



Shui On Land Limited (272.HK) 2009 Annual Results

15 April 2010



配合時勢

修訂策略

重組架構

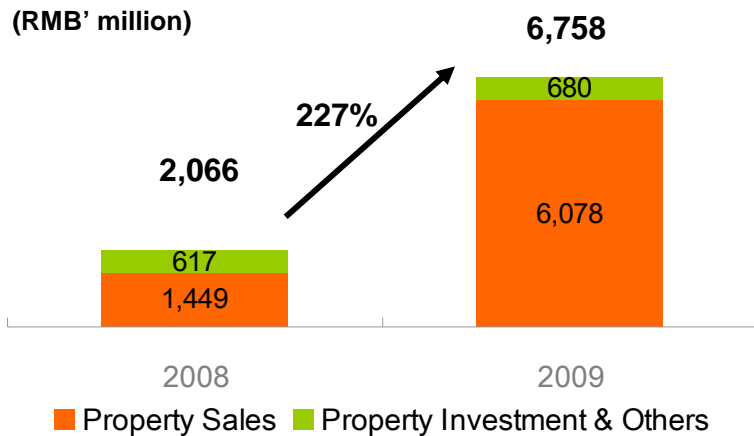
三年計劃

- 1. Key Achievements in 2009**
2. Financial Highlights & Business Overview of 2009
3. Three Year Plan
4. Market Outlook & Business Strategies

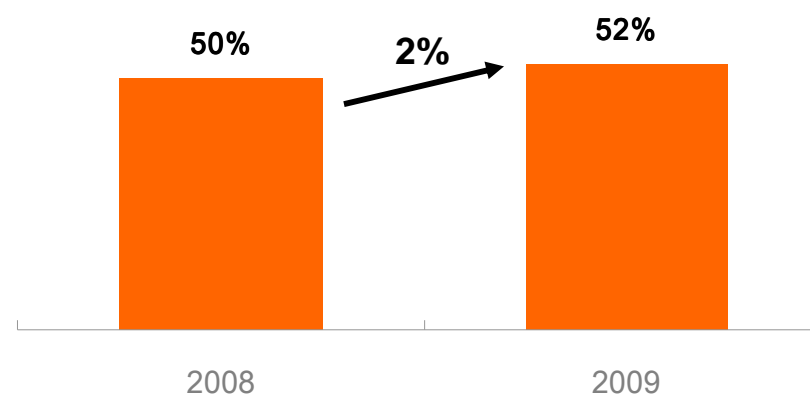
Key Achievements

Turnover

(RMB' million)

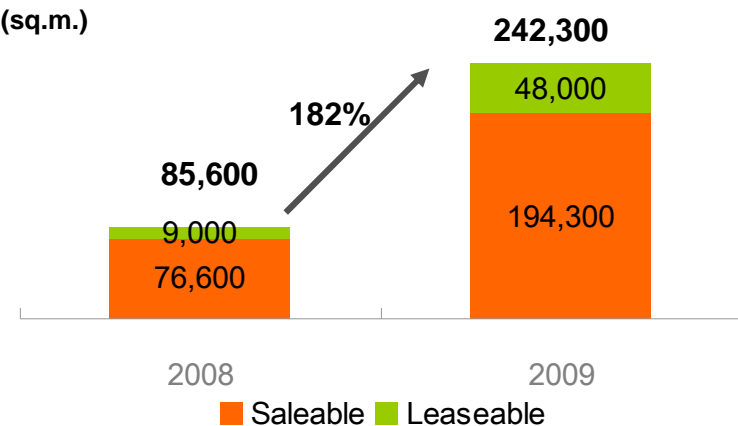


Gross Profit Margin



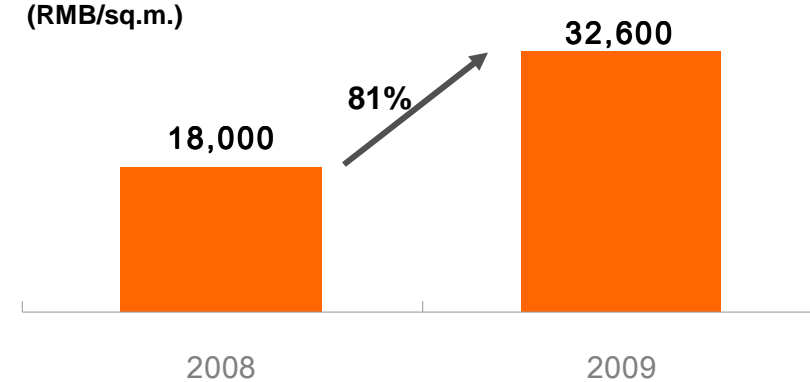
GFA Delivered

(sq.m.)



ASP (Recognized)

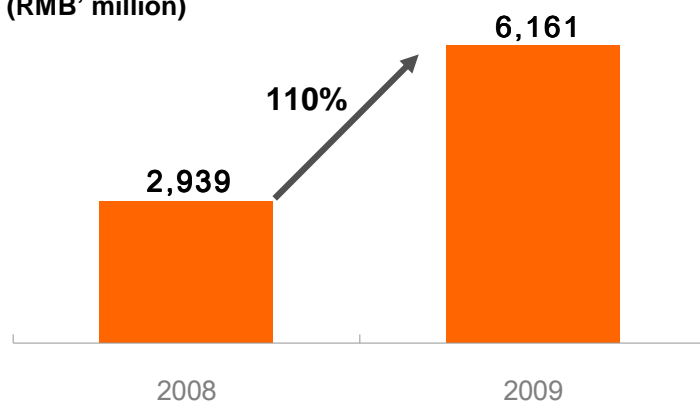
(RMB/sq.m.)



Key Achievements

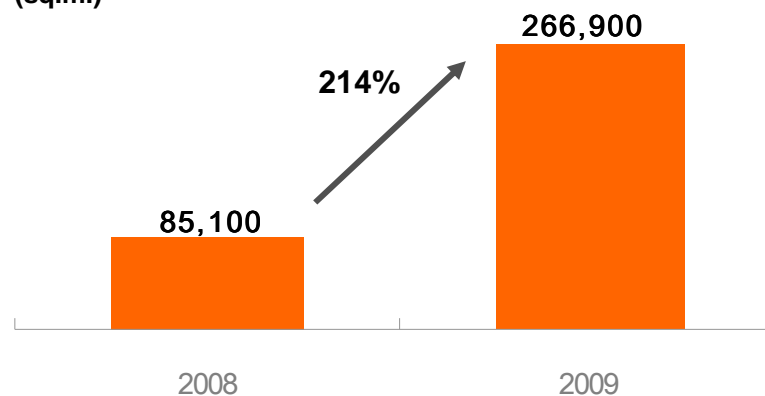
Contracted Sales

(RMB' million)



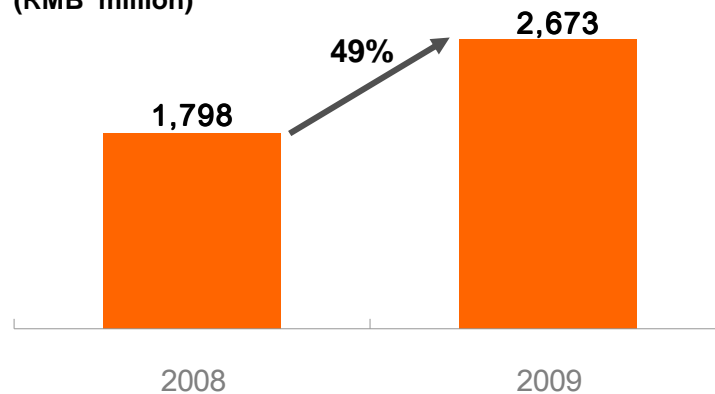
Contracted Sales in GFA

(sq.m.)



