



**Shui On Land Limited (0272.HK)**

**2012 Annual Results Announcement**

**28 March 2013**

# Repositioning and Consolidation for Future Growth

重新定位  
鞏固實力迎增長

## 1. 2012 Key Financial Highlights

- Income Statement
- Financial Position as of 31 December 2012
- CAPEX, Sales Target, Saleable Resources for 2013 and Locked-in Sales

## 2. Business Strategy

- First Three-Year Plan Review
- Second Three-Year Plan

# Income Statement

- Turnover dropped due to less properties delivered



RMB' mn	2012	2011	Change
Turnover of the Group	4,821	8,484	(43%)
Property sales	3,541	7,581	(53%)
Rental & related income and others	1,280	903	42%
Cost of sales	(2,761)	(4,783)	(42%)
Gross profit	2,060	3,701	(44%)
Other income	282	244	16%
Selling & Marketing expenses	(207)	(195)	6%
General & Administrative expenses	(738)	(634)	16%
Operating profit	1,397	3,116	(55%)
Increase in fair value of investment properties	2,698	2,696	-
Share of results of associates	82	137	(40%)
Gain on disposal of investment properties	-	17	(100%)
Finance costs	(459)	94	(588%)
Net exchange gain	54	311	(83%)
Interest costs and others	(513)	(217)	136%
Profit before taxation	3,718	6,060	(39%)



# Income Statement

- GP margin remained stable at 43%



RMB' mn	2012	2011	Change
Profit before taxation	3,718	6,060	(39%)
Taxation	(1,363)	(2,062)	(34%)
Profit for the year	2,355	3,998	(41%)
Profit attributable to shareholders	2,029	3,428	(41%)
Core earnings	201	1,572	(87%)
Earnings per share – Basic	<i>RMB0.35</i>	<i>RMB0.66</i>	(47%)
Dividend per share –			
Final dividend	<i>HK\$0.035</i>	<i>HK\$0.10</i>	
Full year dividend	<i>HK\$0.06</i>	<i>HK\$0.125</i>	

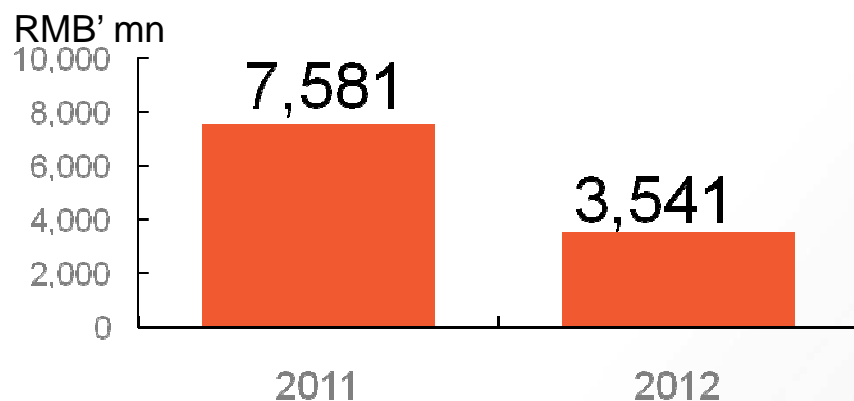
Gross profit margin	43%	44%	(1ppt)
---------------------	-----	-----	--------

# Recognised Property Sales

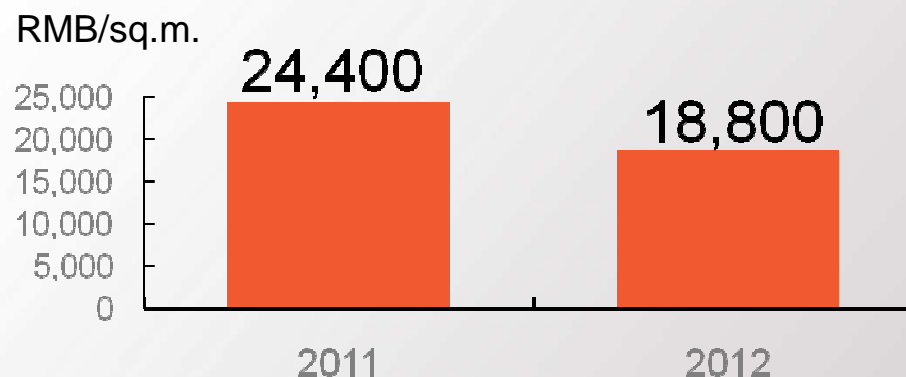
- ASP dropped due to change of property mix



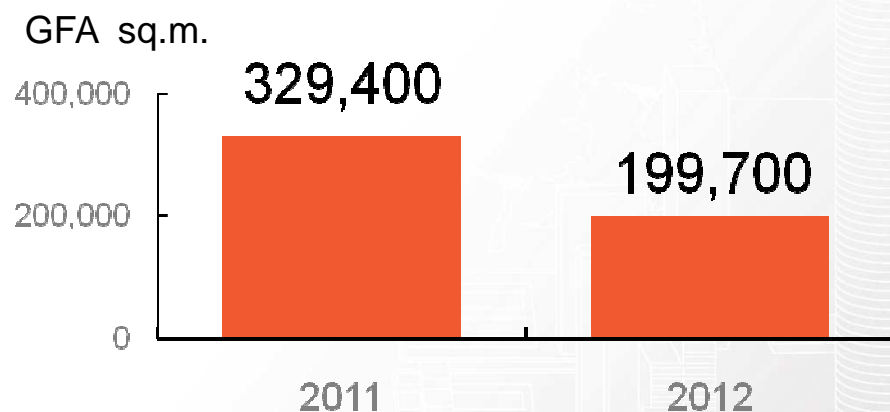
## Recognised Property Sales



## Recognised Average Selling Price ("ASP")



## Total GFA Delivered



## City Distribution (%)

Cities	2011	2012
Shanghai	40%	14%
Wuhan	31%	38%
Chongqing	15%	34%
Foshan	14%	14%

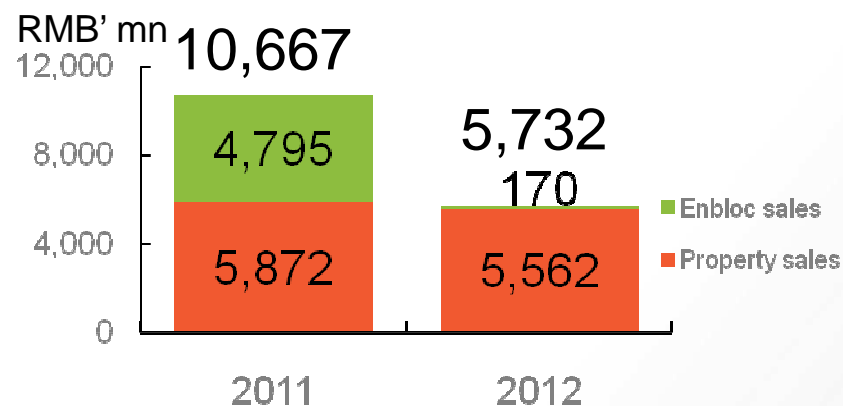
■ Project ASP remained stable.

# Contracted Sales

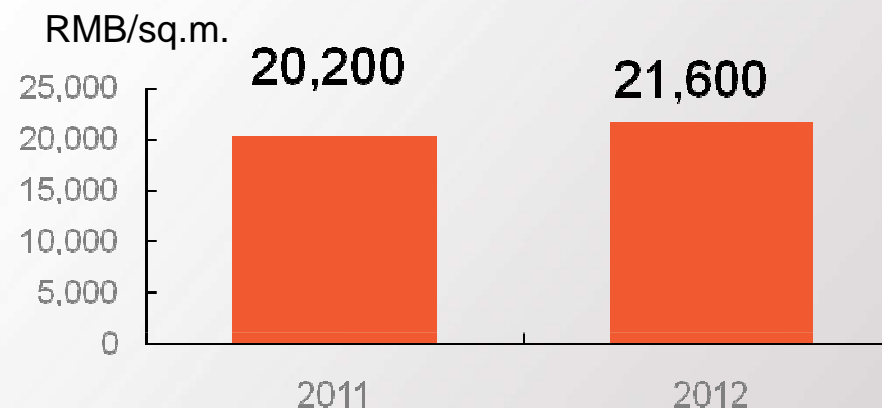
## - Dropped in *en-bloc* sales



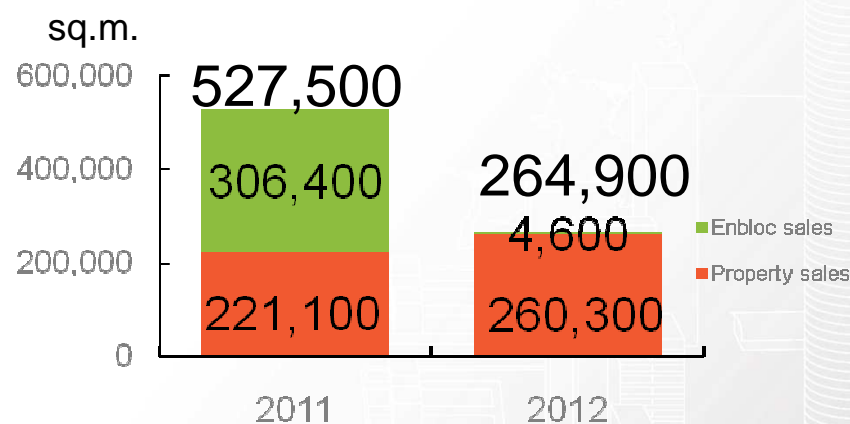
### Contracted Sales\*



### ASP\*



### Total GFA\*



### City Distribution (%)\*

Cities	2011	2012
Shanghai	28%	37%
Wuhan	24%	27%
Chongqing	39%	14%
Foshan	5%	14%
Dalian	4%	8%

\*Included Dalian and *en-bloc* sales

Project ASP remained stable.

# Completed Investment Property

## - Rental and related income grew 26%



Project		Leasable GFA	Rental & related income RMB' mn		YoY change %	
		sq.m.	2012	2011	2012	2011
Shanghai Taipingqiao	Xintiandi, Xintiandi Style and Langham Xintiandi Hotel Retail Portion	80,000	361	342	6%	23%
	Corporate Avenue Ph1	83,000	240	232	3%	-
	Shui On Plaza	50,000	101	-	-	-
	Subtotal	213,000	702	574	22%	13%
Shanghai RHXC		47,000	54	41	32%	(9%)
Shanghai KIC		167,000	155	102	52%	76%
Wuhan Tiandi		46,000	58	48	21%	41%
Chongqing Tiandi		47,000	16	17	(6%)	113%
Foshan Lingnan Tiandi		30,000	53	35	51%	169%
Hangzhou Xihu Tiandi		-	18	18	-	-
Total		550,000	1,056	835	26%	22%

# Hotel Properties

## - Operating data



Hotel	No. of Room	Opening Year	Average Room Rate		Income	
			(RMB per Room)		(RMB' mn)	
			2012	2011	2012	2011
Shanghai Langham Xintiandi Hotel	357	2012	1,551	N/A	156	N/A
Marco Polo LingnanTiandi Foshan Hotel	391	2012	465	N/A	21	N/A
Shanghai 88 Xintiandi Hotel	53	2002	1,564	1,884	16	14
<b>Total</b>					193	14



# Completed Investment Properties

## - RMB750 million fair value gain



Project		Leasable GFA	Fair Value Gain in 2012	Carrying Value as of 31 December 2012		Gain to Carrying Value
		sq.m.	RMB' mn	RMB' mn	RMB/sq.m.	%
Shanghai Taipingqiao	Xintiandi, Xintiandi Style and Langham Xintiandi Hotel Retail Portion	80,000	125	6,191	77,400	2%
	Corporate Avenue Ph1	83,000	135	4,481	54,000	3%
	Shui On Plaza	50,000	65	2,741	54,800	2%
Shanghai RHXC		47,000	21	1,001	21,300	2%
Shanghai KIC		167,000	123	4,787	28,700	3%
Wuhan Tiandi		46,000	193	1,152	25,000	17%
Chongqing Tiandi		47,000	134	727	15,500	18%
Foshan Lingnan Tiandi		30,000	(46)	1,009	33,600	(5%)
Total		550,000	750	22,089	40,200	3%

# Hotel Properties

## - At cost



Project	GFA	Carrying Value as of 31 December 2012
	sq.m.	RMB' mn
<b>Hotel properties at cost</b>		
Shanghai Langham Xintiandi Hotel	33,000	1,822
Shanghai 88 Xintiandi Hotel	5,000	70
Marco Polo Lingnan Tiandi Foshan Hotel	38,000	543
<b>Total</b>	<b>76,000</b>	<b>2,435</b>

