*