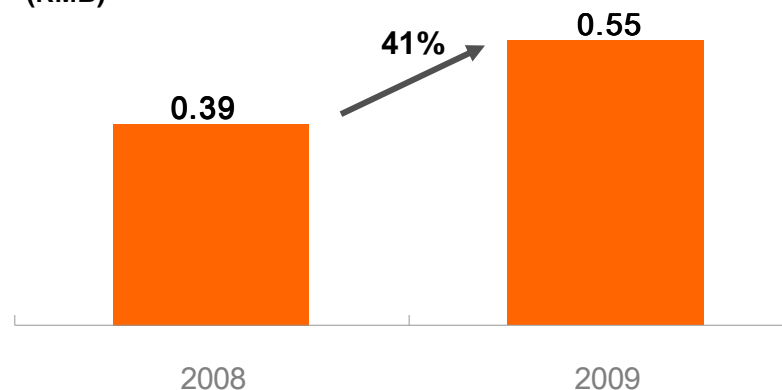
Profit Attributable to Shareholders

(RMB' million)



Basic Earnings per Share

(RMB)





Key Achievements

- Re-focused
- Re-organised
- Three Year Plan

1. Key Achievements in 2009
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Income Statement – Strong Earnings Growth in 2009

RMB' million	For the year ended 31 December		
	2009	2008 (Restated)	Changes
Turnover	6,758	2,066	↑ 227%
Cost of sales	3,229	1,028	↑ 214%
Gross profit	3,529	1,038	↑ 240%
Operating profit	3,005	549	↑ 447%
Increase in fair value of investment properties	536	382	↑ 40%
Gain on partial disposal of equity interests in subsidiaries	-	1,883	-
Share of results of associates	436	44	↑ 891%
Profit before tax	3,894	2,725	↑ 43%
Profit attributable to shareholders	2,673	1,798	↑ 49%
EPS – basic (RMB)	0.55	0.39	↑ 41%
Return on equity	12%	11%	↑ 1%ppt
Dividend per share (proposed final) (HK\$)	0.12	0.01	↑ 1,100%

Robust Balance Sheet

RMB' million	For the year ended 31 December		
	2009	2008 (Restated)	Changes
Total assets	42,592	35,915	↑ 19%
Total bank borrowings	10,203	8,198	↑ 24%
Total equity	22,574	18,175	↑ 24%
Cash and bank balances	4,947	3,380	↑ 46%
Net gearing ratio	23%	27%	↓ 4%ppt

Well Managed Debt Profile

- Total debt: **RMB10.2 billion**
 - Long-term debt 79% and Short-term debt 21%,
 - RMB 35% and foreign currency 65%

Currency denomination	Due within 1 year (RMB' million)	Due in more than 1 year but not exceeding 2 years (RMB' million)	Due in more than 2 years (RMB' million)	Total (in RMB equivalent million)
RMB	212	714	2,669	3,595
HK\$	1,627	220	4,502	6,349
US\$	259	-		259
Total	2,098¹	934	7,171	10,203

Note 1: RMB1,532 million has been refinanced.

Estimated Capital Expenditures

RMB' billion	2010	2011	2012	Total
Construction cost	4.8	6.5	8.8	20.1
Land cost ¹	6.7	4.2	1.9	12.8
Total CAPEX	11.5	10.7	10.7	32.9

Note 1: Land cost includes land premium and relocation cost.

GFA Delivered Rose by 1.5 times

Project Name	2009			2008		
	Sales Revenue	GFA Sold	ASP ¹	Sales Revenue	GFA Sold	ASP ¹
	RMB' million	sq.m.	RMB/sq.m.	RMB' million	sq.m.	RMB/sq.m.
Shanghai Taipingqiao	4,706	65,600	75,600	228	4,100	58,500
Shanghai KIC	450	24,300	19,500	612	31,100	20,700
Wuhan Tiandi	514	37,500	14,400	376	29,500	13,400
Chongqing Tiandi	345	66,900	6,700 ²	97	11,900	10,600 ²
Sub Total	6,015	194,300	32,600	1,313	76,600	18,000
Car parking spaces & others	63	-		136	-	
Grand Total	6,078	194,300		1,449	76,600	

Note 1. The average selling prices are before business tax of 5% whereas the sales revenue are net of business tax.

Note 2. The average selling price of Chongqing Tiandi is based on net floor area, the prevailing practice in Chongqing's property market.

Contracted GFA Surged by 2.14 times

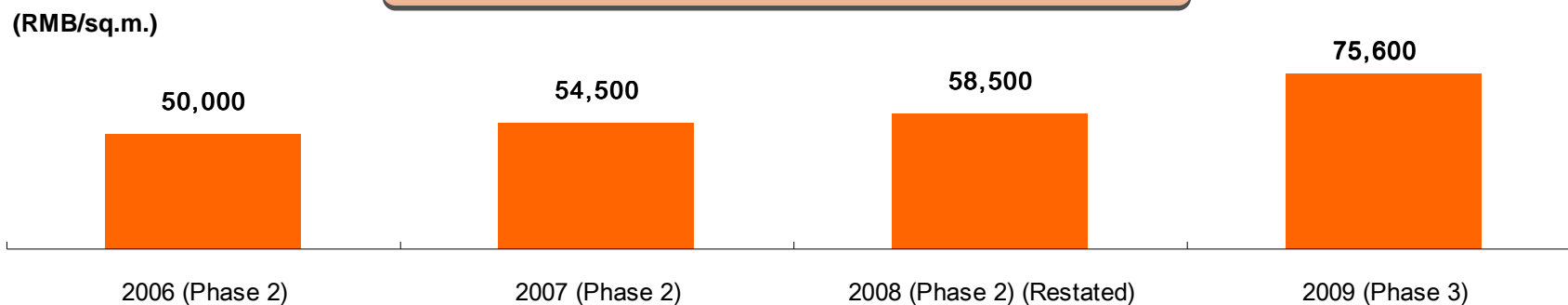
Project Name	2009			2008		
	Contracted Sales	GFA Sold	ASP ¹	Contracted Sales	GFA Sold	ASP ¹
	RMB' million	sq.m.	RMB/sq.m.	RMB' million	sq.m.	RMB/sq.m.
Shanghai Taipingqiao	2,965	44,300	70,500	1,960	24,200	85,300
Shanghai Rui Hong Xin Cheng	814	30,900	27,700	N/A	N/A	N/A
Shanghai KIC	1,015	46,700	22,900	345	18,000	20,200
Wuhan Tiandi	857	63,300	14,300	403	29,100	14,600
Chongqing Tiandi	444	81,700	7,100 ²	108	13,600	10,300 ²
Sub Total	6,095	266,900	24,000	2,816	84,900	34,900
Car parking spaces	66	-		123	200	
Grand Total	6,161	266,900		2,939	85,100	

Note 1. The average selling prices are before business tax of 5% whereas the sales revenue are net of business tax.