# Investment Properties Under Development At Valuation

## - RMB1,948 million fair value gain



Project	Product Type	GFA	Fair Value Gain in 2012	Carrying Value as of 31 December 2012		Gain to Carrying Value
		sq.m.	RMB' mn	RMB' mn	RMB/sq.m.	%
Shanghai Taipingqiao	Office & Retail	155,000	588	5,487	35,400	11%
Shanghai RHXC	Retail	19,000	44	295	15,500	15%
Shanghai KIC	Office	5,000	(3)	25	5,000	(12%)
THE HUB	Office, Retail & Hotel	233,000	421	4,458	19,100	9%
Wuhan Tiandi	Retail	110,000	323	889	8,100	36%
Chongqing Tiandi	Office & Retail	493,000	427	2,890	5,900	15%
Foshan Lingnan Tiandi	Retail	26,000	148	702	27,000	21%
<b>Total</b>		<b>1,041,000</b>	<b>1,948</b>	<b>14,746</b>	<b>14,200</b>	<b>13%</b>

- The estimated gross development value of the 1 million sq.m. of investment properties under development at valuation is RMB40 billion

# Financial Position

- RMB8.6 billion cash and bank balance



RMB' mn	31 December 2012	31 December 2011	Change
<b>Total assets</b>	<b>89,617</b>	<b>68,604</b>	<b>31%</b>
Bank borrowings	18,803	16,743	12%
Convertible Bonds and Notes	15,865	8,745	81%
<b>Total debt</b>	<b>34,668</b>	<b>25,488</b>	<b>36%</b>
<b>Total cash and bank balance</b>	<b>8,633</b>	<b>6,370</b>	<b>36%</b>
<b>Net debt</b>	<b>26,035</b>	<b>19,118</b>	<b>36%</b>
<b>Total equity</b>	<b>37,268</b>	<b>29,471</b>	<b>26%</b>
<b>Net gearing* (based on total equity)</b>	<b>70%</b>	<b>65%</b>	<b>5ppt</b>

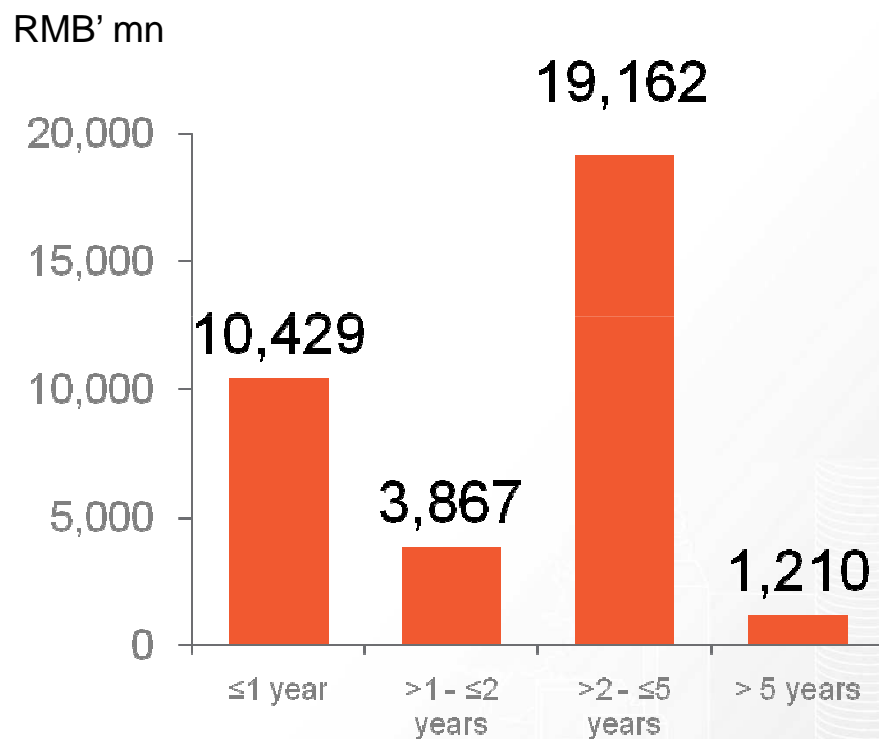
■ Average cost of debt of 2012: 7.1%

\*Gearing ratio as of 30 June 2012: 75%

# Debt Profile



## Debt Maturity – 70% Long-term Debt



- Committed un-drawn bank loan facilities as of 31 December 2012: RMB7.6 billion

## By Nature and Currency

Type of Debt	RMB' bn	% of the Total Debt
RMB Convertible Bonds	2.3	7%
RMB Synthetic Bonds	6.6	19%
SG\$ Bonds	1.3	4%
USD Bonds	5.7	16%
HKD Bank Loans	6.6	19%
USD Bank Loans	2.5	7%
RMB Bank Loans	9.7	28%
<b>Total</b>	<b>34.7</b>	<b>100%</b>



## 2012 Capital Expenditure (CAPEX)

- More capital allocated for construction



RMB' bn	2010	2011	2012	2013E
Construction Cost	2.8	4.7	5.5	8.0
% of total CAPEX	31%	36%	54%	73%
Land Premium	2.9	4.1	0.9	1.0
Relocation Cost	3.3	4.3	3.8	2.0
% of total CAPEX	69%	64%	44%	27%
Total CAPEX	9.0	13.1	10.2	11.0

# 2013 Contracted Sales Target – RMB11billion

## - RMB2.5 billion locked in the first two months of 2013



- RMB 9 billion from residential sales
- RMB 2 billion from commercial *en-bloc* sales

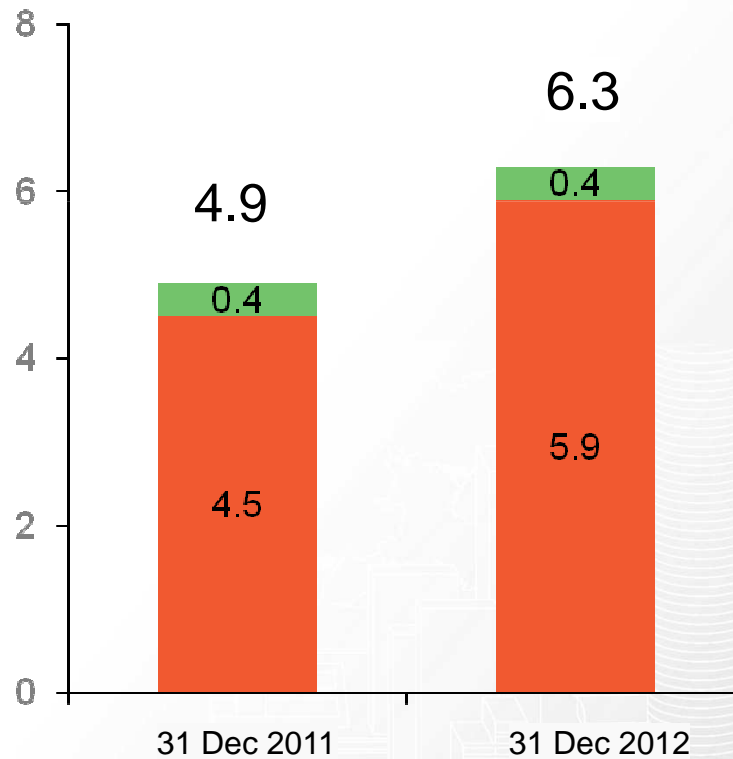
Residential projects	Product type	Under construction sq.m.	Completed sq.m.
<b>Shanghai RHXC - Jing Ting, Phase 5</b>	High-rises	117,700	-
<b>Shanghai KIC - Jiangwan Regency, Lot 311</b>	Townhouses, Mid-rises	11,900	-
<b>Wuhan Tiandi - Wuhan Tiandi B9, B11 and B13</b>	Without river view, Low/mid/high-rises	103,300	10,300
<b>Chongqing Tiandi - Riviera Phase 2-5</b>	With river view, Mid-rises Without river view, Low/mid/high-rises	83,700	51,900
<b>Foshan Lingnan Tiandi - Legendary and Regency Phase 1-3</b>	Low/mid/high-rises Townhouses	44,000 11,900	27,200 13,200
<b>Dalian Tiandi</b>	Mid/high-rises Villas	95,800	15,100 20,900
<b>Sub-total</b>		<b>468,300</b>	<b>138,600</b>
<b>Total</b>			<b>606,900</b>

# Locked-in Sales

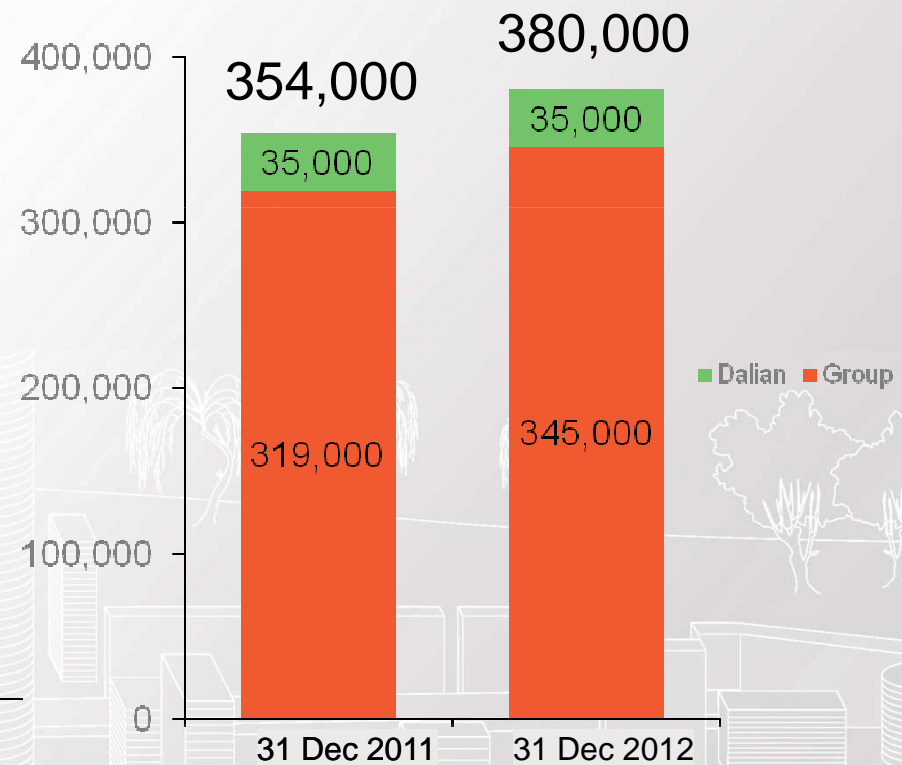


## Locked-in Sales

Sales (RMB' bn)



GFA (sq.m.)



- RMB2.5 bn contracted sales achieved in the first two months of 2013

## 1. 2012 Key Financial & Business Highlights

## 2. Business Updates

- First Three-Year Plan Review
- Second Three-Year Plan

# First Three-Year Plan Review



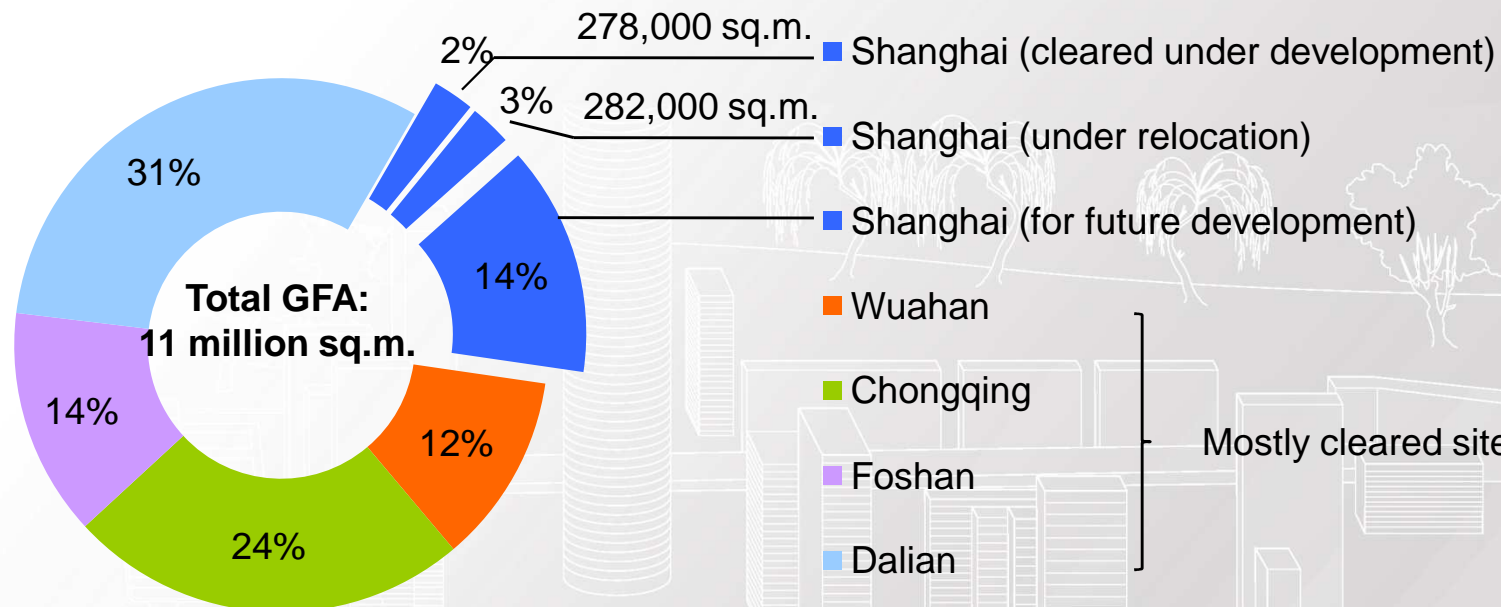
## Stringent Market Environment

- Frequent policy changes
- Home purchase restriction
- Tightened mortgage finance