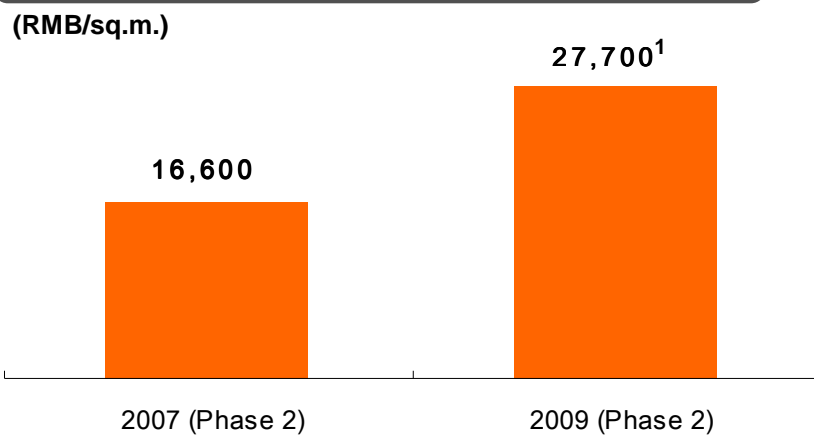
Note 2. The average selling price of Chongqing Tiandi is based on net floor area, the prevailing practice in Chongqing's property market.

Strong ASP Growth

Shanghai Taipingqiao

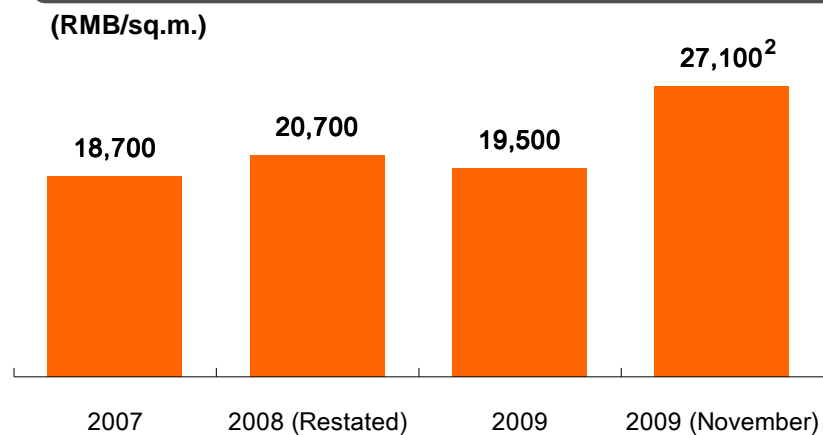


Shanghai Rui Hong Xin Cheng



Note 1. Contracted ASP in July 2009

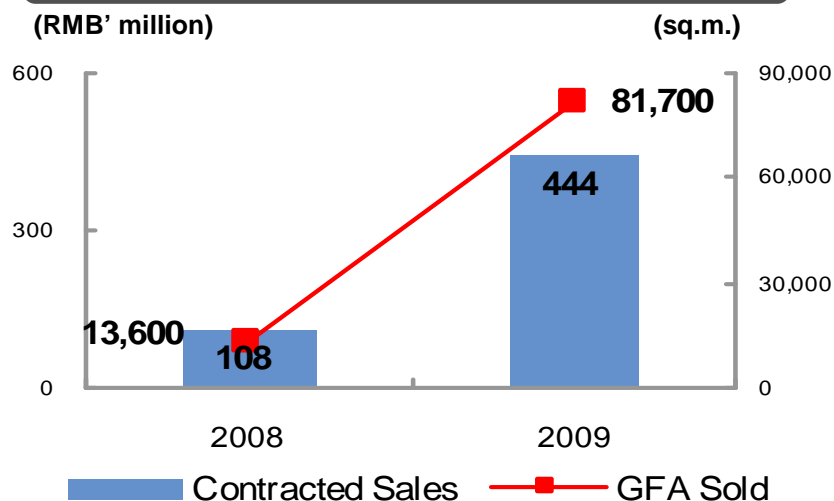
Shanghai KIC



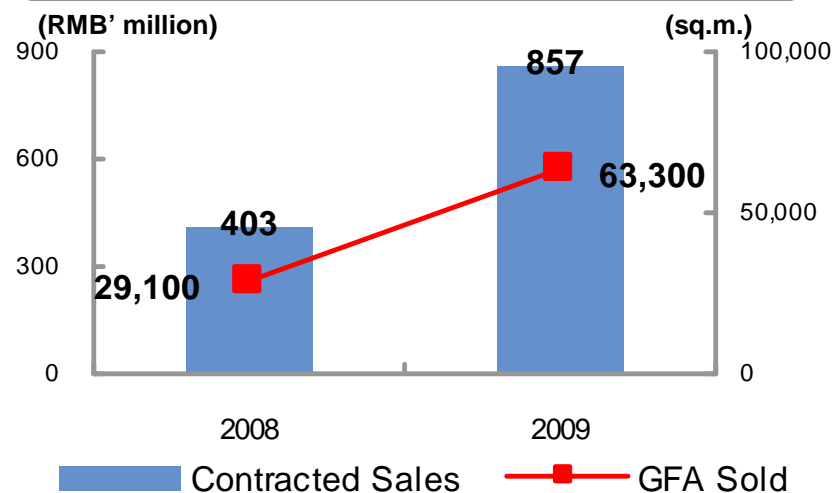
Note 2. Contracted APS in November 2009

Wuhan & Chongqing Projects Entering Harvest Time

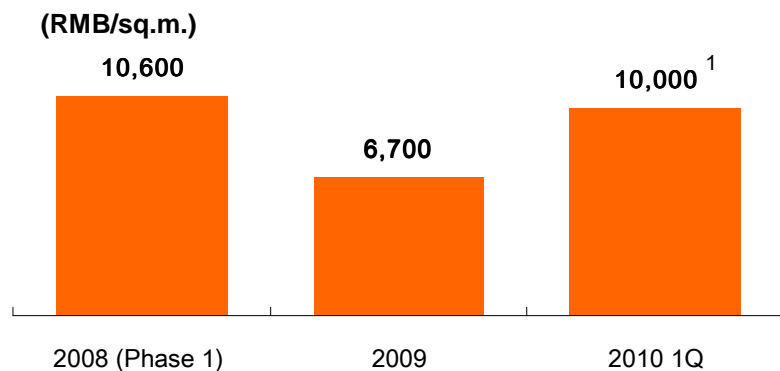
Chongqing Tiandi Riviera



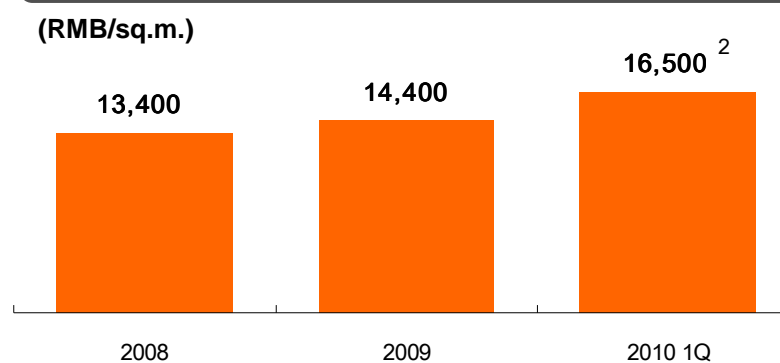
Wuhan Tiandi Riverview



Chongqing Tiandi Riviera - ASP



Wuhan Tiandi Riverview - ASP



Note 1. Contracted ASP of Chongqing Tiandi - Riviera Phase 2 in 1st quarter 2010

Note 2. Contracted ASP of Wuhan Tiandi Riverview in 1st quarter 2010.

Project Launched in 2009 – Chongqing & Wuhan



Wuhan Tiandi
Riverside Phase 2 Lot A 8 & 10



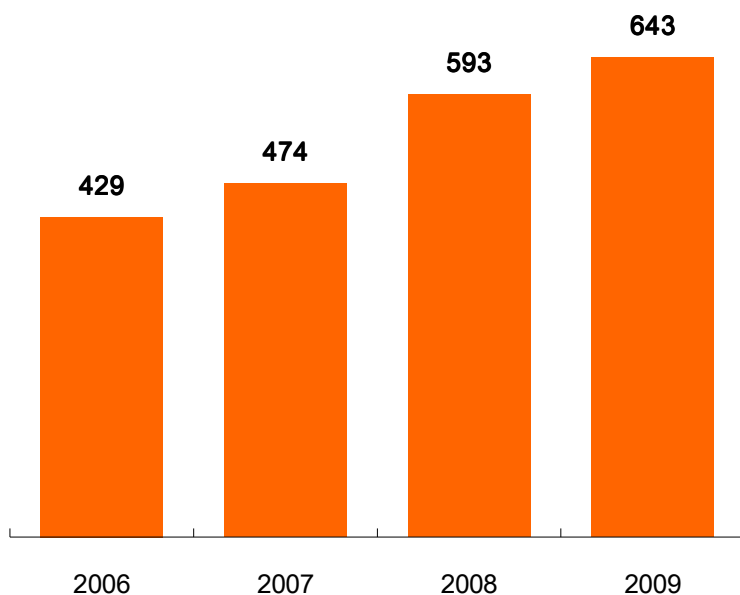
Chongqing Tiandi
Riviera Phase 1

Prime Located Investment Properties with Strong Rental Income

- Turnover: **RMB643 million** (↑ 8.4%)
- Market value of completed investment properties as of 31 December 2010: **RMB 9,384 million** (↑ 11%)

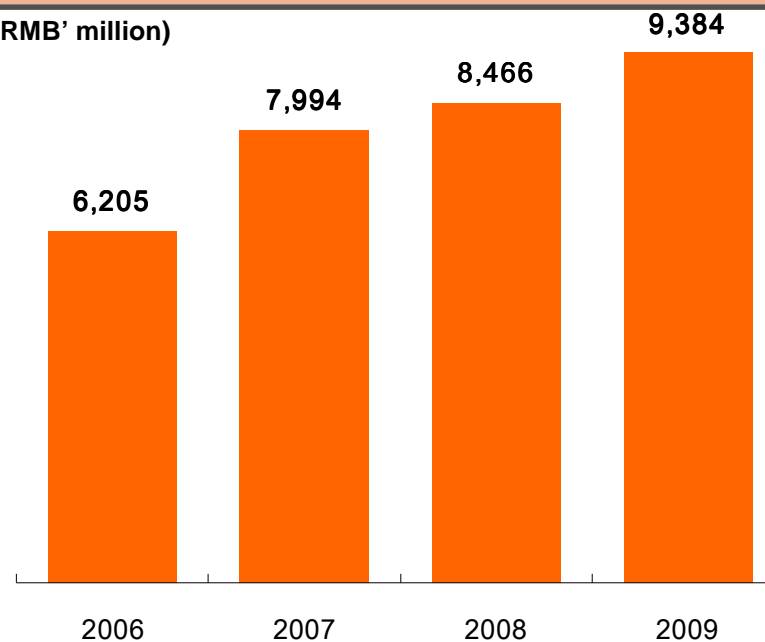
Investment Property Turnover

(RMB' million)



Completed Investment Property Market Value

(RMB' million)





Centrally Located Investment Properties Portfolio

Taipingqiao – Xintiandi & Corporate Avenue Phase 1



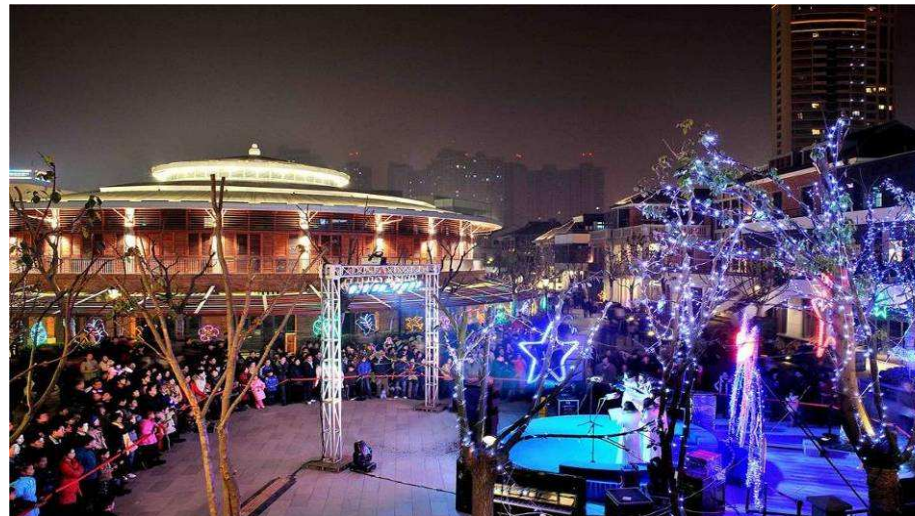
KIC Plaza Phase 1 & 2



Chongqing Tiandi - Retail



Wuhan Tiandi – Retail



Increasing Occupancy Rate

Project		Use	Leasable GFA (sq.m.)	31 December 2008	31 December 2009	31 March 2010
Shanghai Xintiandi		Retail	57,000	99%	100%	98%
Shanghai Corporate Avenue Phase 1		Office	83,000	99%	96%	99%
Shanghai Rui Hong Xin Cheng	Phase 1	Retail	5,000	55%	100%	100%
	Phase 2	Retail	28,000	99%	100%	99%
Shanghai KIC	Village R1 & R2	Retail & Office	32,000	59%	37% ¹	42%
	Plaza Phase 1	Office	52,000	82%	83%	82%
Hangzhou Xihu Tiandi Phase 1		Retail	6,000	100%	100%	100%
Wuhan Tiandi	Phase 1	Retail	16,000	89%	92%	94%
	Phase 2 & 3	Retail	30,000	N/A	60%	75%
Chongqing – Residential Ground Floor Shops		Retail	1,000	N/A	16%	100%
Total leasable GFA			310,000			