## Management strategy

- Accelerate development
- Decentralisation (project-based)
- Standardisation & Customisation
- Cost Control (total headcount reduced by 14%)

## GFA available for development as of 31 December 2009



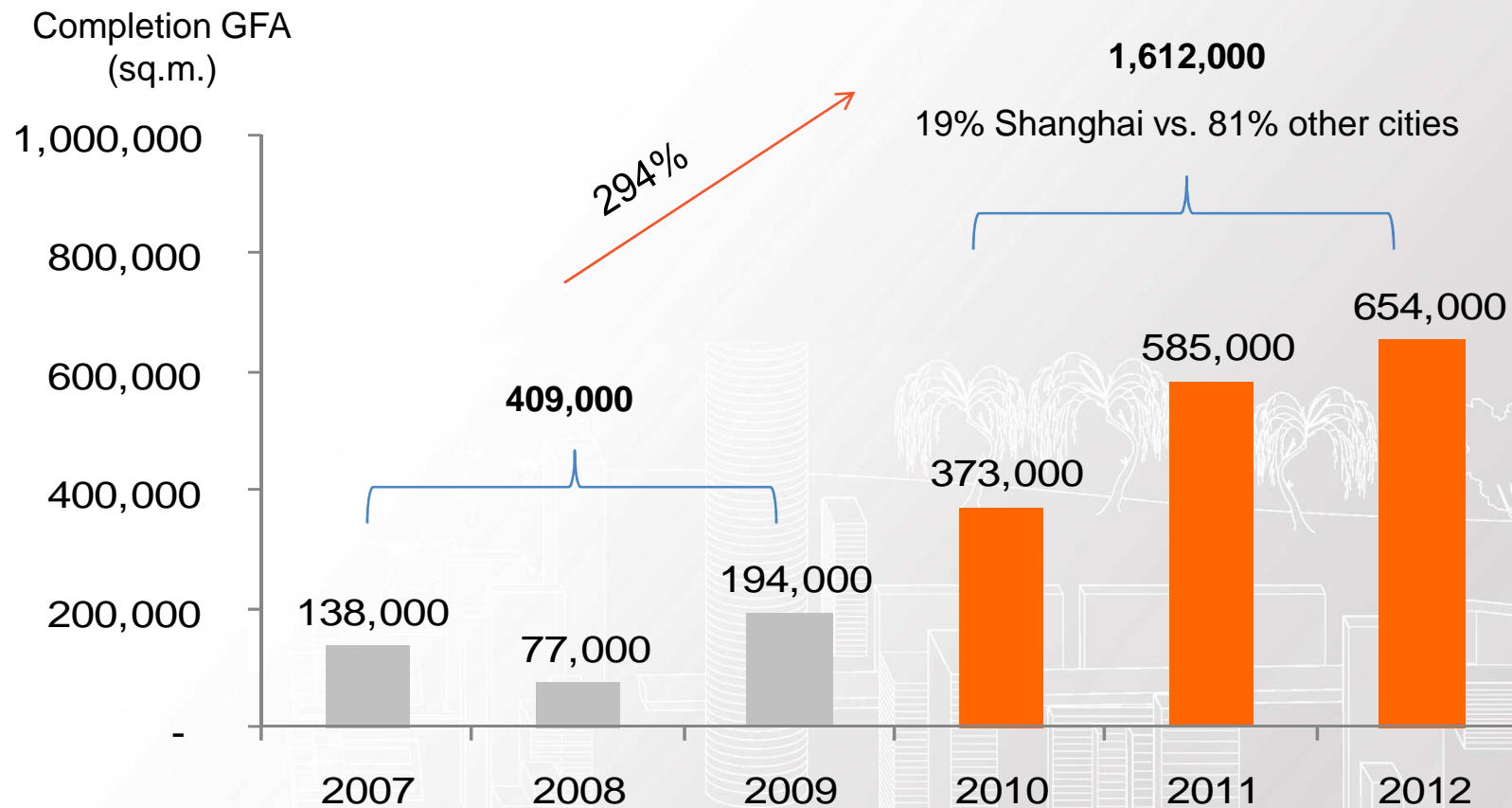


# First Three-Year Plan Review

## - Increased production and improved productivity



### Accelerated production but missed the 1 million sq.m. GFA completion target



# First Three-Year Plan Review

- New initiative: *en-bloc* sales of non-core commercial properties



## Contracted Sales GFA

sq.m. ('000)	2010	2011	2012	Total
General sales	272	221	260	753
En-bloc sales	-	306	5	311
Total	272	527	265	1,064

## Contracted Sales Amount

RMB' bn	2010	2011	2012	Total
General sales	5.0	5.9	5.5	16.4
En-bloc sales	-	4.8	0.2	5.0
Total	5.0	10.7	5.7	21.4

- *En-bloc* sales of non-core commercial properties enhanced the group's asset churn

Note: The figures included Dalian associates.

# First Three-Year Plan Review

- Increased prime located cleared-site in Shanghai





# First Three-Year Plan Review

## - Acquired new land in Shanghai in 2010



**Invested RMB4.5 billion for GFA 437,000 sq.m.**



### **THE HUB**

Total GFA: 278,000 sq.m.

Land Cost : RMB3.2 billion

Estimated gross development value: RMB12 billion

Estimated year of completion: 2013 - 2014



### **KIC Lot 311**

Total GFA: 159,000 sq.m.

Land Cost : RMB1.3 billion

Estimated gross development value: RMB6 billion

Estimated year of completion: 2013 - 2015

# First Three-Year Plan Review

## - Relocation completed during the first Three-Year Plan



**Invested RMB4.7 billion for GFA 292,000 sq.m.**



### **RHXC Lot 6**

Total GFA: 137,000 sq.m.

Paid relocation cost as of 31 Dec 2012 : RMB2.1 billion

Estimated gross development value: RMB6 billion

Estimated year of completion: 2014



### **TPQ Lots 126 & 127**

Total GFA: 155,000 sq.m.

Paid relocation cost as of 31 Dec 2012 : RMB2.6 billion

Estimated gross development value: RMB12 billion

Estimated year of completion: 2013 - 2014



# First Three-Year Plan Review

- Relocation started in 2011 and 2012 (under new relocation method)



**Invested RMB8.8 billion for GFA 659,000 sq.m.**



## **TPQ Lot 116**

Total GFA: 90,000 sq.m.

Relocation status: 85% completed as of 31 Dec 2012

Paid relocation cost as of 31 Dec 2012: RMB3.1 billion

Estimated gross development value: RMB9 billion

Estimated year of completion: 2015



## **RHXC Lots 2,3,9,10**

Total GFA: 569,000 sq.m.

Relocation status: 80% completed as of 31 Dec 2012

Paid relocation cost as of 31 Dec 2012: RMB5.8 billion

Estimated gross development value: RMB26 billion

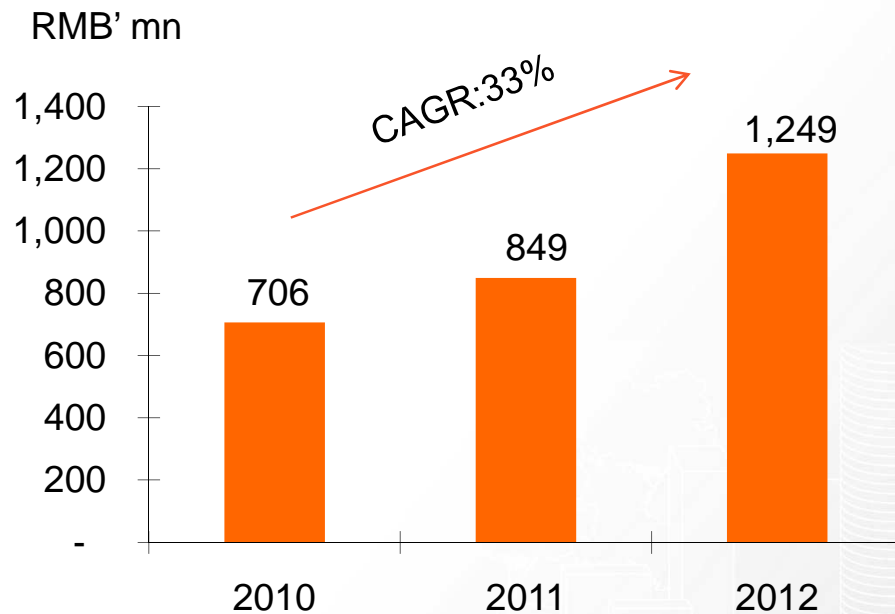
Estimated year of completion: 2015 - 2018

# First Three-Year Plan Review

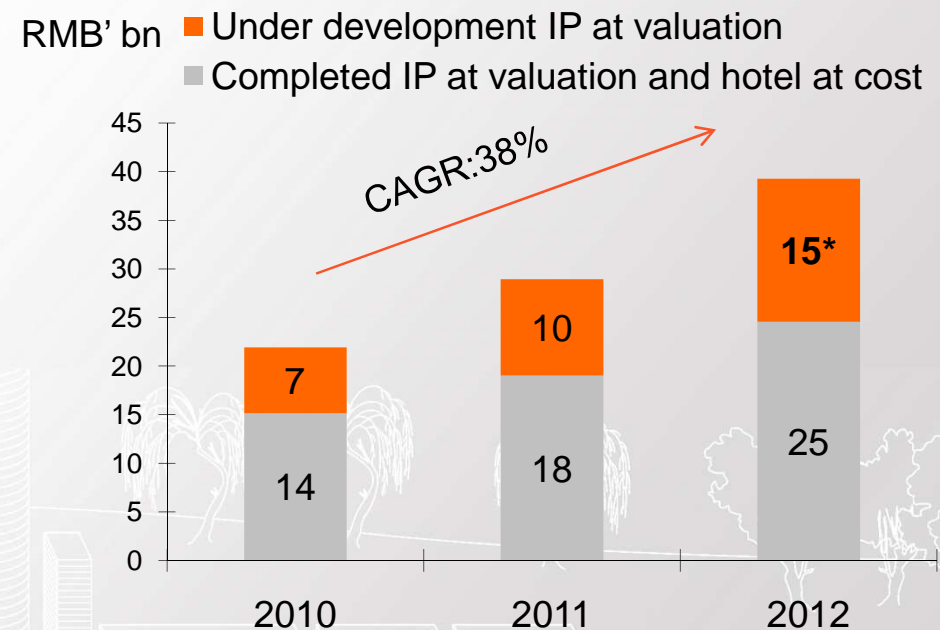
## - Heavily invested in investment properties portfolio



### Growing rental and related income



### Growing investment property portfolio



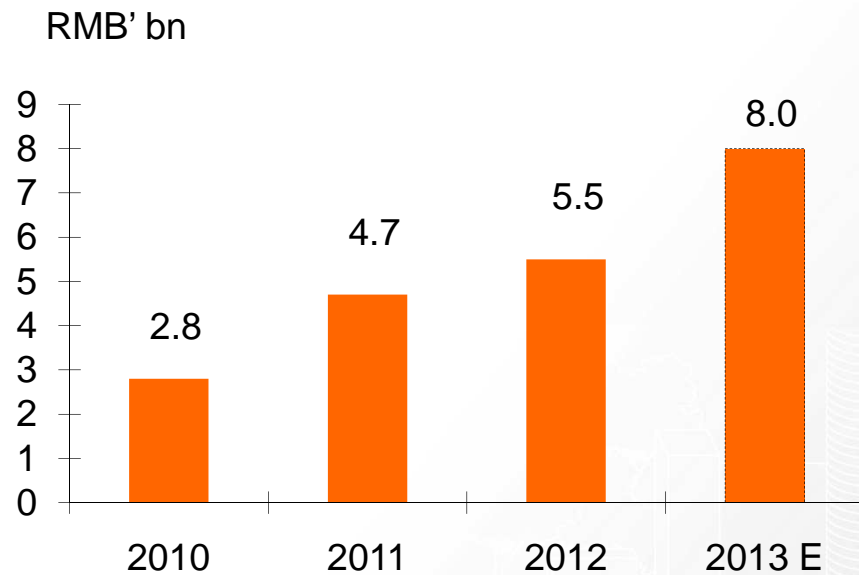
\*The estimated gross development value of the 1 million sq.m. of investment properties under development at valuation is RMB40 billion