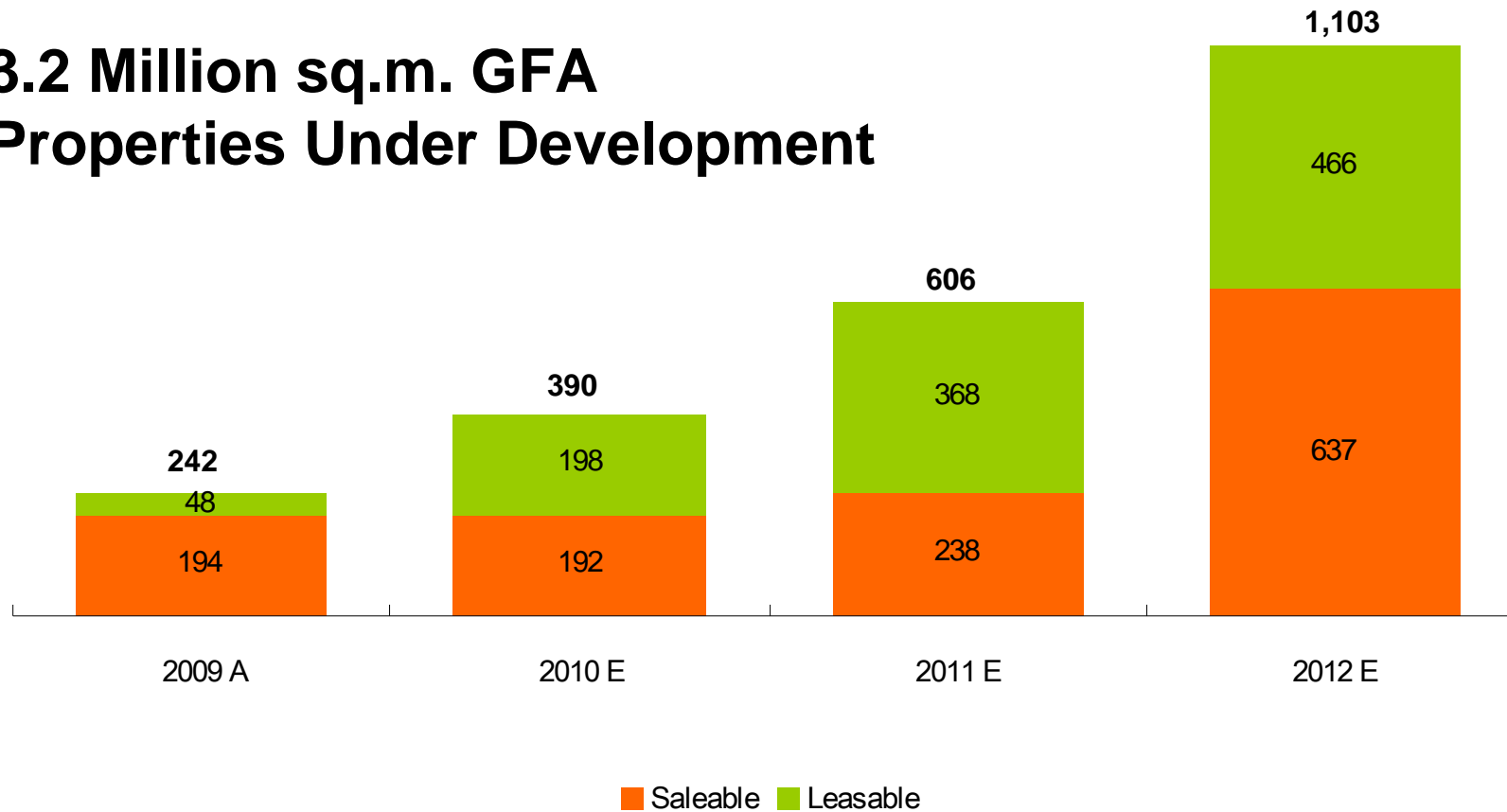
Note 1. New completion of R2 in 2009 diluted the occupancy rate

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4. Market Outlook & Business Strategies

- Accelerate Development Progress –
Target delivery of 1 million sq.m. in
2012 and onwards
- Cost Control
- Sustainable Earning Growth

GFA ('000 sq.m.)

3.2 Million sq.m. GFA Properties Under Development



Delivery Schedule from 2010 to 2012

Project Name (in '000 sq.m.)	2009A		2010E		2011E		2012E	
	Saleable GFA	Leasable GFA	Saleable GFA	Leasable GFA	Saleable GFA	Leasable GFA	Saleable GFA	Leasable GFA
Shanghai Taipingqiao	66	-	7	31	-	-	-	-
Shanghai Rui Hong Xin Cheng	-	-	31	3	15	-	47	14
Shanghai KIC	24	17	22	63	-	53	20	50
Chongqing Tiandi	67	1	47	54	168	13	197	143
Wuhan Tiandi	37	30	85	5	-	-	176	122
Foshan Lingnan Tiandi	-	-	-	-	55	76	90	104
Dalian Tiandi	-	-	-	42	-	226	107	33
Total	194	48	192	198	238	368	637	466
	242		390		606		1,103	

Launches in 2010

Project	GFA available for launch (sq.m.)
Shanghai Taipingqiao	10,500
Shanghai Rui Hong Xin Cheng	30,800
Shanghai KIC	300
Wuhan Tiandi	38,500
Chongqing Tiandi	170,400
Foshan Lingnan Tiandi	68,700
Dalian Tiandi	107,000
Total GFA (sq.m.)	426,200