# First Three-Year Plan Review

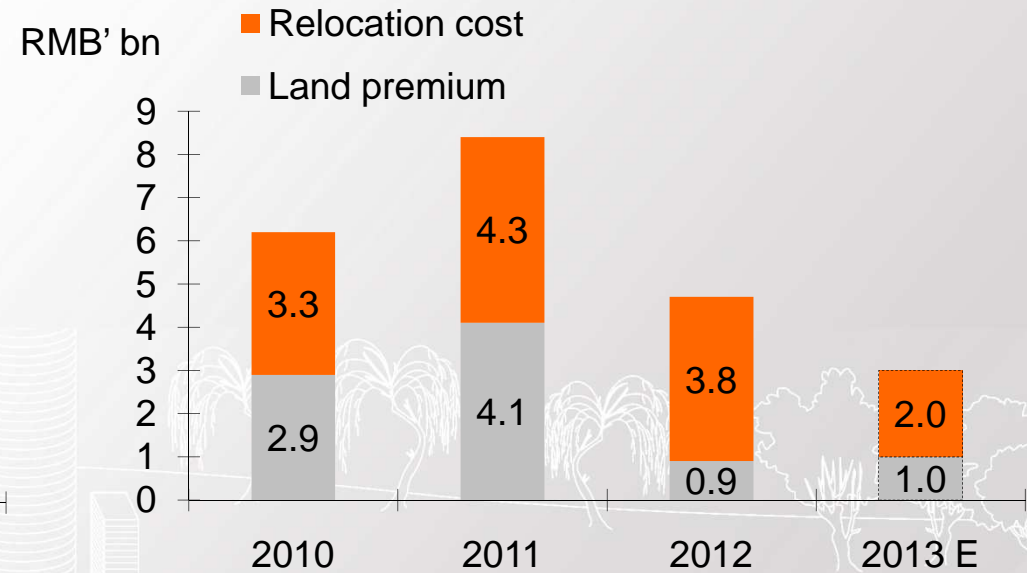
## - Increased construction CAPEX for more saleable resources



### Growing construction CAPEX

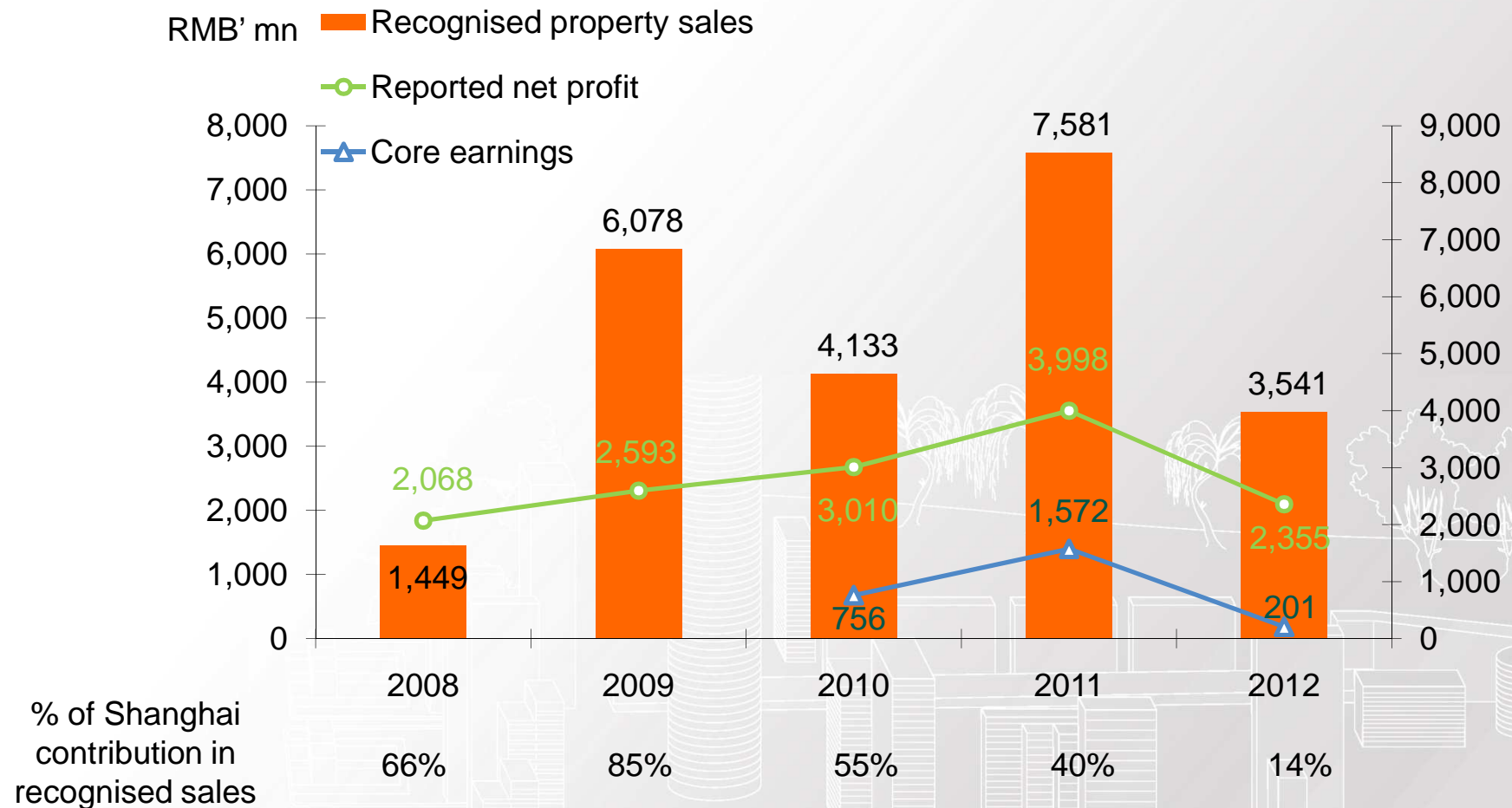


### Decreasing relocation & land cost



# First Three-Year Plan Review

## - Volatile recognised property sales & reported earnings





# First Three-Year Plan Review

## - Volatile turnover & reported earnings

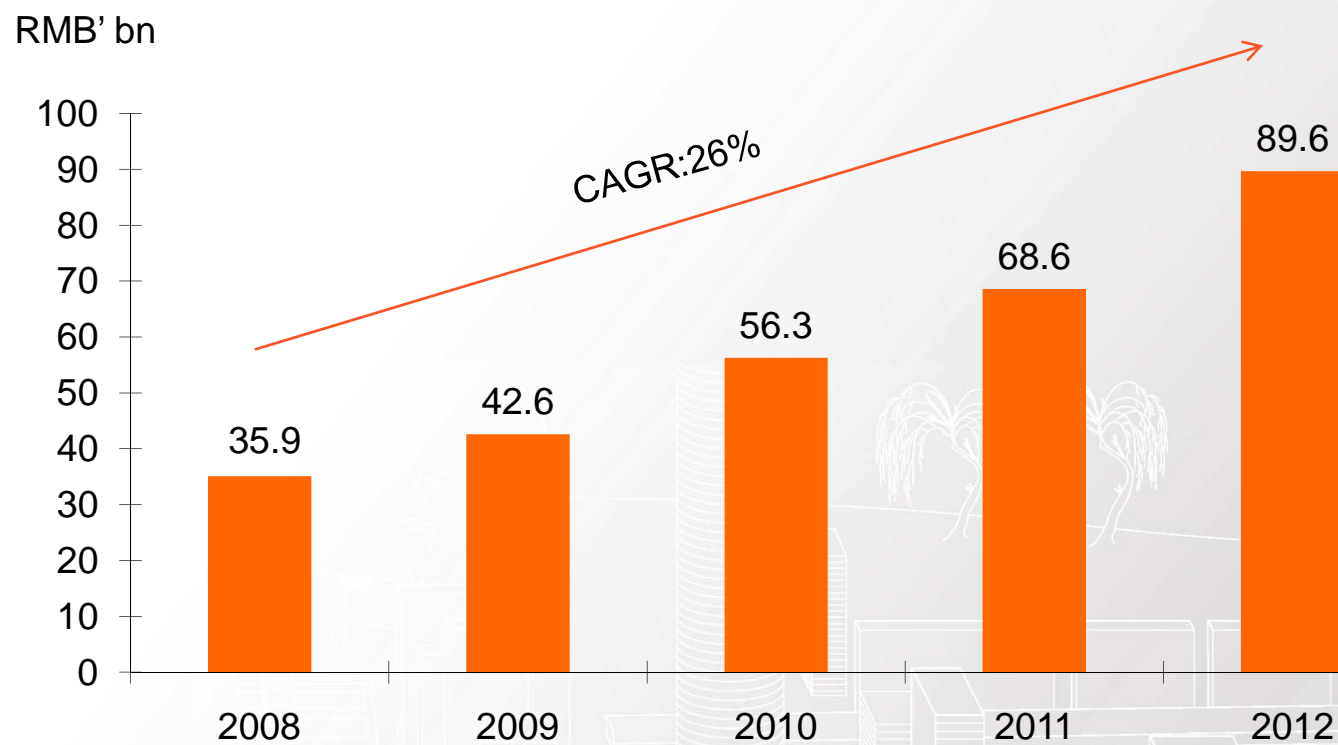


- Among the accumulated RMB**9.0** billion of reported earnings, only RMB**2.5** billion was included as core earnings
- Less Shanghai project contribution with higher margin
- Fair value gain from the investment property is yet to be realised



# First Three-Year Plan Review

## - Increased total asset value



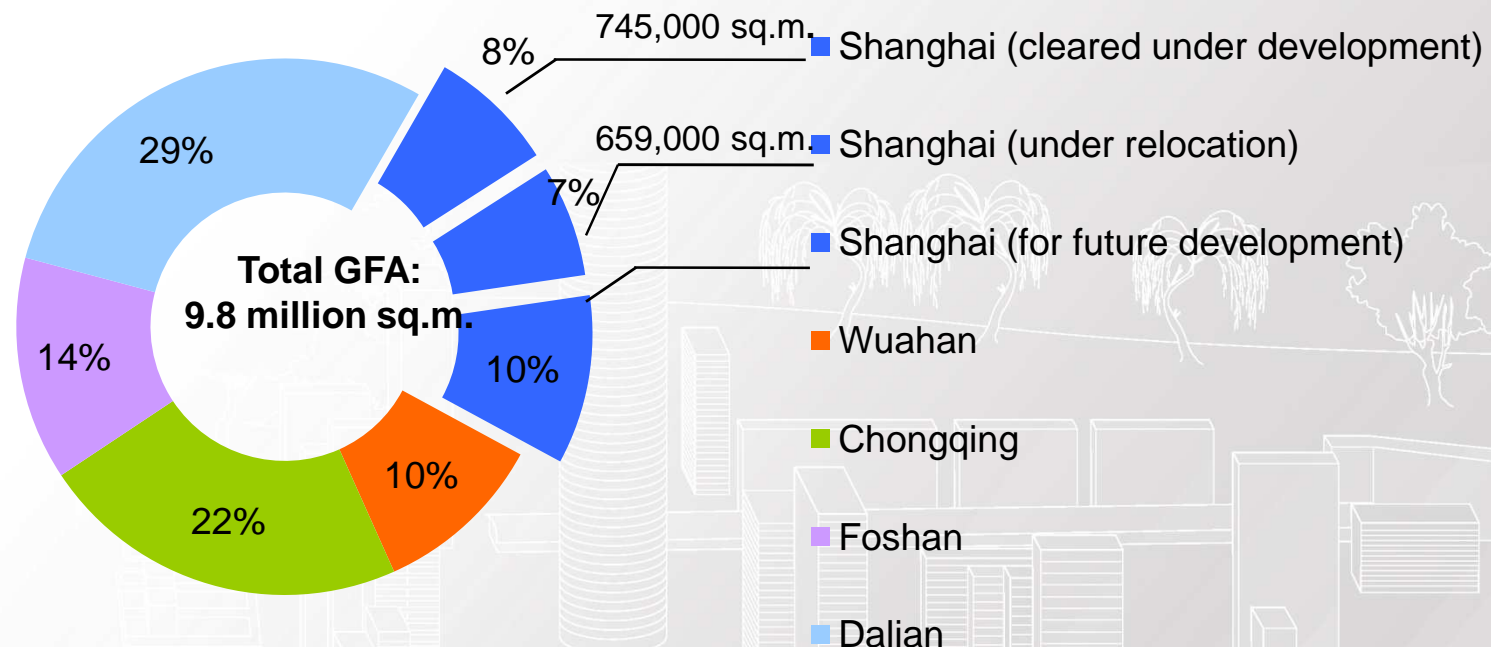
## Second Three-Year Plan (2013 - 2015)



### Challenging market environment & high gearing ratio

- Government policy remains tight
- High gearing ratio & finance cost
- Financial performance requires better capital allocation & earnings planning

### GFA available for development as of Dec 31 2012



# Strategies Under The Second Three-Year Plan



## Re-organisation of the two business streams

### SOL – Developer

Undertake development of existing quality residential and commercial landbank to realise profits and fast asset turnover

Relocation of Shanghai Taipingqiao & Rui Hong Xin Cheng

New land acquisition to increase saleable resources

- Good location and cleared-site
- Smaller sites that will allow for a shorter development cycle
- Primarily residential in the next 3 years

### China Xintiandi – Asset Management

Stable rental income to realise capital appreciation

CXTD began operation on 1 March 2013 as a separately managed, wholly-owned subsidiary of the Group

Spin-off in progress

**Strengthen earnings planning & deleveraging**

**Strengthen corporate level monitoring on development schedule**

# Product Line Standardisation



## ■ Development cost and schedule control

**Shorten  
development cycle**

Shorten product positioning, design and construction cycle during the earlier stage of project.