Launches in 2010

**Casa Lakeville Lowrise
Tower 3, 5, 6, 7 & 8**



**Rui Hong Xin Cheng
Phase 3 (Lot 4)**

**Wuhan Tiandi
Lot A6, A11 & 12**



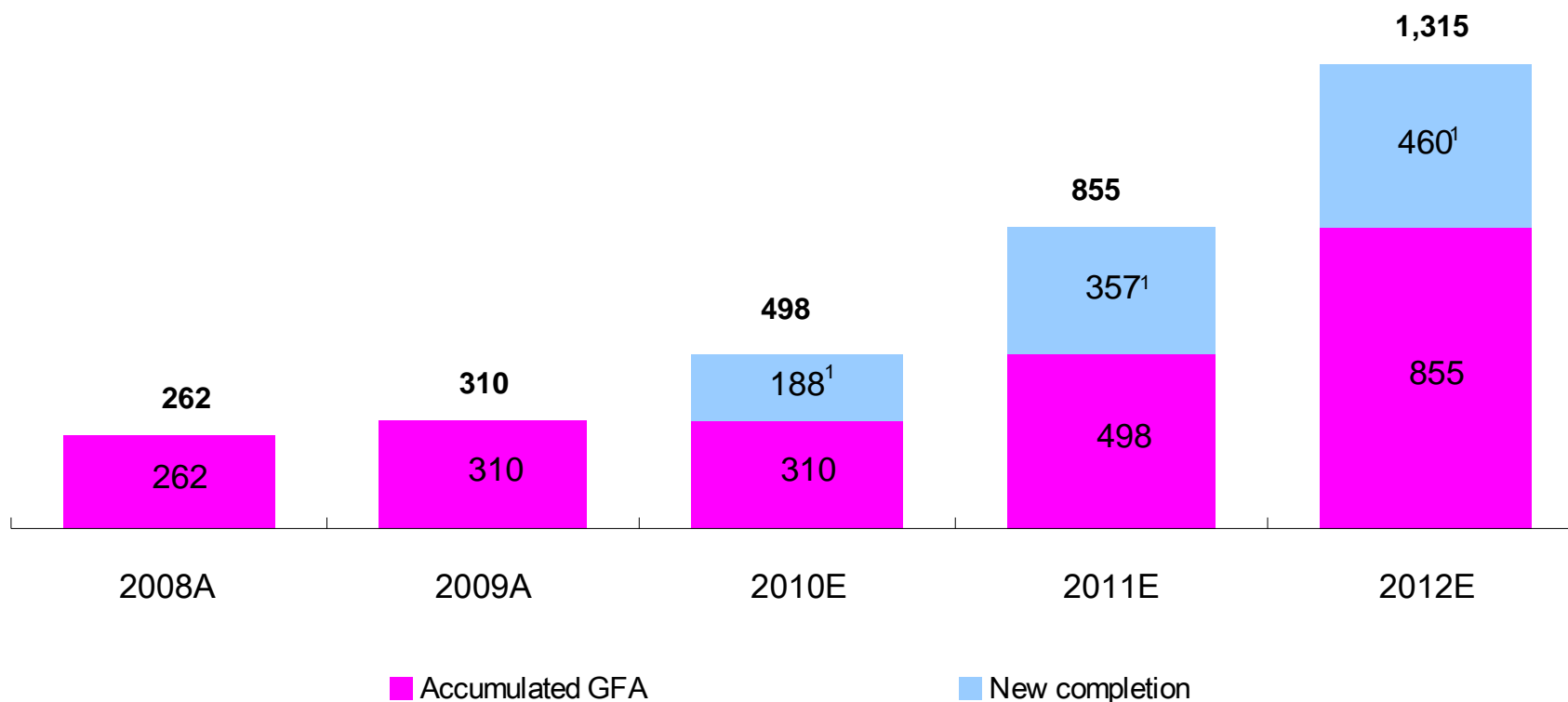
Chongqing Tiandi Riviera Phase 2

Foshan Lingnan Tiandi



Fast Growing Investment Properties Portfolio from 2010 to 2012

GFA ('000 sq.m.)



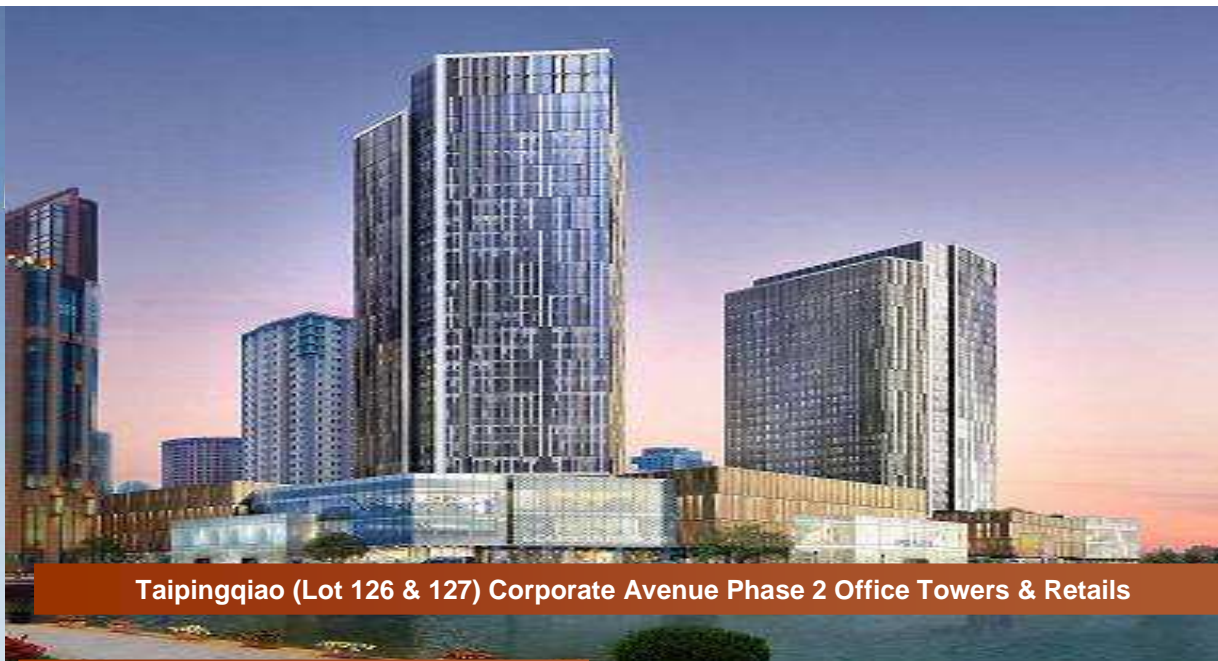
Note1. The differences to our delivery schedule mainly due to the exclusion of clubhouse.



Investment Properties Under Development – Offices



Wuhan Tiandi
Office Tower & Retails (Lot 5)