**Strengthen  
construction cost  
control**

Centralised purchasing of standardised materials; design changes during the development process  $\leq 5\%$ .

## ■ Broaden product lines for wider market catchment

**Expand product  
lines**

Expand product lines with unique brand appeal and core value, target mid-high end customers with designated product lines.

**Customisation &  
one-stop service**

Provide personalized & differentiated products and services to our customers.

# Development Schedule for 2013 and 2014

## - Increase saleable resources



### Residential property

GFA sq.m. (‘000)	2013	2014
Shanghai TPQ	-	-
Shanghai RHXC	-	118
Shanghai THE HUB	-	-
Shanghai KIC	53	-
Wuhan	54	56
Chongqing	77	124
Foshan	12	44
Dalian	33	91
<b>Total</b>	<b>229</b>	<b>433</b>

### Commercial property

GFA sq.m. (‘000)	2013	2014
Shanghai TPQ	73	82
Shanghai RHXC	-	19
Shanghai THE HUB	75	202
Shanghai KIC	-	101
Wuhan	1	149
Chongqing	336	10
Foshan	38	9
Dalian	41	1
<b>Total</b>	<b>564</b>	<b>573</b>

- GFA 191,000 sq.m. for residential and GFA 102,000 sq.m. for commercial were completed, will be for delivery in 2013 and beyond.
- Of the total GFA of commercial property to be completed in 2013 and 2014, 507,000 sq.m. from Shanghai KIC, Wuhan, Chongqing, Foshan are saleable depending on the price.



# Completed Investment Properties in Shanghai

- Carrying value at RMB19 billion



Shanghai Xintiandi, Xintiandi Style & Langham Xintiandi Hotel Retail Proton



Shanghai RHXC



Corporate Avenue Phase 1



Shui On Plaza



Shanghai KIC



# Hotel and Completed Investment Properties outside Shanghai

- Carrying value at RMB5 billion



**Wuhan Tiandi**



**Chongqing Tiandi**



**Foshan Lingnan Tiandi**



**Shanghai Langham Xintiandi Hotel & 88 Xintiandi Hotel**



**Marco Polo Lingnan Tiandi Foshan Hotel**





# Investment Properties Under Development at Valuation

- Estimated GDV RMB40 billion



**Corporate Avenue 2  
(Lots 126 & 127)**



**Wuhan Shopping Centre  
(Lots A1/2/3 Retail Podium)**



**THE HUB**



**Chongqing Office & Retail  
(Lot B11-1/02)**



# Thank You

## Q & A



# Disclaimer



- These materials are prepared by Shui On Land Limited (“SOL” or the “Company”) solely for information use during its presentation that should not be reproduced or redistributed to any other person without the permissions by SOL. By attending this presentation, you have agreed to be bound by the foregoing restrictions.
- It is not the intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the company’s financial or trading position or prospects. The information and opinions in these materials are provided as of the date of this presentation and are subject to change without notice. None of the Company nor any of its respective affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of these materials.
- The information in this material contains certain forward-looking statements. These include statements regarding outlook on future development schedules, business plans and expectations of capital expenditures. These statements are based on current expectations that involve a number of risks and uncertainties which could cause actual results to differ from those anticipated by the Company.
- The materials and information in the presentations and other documents are for informative purposes only, and should not be construed as constituting or forming part of, any advertisement of, or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities issued by the Company.

- Appendix 1
  - Additional Information of the Results
- Appendix 2
  - Company Introduction

# Recognised Property Sales

## - Project ASP remained stable



Project	Product Type	2012			2011			ASP
		Sales	GFA	ASP	Sales	GFA	ASP	Growth Rate
		RMB' mn	sq.m.	RMB/sq.m.	RMB' mn	sq.m.	RMB/sq.m.	%
<b>Shanghai Taipingqiao</b>	Low-rises	157	1,050	158,100	827	5,900	148,600	6%
<b>Shanghai RHXC</b>	High-rises	200	5,350	39,600	2,133	57,700	39,200	1%
<b>Shanghai KIC</b>	Soho Office	53	2,700	20,800	47	2,300	21,700	(4%)
	Office	-	-	-	528	14,400	38,900	-
<b>Wuhan Tiandi</b>	Site B Residential	1,087	52,800	21,800	-	-	-	-
	Site A Residential	151	4,700	34,100	1,491	49,100	32,200	6%
	Site A Office	-	-	-	858	58,800	15,500	-
<b>Chongqing Tiandi</b>	High-rises	1,184	115,300	13,300	1,083	107,300	13,400	(1%)
<b>Foshan Lingnan Tiandi</b>	Apartments & Retail	226	13,300	18,000	695	40,800	18,100	(1%)
	Townhouses	211	5,500	40,700	366	9,800	39,600	3%
<b>Subtotal</b>		<b>3,269</b>	<b>200,700</b>	<b>17,300</b>	<b>8,028</b>	<b>346,100</b>	<b>24,600</b>	<b>(30%)</b>
<b>Dalian Tiandi</b>	Mid/high-rises	414	38,000	11,600	-	-	-	-
	Villas	95	4,200	24,000	332	18,700	18,800	28%
<b>Carparks and others</b>		294	-	-	166	-	-	-
<b>Total</b>		<b>4,072</b>	<b>242,900</b>		<b>8,526</b>	<b>364,800</b>		

# Recognised Property Sales

## - Project ASP remained stable (Continued)



	2012			2011			ASP
	Sales	GFA	ASP	Sales	GFA	ASP	Growth Rate
	RMB' mn	sq.m.	RMB/sq.m	RMB' mn	sq.m.	RMB/sq.m	%
<b>Recognised as:</b>							
- <i>Property sales in turnover of the Group</i>	3,541	199,700	18,800	7,581	329,400	24,400	(23%)
- <i>Disposals of investment property</i>	22	1,000		613	16,700		
- <i>Turnover of associates</i>	509	42,200		332	18,700		
<b>Total</b>	<b>4,072</b>	<b>242,900</b>		<b>8,526</b>	<b>364,800</b>		



# Contracted Sales

## - Project ASP remained stable



Project	Product Type	2012			2011			ASP
		Sales	GFA	ASP	Sales	GFA	ASP	Growth Rate
		RMB' mn	sq.m.	RMB/sq.m	RMB' mn	sq.m	RMB/sq.m	%
<b>Shanghai Taipingqiao</b>	Low-rises	166	1,050	158,100	877	5,900	148,600	6%
<b>Shanghai RHXC</b>	High-rises	14	350	40,000	1,434	36,200	39,600	1%
<b>Shanghai KIC</b>	Offices	69	2,600	26,500	50	2,300	21,700	22%
	Residential	1,573	41,500	37,900	-	-	-	-
	En-bloc Offices & Retail	170	4,600	37,000	600	14,400	41,700	(11%)
<b>Wuhan Tiandi</b>	Site A Residential & Retail	123	3,300	37,300	1,618	50,500	32,000	17%
	Site B Residential	1,376	62,500	22,000	-	-	-	-
	En-bloc Offices & Retail	-	-	-	963	58,800	16,400	-
<b>Chongqing Tiandi</b>	High-rises	792	75,800	12,700	903	79,900	13,700	(7%)
	En-bloc Offices & Retail	-	-	-	3,232	233,200	13,900	-
<b>Foshan Lingnan Tiandi</b>	Low/mid-rises & Retail	493	25,400	19,400	47	2,400	19,500	(1%)
	Townhouses	227	5,600	40,500	432	10,800	39,900	2%
<b>Subtotal</b>		<b>5,003</b>	<b>222,700</b>	<b>22,500</b>	<b>10,156</b>	<b>494,400</b>	<b>20,500</b>	<b>10%</b>
<b>Dalian Tiandi</b>	Mid/high-rises	387	38,700	10,000	341	29,600	11,500	(13%)
	Villas	84	3,500	23,800	82	3,500	23,200	3%
<b>Carparks and others</b>		258			88			
<b>Total</b>		<b>5,732</b>	<b>264,900</b>	<b>21,600</b>	<b>10,667</b>	<b>527,500</b>	<b>20,200</b>	<b>7%</b>

# Occupancy Rate of Completed Investment Properties



Project		Usage	Leasable GFA (sq.m.)	Occupancy rate as of 31 Dec		
				2012	2011	2010
<b>Shanghai Taipingqiao</b>	Xintiandi & Xintiandi Style	Retail/Office	79,000	100%	98%	91%
	Corporate Avenue Phase 1	Retail/Office	83,000	100%	100%	99%
	Shui On Plaza	Retail/Office	58,000	100%	N/A	N/A
	Langham Hotel – Shops	Retail	1,000	N/A	N/A	N/A
<b>Shanghai RHXC</b>	The Palette Phase 1 - 4 *	Retail	47,000	94%	97%	100%
<b>Shanghai KIC</b>	Village R1 and R2	Retail/Office	30,000	84%	75%	39%
	Plaza Phase 1	Retail/Office	50,000	84%	77%	81%
	Plaza Phase 2	Retail/Office	49,000	77%	79%	17%
	Plaza C2	Retail/Office	42,000	54%	33%	N/A
<b>Hangzhou Xihu Tiandi</b>	Phase 1	Retail	6,000	100%	100%	100%
<b>Wuhan Tiandi</b>	Lot A4-1	Retail	16,000	91%	98%	94%
	Lots A4-2 and 3	Retail	30,000	84%	91%	70%

\*Progressively completed during 2010 and 2012

# Occupancy Rate of Completed Investment Properties (Continued)



Project		Usage	Leasable GFA (sq.m.)	Occupancy rate as of 31 Dec		
				2012	2011	2010
<b>Chongqing Tiandi</b>	Lot B3/01 Phase 1 - Upper and Low Village	Retail	10,000	97%	100%	98%
	Lot B3/01 Phase 2 - Main buildings	Retail	39,000	69%	59%	45%
	The Riviera Phase 1	Retail	2,000	94%	100%	100%
	The Riviera Phase 2 (Stage 1)	Retail	2,000	91%	96%	N/A
	The Riviera Phase (Stage 2&3)	Retail	5,000	N/A	N/A	N/A
	The Riviera Phase 3	Retail	6,000	N/A	N/A	N/A
<b>Foshan Lingnan Tiandi</b>	Lot 1 Phase 1	Retail	16,000	87%	22%	N/A
	Marco Polo Lingnan Tiandi Foshan Hotel (Lot D)	Retail	14,000	N/A	N/A	N/A

# Increased Cleared Site in Shanghai Under Development



**Increased GFA of 729,000 sq.m. under development, estimated gross development value (“GDV”) of RMB37 billion**

## New Land Acquisition in Shanghai in 2010

Project	Product Type	Total GFA (sq.m.)	Land Cost RMB mn	Estimated gross development value RMB mn	Estimated year of completion
KIC Lot 311	Residential/ Office/Retail/Hotel	159,000	1,264	6,500	2013 – 2015
THE HUB	Office/Retail/ Hotel	278,000	3,188	12,000	2013 – 2014
<b>Total</b>		<b>437,000</b>	<b>4,452</b>	<b>18,500</b>	

## Relocation completed during The First Three-Year-Plan ( under old relocation method - one on one negotiation)

Lot	GFA sq.m.	Type	Year of relocation started	Year of relocation completed	Total relocation cost paid as of 31 Dec 2012 RMB' mn	Estimated gross development value RMB' mn
RHXC Lot 6	137,000	Residential & Retail	2005	2011	2,094	6,200
TPQ Lot 126	73,000	Office & Retail	2007	2011	1,109	5,800
TPQ Lot 127	82,000	Office & Retail	2007	2012	1,502	6,600
<b>Total</b>	<b>292,000</b>				<b>4,705</b>	<b>18,600</b>



# Site under Relocation in Shanghai



Relocation started in 2011 and 2012 (under new relocation method – two rounds of consultation and legal arbitration)

Lot	GFA sq.m.	Type	% of relocation completed as of 31 Dec 2012	Year of relocation started	Estimated year of relocation completed	Total relocation cost paid as of 31 Dec 2012 RMB 'mn	Estimated outstanding relocation cost RMB 'mn	Estimated gross development value RMB' mn
TPQ Lot 116	90,000	Residential	85%	2010	2013	3,073	900	9,000
RHXC Lot 3	72,000	Retail & Hotel	92%	2009	2013	1,477	279	3,200
RHXC Lot 9	84,000	Residential & Retail	83%	2010	2013	1,439	500	3,800
RHXC Lot 2	105,000	Residential & Retail	76%	2010	2013	1,314	545	4,700
RHXC Lot 10	308,000	Office & Retail	77%	2010	2014	1,548	1,691	14,000
<b>Total</b>	<b>659,000</b>		<b>80%</b>			<b>8,851</b>	<b>3,915</b>	<b>34,700</b>

- Appendix 1
  - Additional Information of the Results
- Appendix 2
  - Company Introduction

# Shanghai Taipingqiao

## - Large-scale mixed-use city center development



Xintiandi – Entertainment Area



Corporate Avenue – Grade A Office Tower



High-end Residential



Shopping Centre



Man-made Lake

# The Creation of “Tiandi”



## 1. Identify Strategic Locations

### Preserving Heritage in High Growth Cities

- Old town development in good locations, in line with government policies
- Greater flexibility in development schedule

## 2. Master Planning

### Designing the new community

- Strategically develop new communities by keeping local heritage
- Well planned construction order to create people traffic
- Master planning in each city to make it a unique landmark

Stage One

Stage Two and After

## 3. Develop Entertainment Area

### The “Tiandi” brand

- Developing high-end restaurants and shops blended with local heritage and tranquil amenities like parks and lakes under the “Tiandi” brand
- This creates an attraction and builds a landmark in the city

## 4. Build Residential Local High-end Customers

- Targeting high-end segments
- Provide a ‘Live-Work-Play’ community to the home buyers
- High delivery standard: fully fitted move-in condition
- Club house and sports facilities

## 5. Develop Commercial Offices and Shopping Malls

- Development of commercial buildings for recurrent and growing rental income
- Ongoing asset value appreciation through the community development
- Alternative funding channel through mortgage financing

Typically Takes 2–3 Years for Each Phase to Complete

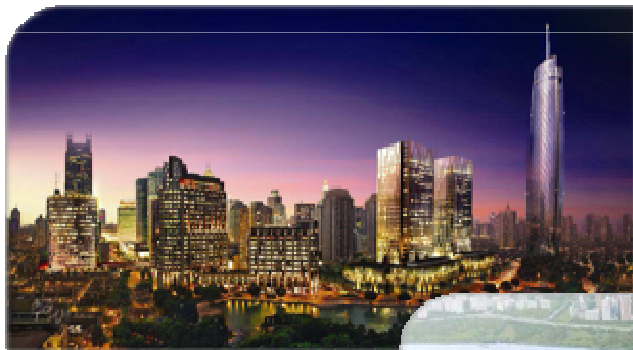


# Tiandi - Unique Business Model

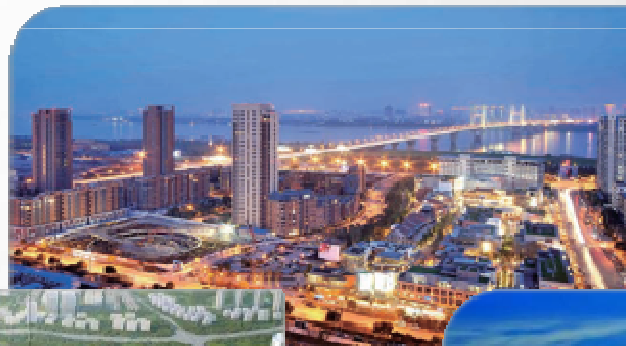


## Large Scale, Mixed-use City Center Community Developments in High Growth Cities

- A harmonious blend of premium retail areas, offices and luxurious residential with tranquil amenities like parks and lakes
- Preservation of local heritage and architecture
- Landmark of the city
- Live-Work-Play communities



Shanghai



Wuhan



Chongqing



Foshan

# Experienced Management Team

## - Over 27 Years of Operations in China



**Mr. Vincent H. S. Lo**

Chairman and Executive Director



**Mr. Lo has won various awards:**

- The Gold Bauhinia Star in 1998 and The Justice of the Peace in 1999 by HKSAR Government
- The Chevalier des Arts et des Lettres by the French government in 2005
- The “Ernst & Young Entrepreneur of The Year 2009” in the China Real Estate Category and Country award winner
- The lifetime Achievement Award for leadership in Property Sector by the 4<sup>th</sup> World Chinese Economic Forum

**Mr. Freddy C. K. Lee**

Executive Director, Managing Director and CEO



**Mr. Lee:**

- Member of the Royal Institution of Chartered Surveyors in the UK
- Member of the Hong Kong Institute of Surveyors
- Has over 15 years of working experience in construction management and 12 years of working experience in property development in the PRC
- Joined the Shui On Group in 1986
- Appointed as CEO in March 2011

**Mr. Daniel Y. K. Wan**

Executive Director, Managing Director and CFO



**Mr. Wan:**

- Former General Manager and Group CFO of The Bank of East Asia prior to joining the Company
- Former member of the Accounting Standards Advisory Panel and former member of the Auditing Standards Committee of the Hong Kong Society of Accountants
- Former Chairman of the Investment Committee of the Travel Industry Compensation Fund
- Over 20 years of senior management experience in the financial industry



**Mr. Charles Chan**

Executive Director  
Shui On Development Ltd  
Shanghai KIC and Dalian Tiandi



**Mr. Ka-Wah Tang**

Executive Director  
Shui On Development Ltd  
Chongqing Tiandi



**Mr. Bryan Chan**

Project Director  
THE HUB



**Mr. Alex Wong**

Project Director  
Foshan Lingnan Tiandi



**Ms. Jessica Wang**

Project Director  
Shanghai Rui Hong Xin Cheng



**Mr. Matthew Guo**

Project Director  
Wuhan Tiandi

# Expertise Across All Disciplines



**Mr. Frankie Y.L. Wong**  
Non-executive Director



- Previously the Vice Chairman and CEO of SOCAM Development Limited
- Joined the Shui On Group in 1981
- Non-executive Director of Walcom Group Limited
- Independent Non-executive Director of Solomon Systech (International) Limited
- Director of Sichuan Shuangma Cement Co. Ltd

**Sir John R. H. Bond**  
Independent Non-executive Director



- Served as an INED of the Company since September 2006
- Previously the Group Chairman of HSBC Holdings plc and the Chairman of Vodafone Group Plc
- Currently the Chairman of Xstrata plc

**Dr. William K. L. Fung**  
Independent Non-executive Director



- Served as an INED of the Company since May 2006
- Group Chairman of Li & Fung Limited
- Independent Non-executive Director of VTech Holdings Limited, Sun Hung Kai Properties Limited and The Hongkong and Shanghai Hotels, Limited
- Independent Director of Singapore Airlines Limited.

**Professor Gary C. Biddle**  
Independent Non-executive Director



- Served as an INED of the Company since May 2006
- Independent Non-executive Director of Kingdee International Software Group Company Limited
- His research appears in the premier academic journals globally and in financial publications

**Dr. Roger L. McCarthy**  
Independent Non-executive Director



- Served as an INED of the Company since May 2006
- Currently the principal of McCarthy Engineering
- Appointed by the first President Bush to the President's Commission on the National Medal of Science
- Member of the US National Academies Panel on Air and Ground Vehicle Technology

**Mr. David J. Shaw**  
Independent Non-executive Director



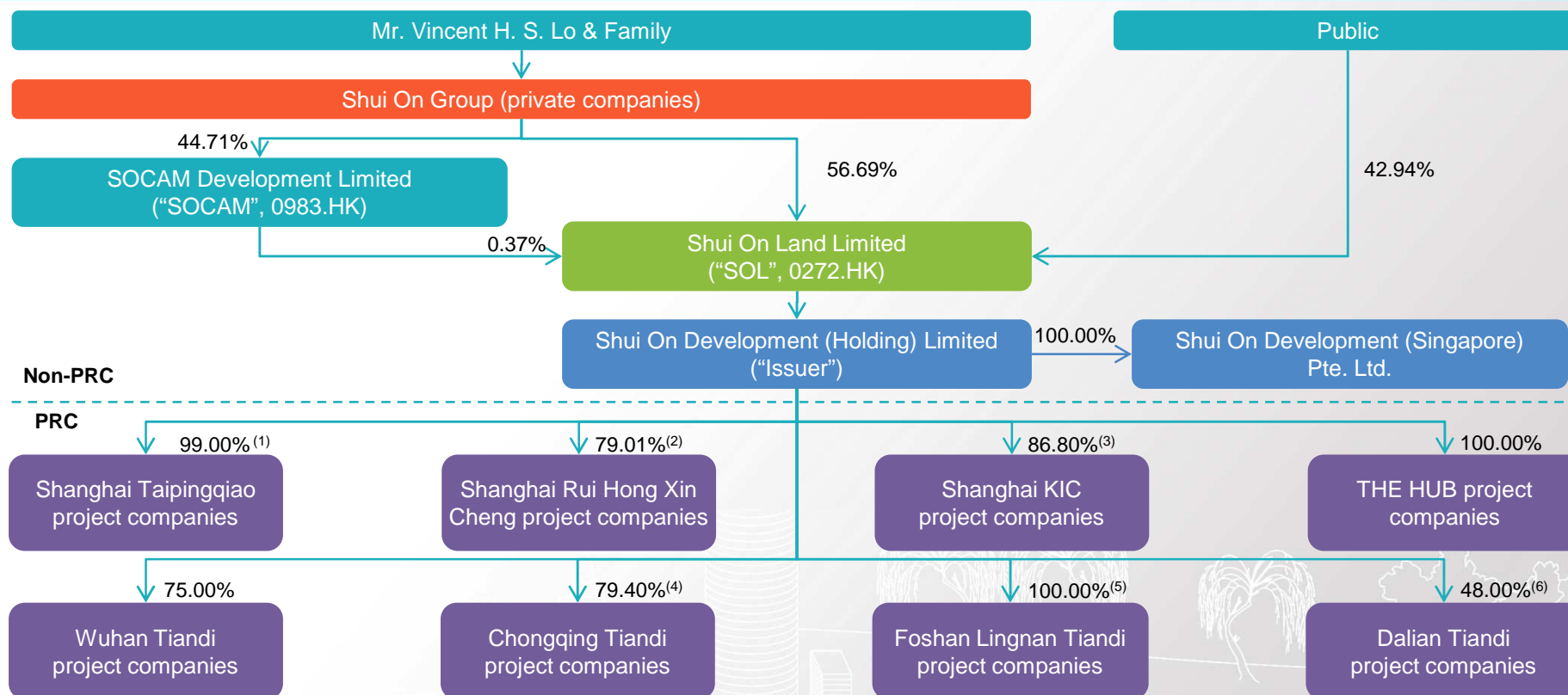
- Served as an INED of the Company since May 2006
- Adviser to the Board of HSBC Holdings plc
- Non-executive Director of HSBC Private Banking Holdings (Suisse) SA
- Independent Non-executive Director of Kowloon Development Company Limited

## World Class Corporate Governance

- Strong corporate governance procedures and internal controls in place
  - Remuneration Committee (comprises Mr. Lo and 2 independent non-executive directors ("INEDs"))
  - Audit Committee (comprises 3 members 2 of whom are INEDs)
  - Finance Committee (comprises 7 members, 3 of whom are INEDs)
  - Nomination Committee (comprises Mr. Lo and 2 INEDs)
- Out of the 9 board members, 5 are INEDs
- Separation of the role of Chairman and CEO

# Simplified Corporate Structure

## - As of 28 February 2013

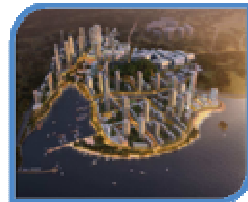


### Notes:

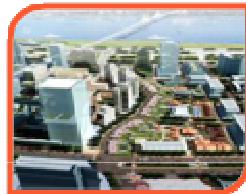
- 1 The Group has a 99.0% interest in all the remaining lots, except for Shanghai Xintiandi, Shui On Plaza, Langham Xintiandi Hotel and Lot 116, in which the Group has a 97.0%, 80.0%, 66.7% and 50.0% effective interest respectively.
- 2 The Group has a 79.0% interest in Shanghai Rui Hong Xin Cheng, except for Phase 1, Lots 167A and 167B in which the Group has a 79.81% interest, and the non-retail portion of Lot 6 in which the Group has a 99.0% interest.
- 3 The Group has a 86.8% interest in all the remaining lots, except for Lot 311 in which the Group has a 99.0% effective interest.
- 4 The Group has a 59.5% effective interest in super high rise project (Lot B11-1/02) and a 79.4% effective interest in the remaining properties of Chongqing Tiandi.
- 5 The Group has a 100% interest in Foshan Lingnan Tiandi, except for Lot 6, Lot 16, Lot 18. For Lots 6 and 16, the Group has 55.9% effective interest and the joint venture partner, Mitsui Fudosan Residential Co., Ltd. ("Mitsui") has 44.1% effective interest. Pursuant to another sale and purchase agreement, the Group sold 45.08% effective interest in Lot 18 to Mitsui. The transaction was completed on 4 February 2013.
- 6 Dalian Tiandi is expected to have a landbank of 3.6 million sq.m. in GFA. As of 31 December 2012, approximately 3.3 million sq.m. had been acquired. The remaining GFA of approximately 0.3 million sq.m. is expected to be acquired through public bidding in due course. The Group has 48.0% effective interest in Dalian. It's an associated company of the Group.