Taipingqiao (Lot 126 & 127) Corporate Avenue Phase 2 Office Towers & Retails



Dalian Tiandi



Chongqing Tiandi Office Towers & Retails

Investment Properties Under Development – Retails

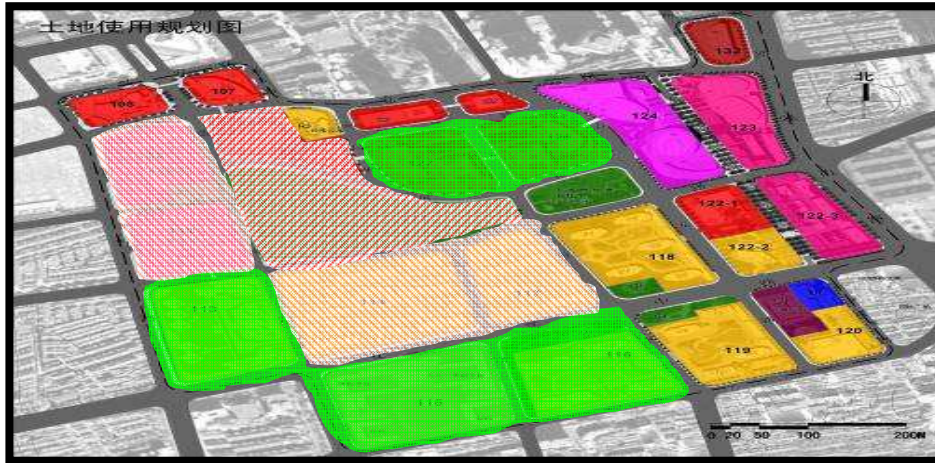


Achievements on Cost Control

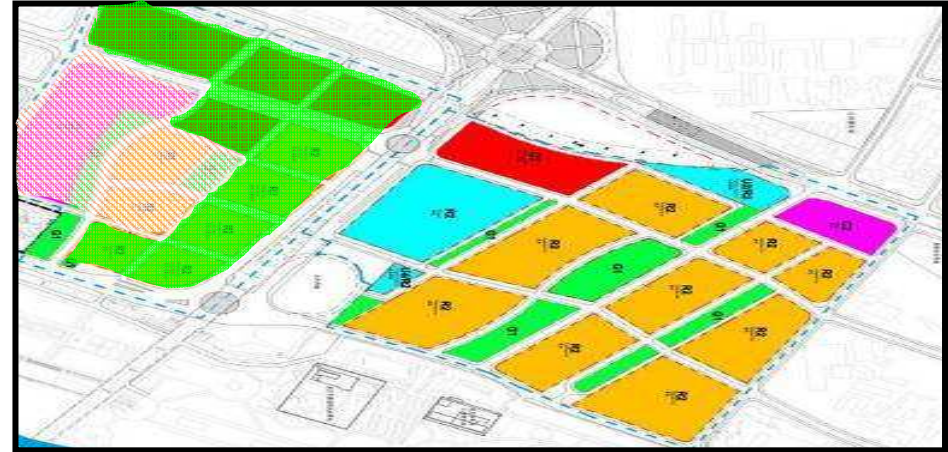
RMB' million	2009	2008	Changes
General & administration expenses	543	697	↓ 22%
Total finance cost (before capitalization)	761	824	↓ 8%
Selling and marketing expenses to contracted sales	2.5%	4.6%	↓2%ppt
Selling and marketing expenses	151	134	↑ 13%
Contracted sales	6,161	2,939	↑ 110%

Larger Area Under Development

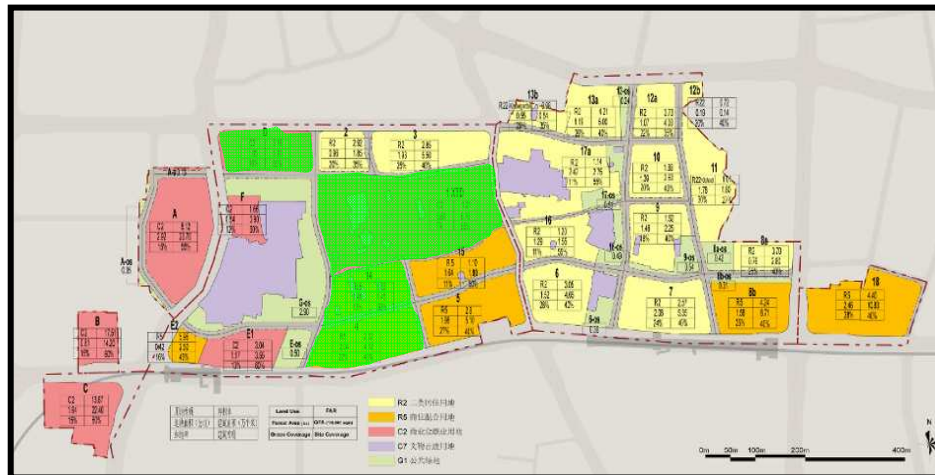
Shanghai Taipingqiao



Wuhan Tiandi





Foshan Lingnan Tiandi



Chongqing Tiandi



 Area under development  Completed area

1. Key Achievements in 2009
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4. **Market Outlook & Business Strategies**

Market Outlook: Optimistic

Marco Environment

- Economic growth stimulus programme engineered by Central Government last year has captured attention worldwide and is gaining further momentum on signs of a revival in the foreign trade sector.
- House prices rose quickly last year on the back of economic recovery and supportive credit policies leading to growing public concerns.
- The State Council would restore a balance between supply and demand to make the price growth broadly in line with household income growth.
- The economic fundamentals remain strong, but property industry was under the threats of policy changes and short-term fluctuations in home prices.

Shui On Land Strategies

- City core location of our projects provide a shelter against market uncertainties.
- Accelerate the pace of development in line with our aspiration to become the premier innovative property developer in the Mainland.

Relocation Status of Shanghai Projects

Old Relocation Scheme			
Projects	Total GFA (sq.m.)	31 December 2008	31 December 2009
Taipingqiao Lot 126	111,000	80%	96%
Taipingqiao Lot 127	127,000	70%	82%
RHXC Lot 4	107,000	78%	100%
RHXC Lot 6	131,000	44%	93%

New Relocation Scheme in 2010	
Projects	Total GFA (sq.m.)
Taipingqiao Lot 115 (school)	32,000
Taipingqiao Lot 116	90,000
RHXC Lot 3	103,000
RHXC Lot 9 &10	276,000

New Relocation Scheme Implemented by Shanghai Municipal Government in 2009

Key Changes:

- **2 Rounds of Consultation**
 - **1st Round – 90% of residents’ agreement to start the relocation process**
 - **2nd Round – 2/3 of residents’ agreement on the compensation package**
- **Compensation Scheme & Process – Open & Transparent**
- **Compensation ONLY on area verified vs. area & number of household members (“Hukou”)**
- **Incentive for early movers (i.e. priority to select relocation housing, etc.)**
- **Advantage: Shorten relocation process and better cost control**

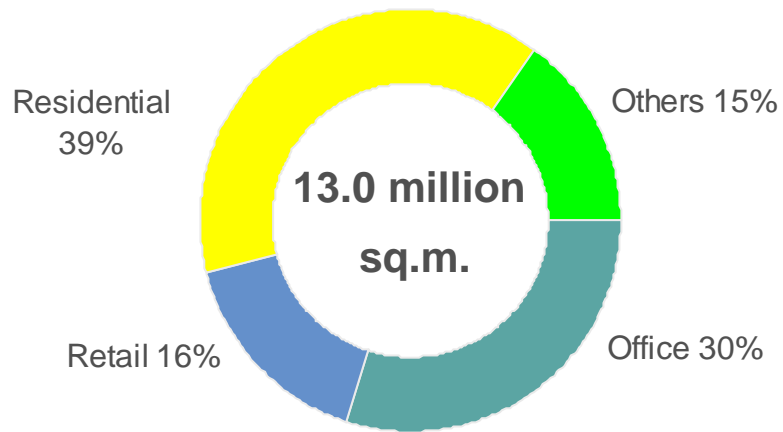
Premium Landbank in High Growth Cities



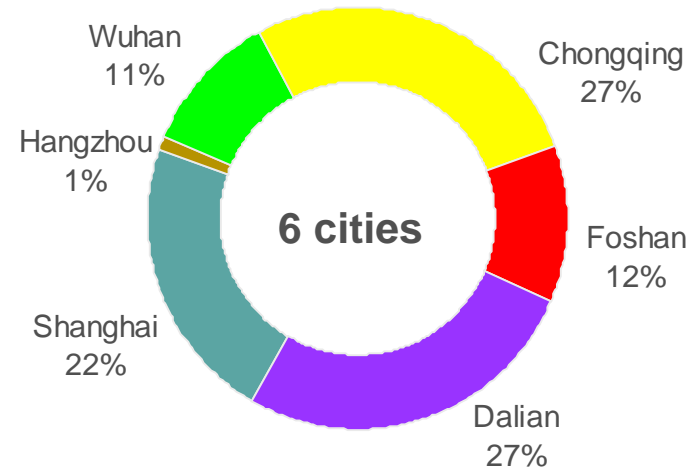
Total landbank: 13.0 mn sq.m.
Attributable landbank: 9.6 mn sq.m.

Prime Landbank Ready to Accelerating Development

Total GFA by usage



Total GFA by city



We have prime land bank ready to accelerating development

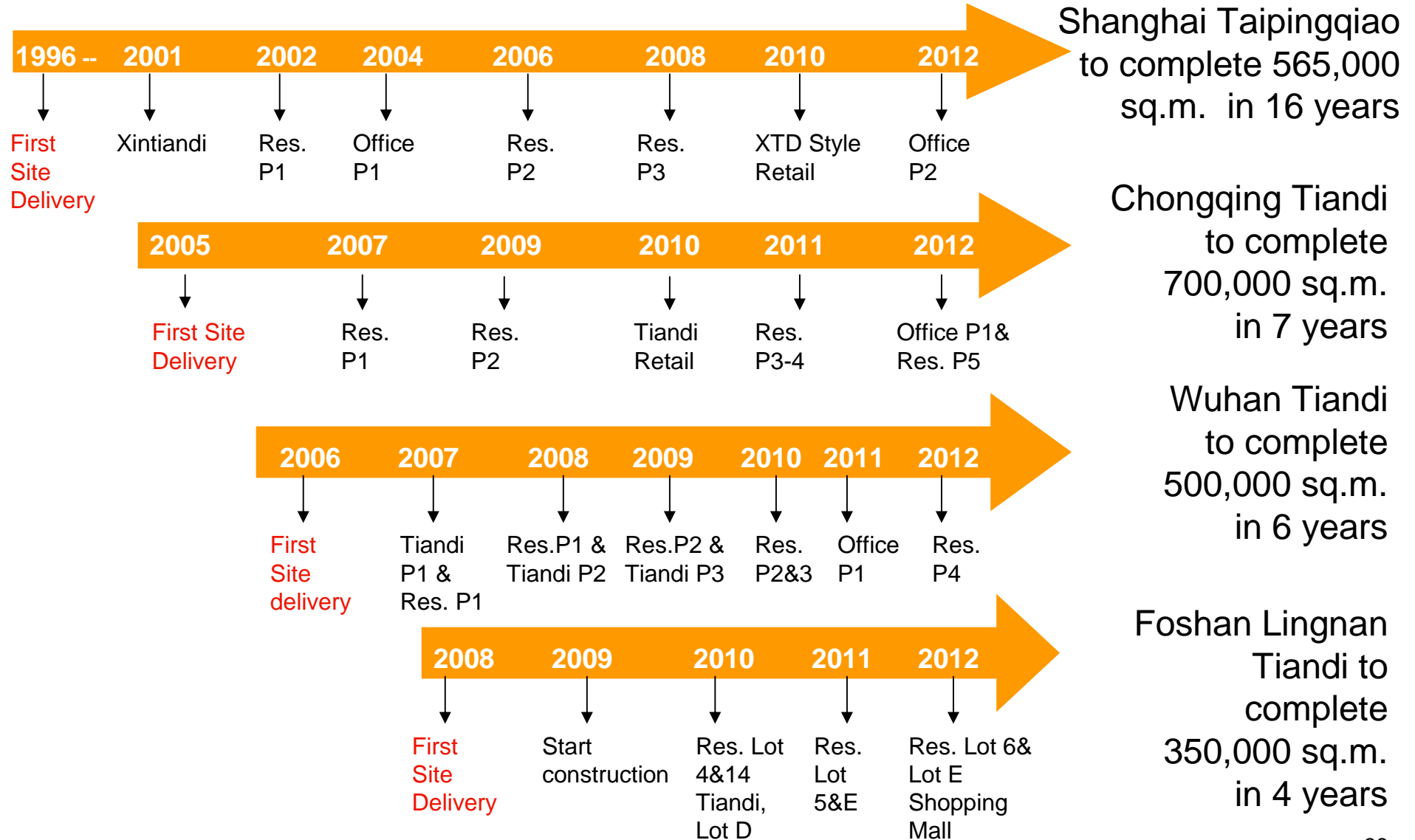
Strategic Foresight and Timing

	Year of Entrance	Current
Chongqing	2004	2009
GDP growth (%)	12.0%	14.9%
Per Capita GDP (US\$/Person)	1,200	3,400
Average property price (RMB/sq.m.)	2,400	4,200
Wuhan	2005	2009
GDP growth (%)	14.7%	13.7%
Per Capita GDP (US\$/person)	3,700	7,400
Average property price (RMB/sq.m.)	3,400	5,800
Foshan	2007	2009
GDP growth (%)	19.2%	13.5%
Per Capita GDP (US\$/person)	8,900	12,000
Average property price (RMB/sq.m.)	5,300	6,300 (7,900 for Chancheng District)

Driving Force
<ul style="list-style-type: none"> - Economic centre of West China - OTC (over –the-counter) market - First inland bonded port area established in Chongqing (内陆保税区) - Has been promoted to become one of China’s 5 major national central cities (国家五大中心城市) for the first time in the "national urban system plan" introduced by Central Government in February 2010
<ul style="list-style-type: none"> - “Rise of Central China” - Centre of Central China - Transportation hub of national high-speed rail network (open of Wuhan-Guangzhou high speed rail-line in 2009) - “Riverside Business zone (沿江商务区)” - National Innovation Model Park
<ul style="list-style-type: none"> - Guangzhou – Foshan Integration Agreement - Upgrading of economic structure of Guangdong province - Expanding transportation infrastructure <ul style="list-style-type: none"> a) Metro Line connecting to Guangzhou to be open in 4Q 2010 b) Planning 7 metro lines including 5 to be connected to GZ c) PRD intercity railway system - 2010 Asian Games in GZ and FS - Guangdong Hi-tech Finance Services Region - Relocation of high pollution industry

Data Source: China government statistic bureau, etc

Shortening Development Cycle





Main theme of the Shanghai Pavilion - 2010 Expo

永远的新天地 (Xintiandi Forever)



Thank you

Q & A

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