# Quality Landbank in High Growth Cities



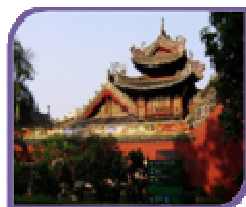
**Dalian**  
3.1mn sq.m.



**Wuhan**  
1.1mn sq.m.



**Chongqing**  
2.4mn sq.m.



**Foshan**  
1.5mn sq.m.

**Total Landbank\*:**  
GFA 11.0 mn sq.m.



**Shanghai  
Taipingqiao**  
1.0mn sq.m.



**Shanghai  
RHXC**  
1.3mn sq.m.



**Shanghai  
KIC**  
0.3mn sq.m.



**THE HUB**  
0.3mn sq.m.

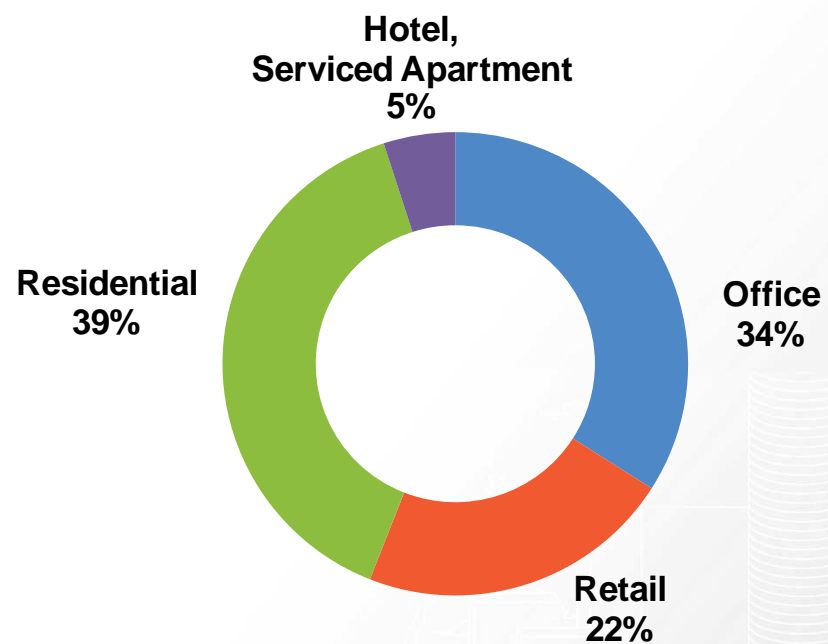
**Completed property:** GFA 1.2mn sq.m.  
**Under development:** GFA 3.8mn sq.m.  
**Future development:** GFA 6.0mn sq.m.

\* Total leasable and saleable landbank excluding 2.2 million sq.m. of clubhouse, carpark and other facilities

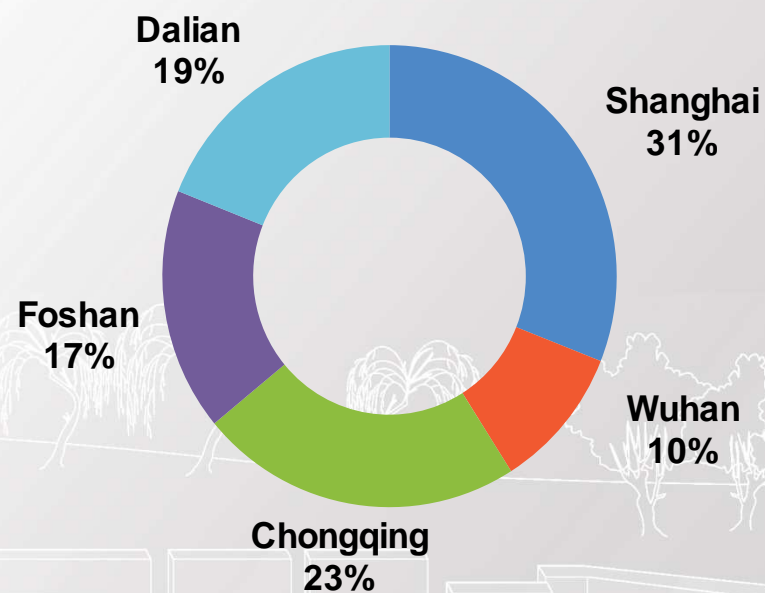
# Superior and Diversified Landbank



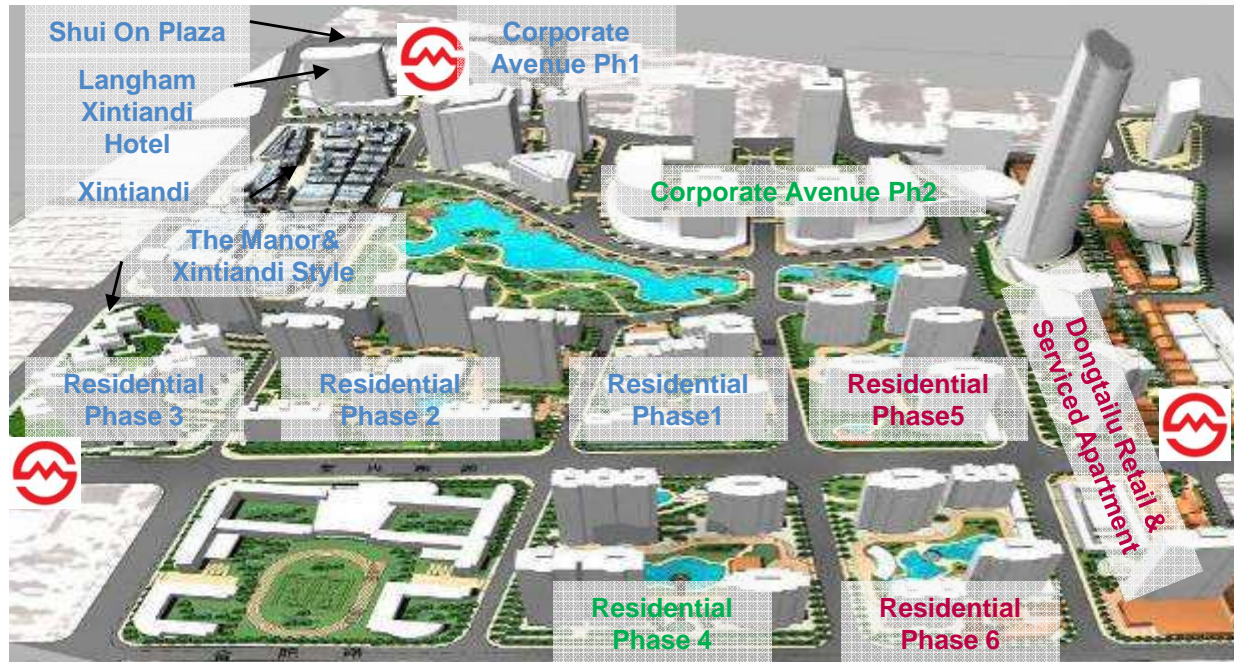
Attributable GFA by Property Type



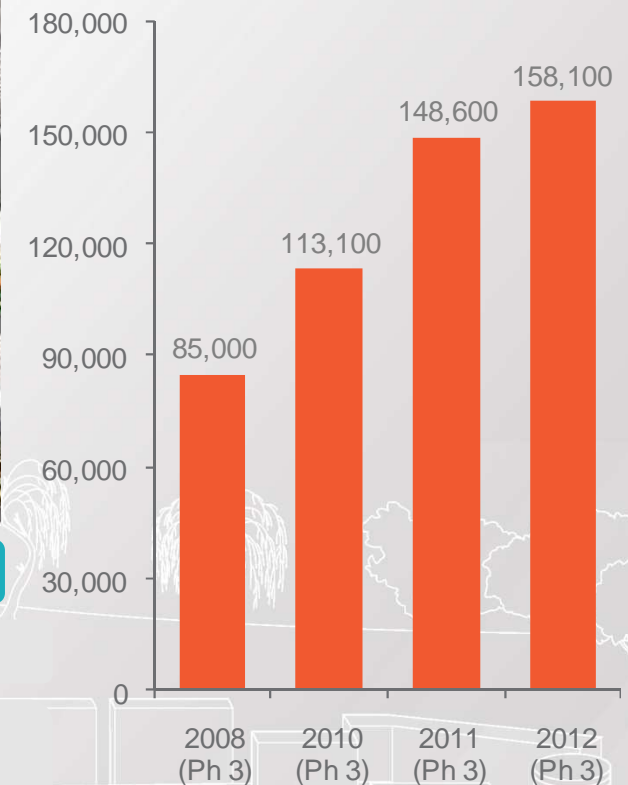
Attributable GFA by City



# Shanghai Taipingqiao



## Residential ASP (RMB/sq.m.)



## Project Information (representing leasable & saleable GFA)

### Total Project GFA

1,253,000 sq.m.

### Completed Properties

253,000 sq.m. Sold & Delivered (Residential Ph 1-3)  
259,000 sq.m. Investment Properties (Xintiandi, Xintaindi Style, Corporate Avenue Ph 1, Langham Xintiandi Hotel and retail and Shui On Plaza)

### Properties Under Development

245,000 sq.m. Corporate Avenue 2, Residential Ph 4

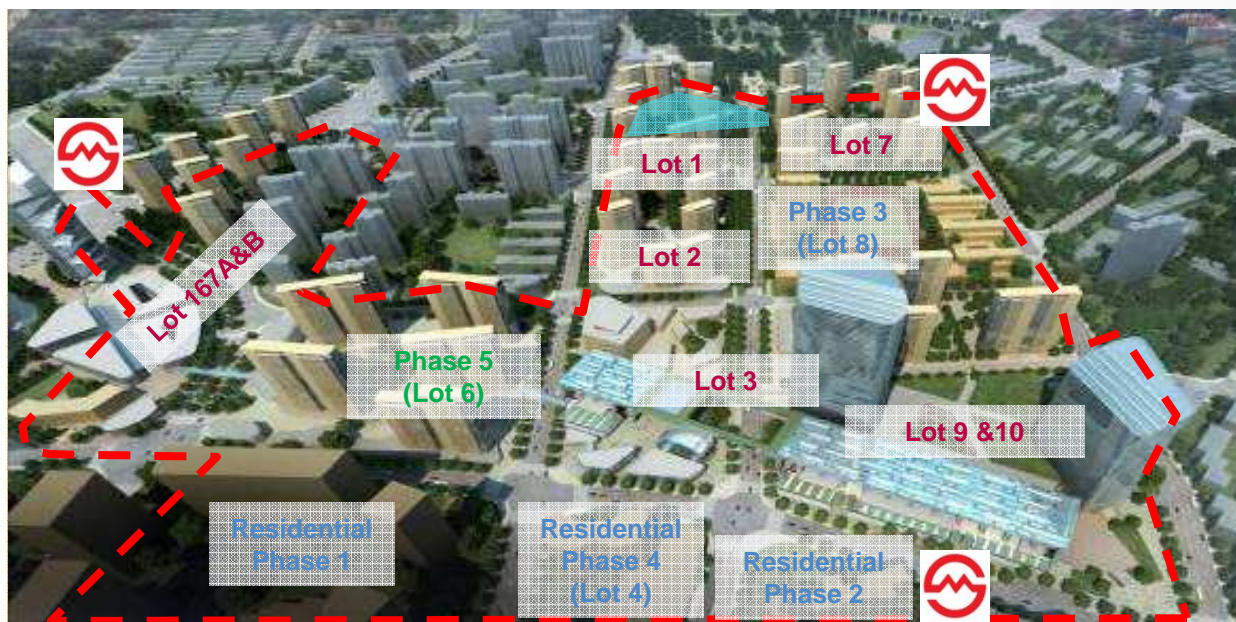
### Properties for Future Development

496,000 sq.m. Residential Ph 5-6, Office, Retail, Serviced Apt

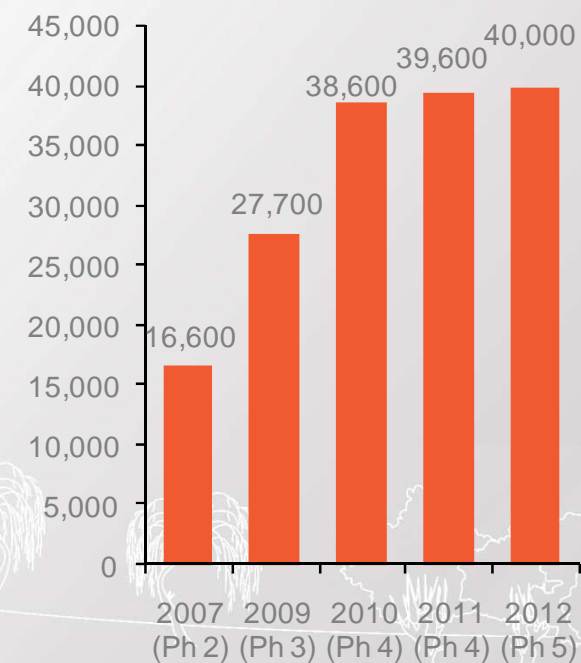
Note: Launched Ph 1 & 2 in 2002 & 2006 with ASP at RMB20,000/sq.m. and RMB55,000/sq.m., respectively



# Shanghai Rui Hong Xin Cheng (“Rainbow City”)



**Residential ASP**  
(RMB/sq.m.)



Note: Launched Ph 1 in 1997 with ASP at RMB6,800/sq.m.

## Project Information (representing leasable & saleable GFA)

### Total Project GFA

1,704,000 sq.m.

### Completed Properties

451,000 sq.m. Sold & Delivered (Residential Ph 1-4)  
47,000 sq.m. Investment Properties (Ph 1-4)

### Properties Under Development

137,000 sq.m. Residential Ph 5, Retail

### Properties for Future Development

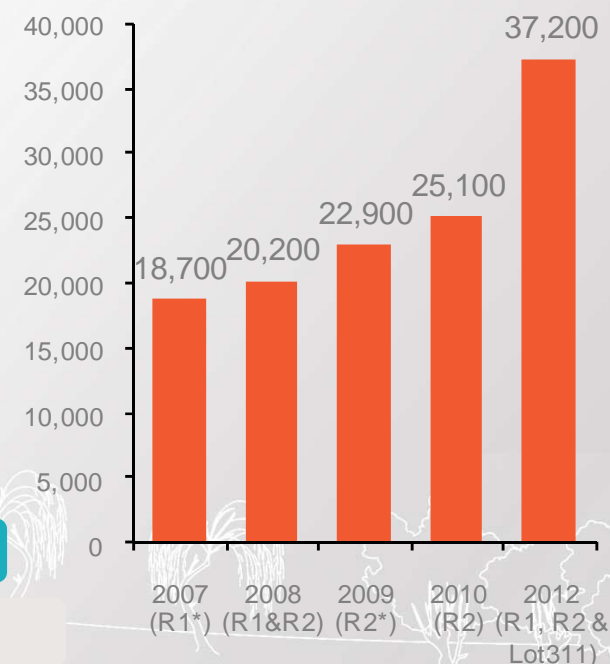
1,069,000 sq.m. Residential, Office, Retail, Hotel  
(Lots 2, 3, 9, 10 – 569,000 sq.m. under relocation)



# Shanghai Knowledge & Innovation Community (“KIC”)



**Properties ASP**  
(RMB/sq.m.)



## Project Information (representing leasable & saleable GFA)

### Total Project GFA

**497,000 sq.m.**

### Completed Properties

**150,000 sq.m.** Sold & Delivered (KIC village, C2 Lot 5-5 Office and Retail)

**171,000 sq.m.** Investment Properties (Plaza Ph 1 & 2, Village R1 & R2, C2)

### Properties Under Development

**176,000 sq.m.** Lot 311 Residential, Office, Retail and Hotel  
Lot 12-8 Office

Note: En-bloc sales of KIC C2 Lot 5-5 office & retail in 2011 and 2012 with ASP at RMB41,700/sq.m. and RMB37,000/sq.m., respectively.

\* ASP of property sales of Village R1 & R2



# THE HUB



## Project Information (representing leasable & saleable GFA)

Total Project GFA

277,000 sq.m.

Properties Under Development

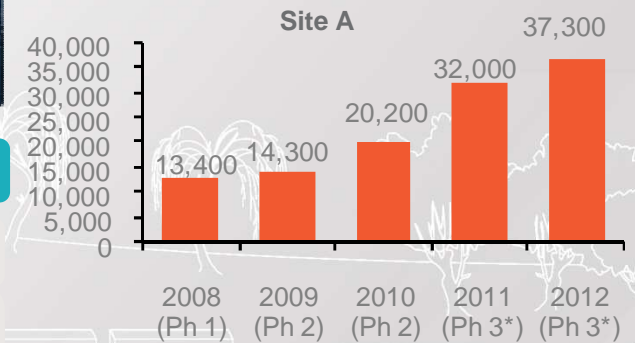
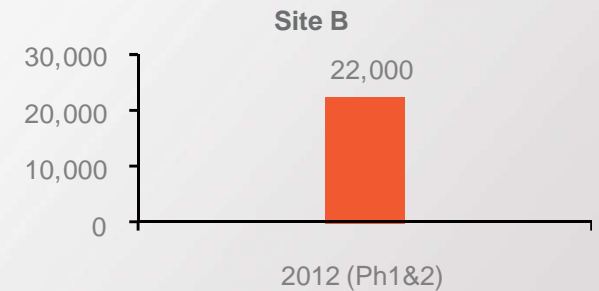
277,000 sq.m. Office, Retail, Exhibition and Hotel



# Wuhan Tiandi



## Residential ASP (RMB/sq.m.)



\*Mainly from Riverfront Low/high-rises and townhouses

## Project Information (representing leasable & saleable GFA)

### Total Project GFA

1,396,000 sq.m.

### Completed Properties

**318,000 sq.m.** Sold & Delivered (Site A Residential Ph 1-3, Office A5, Site B Residential Ph 1)  
**14,000 sq.m.** Sold yet to be delivered, and available for sale  
**46,000 sq.m.** Investment Properties (Wuhan Tiandi A4-1, 2&3)

### Properties Under Development

**513,000 sq.m.** Residential Ph 2-3 in Site B, Shopping Centre, Office Tower and Hotel Properties (Lots A1/2/3)

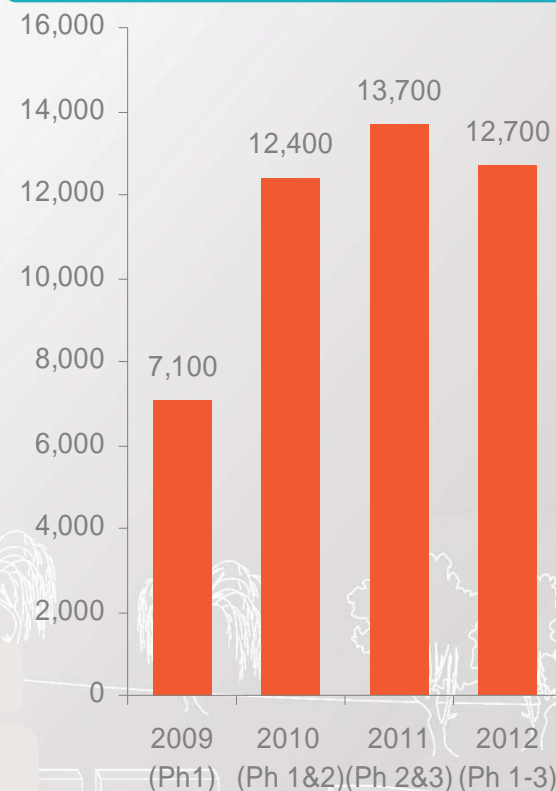
### Properties for Future Development

**505,000 sq.m.** Remaining Areas in Site B, Commercial Zone

# Chongqing Tiandi



## Residential ASP\* (RMB/sq.m.)



## Project Information (representing leasable & saleable GFA)

### Total Project GFA

2,788,000 sq.m.

### Completed Properties

359,000 sq.m. Sold & Delivered (Residential Ph 1, Ph 2, Ph 3)  
82,000 sq.m. Sold yet to be delivered, and available for sale  
164,000 sq.m. Investment Properties (Chongqing Tiandi B3/01, Residential Ph1-3 retail shops, B12/01 office and retail)

### Properties Under Development

1,209,000 sq.m. Residential Ph 4-5, Office, Retail, Hotel

### Properties for Future Development

974,000 sq.m. Residential, Office and Retail

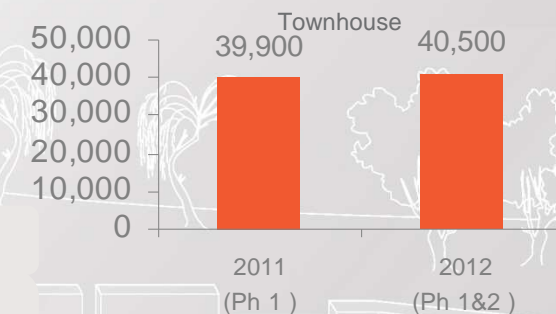
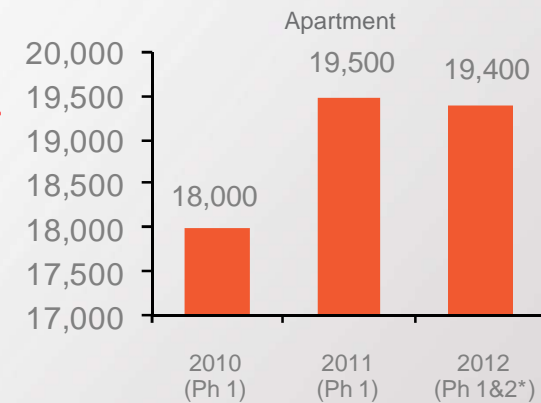
\*ASP of Chongqing residential sales is based on net floor area, a common practice in the region.



# Foshan Lingnan Tiandi



## Residential ASP (RMB/sq.m.)



\*Lowrise Ph 1 & Low/mid-rise Ph 2 & Retail

## Project Information (representing leasable & saleable GFA)

### Total Project GFA

1,510,000 sq.m.

### Completed Properties

**69,000 sq.m.** Sold & Delivered (Residential Ph 1 Lot 4 & 14, Residential Ph2 Lot 5&15, Retail Lot 4 & 5)  
**54,000 sq.m.** Sold yet to be delivered, and available for sale  
**68,000 sq.m.** Investment Properties (Lingnan Tiandi Lot 1 Ph 1 Retail, Lot D Retail and Hotel Properties)

### Properties Under Development

**285,000 sq.m.** Lingnan Tiandi Lot 1 remaining, Residential Ph 3 Lot 6 & 16, Lot 18 and Lot E, Retail

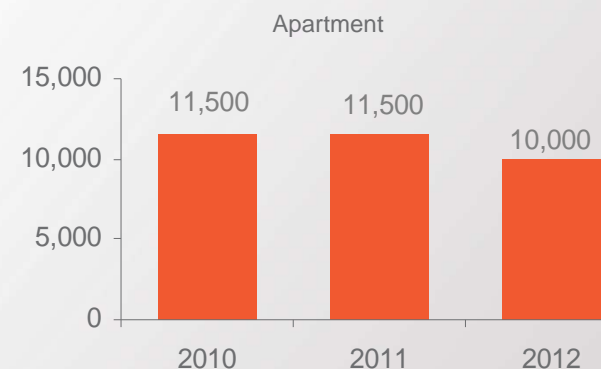
### Properties for Future Development

**1,034,000 sq.m.** Residential and Commercial Zones

# Dalian Tiandi



## Residential ASP (RMB/sq.m.)



## Project Information (representing leasable & saleable GFA)

### Total Project GFA

3,200,000 sq.m.

### Completed Properties

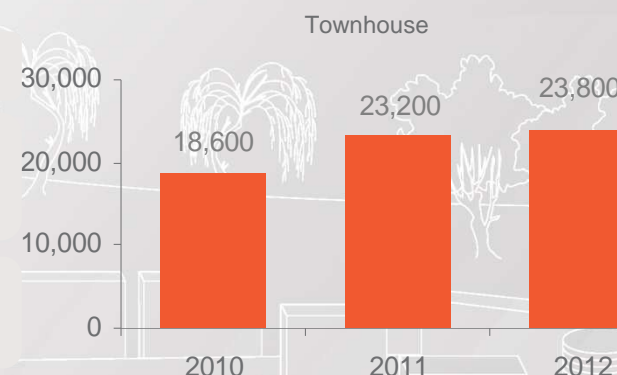
61,000 sq.m. Sold & Delivered  
81,000 sq.m.\* Sold yet to be delivered, and available for sale  
207,000 sq.m. Investment Properties (Software Offices, Ambow training School)

### Properties Under Development

975,000 sq.m. Software Office Phase 2, Residential, Retail & IT Tiandi

### Properties for Future Development

1,876,000 sq.m. Residential, Office, Retail, Hotel



\*Including leasehold of 38,000 sq.m.