



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

**2016 Interim Results Announcement**

**24 August 2016**

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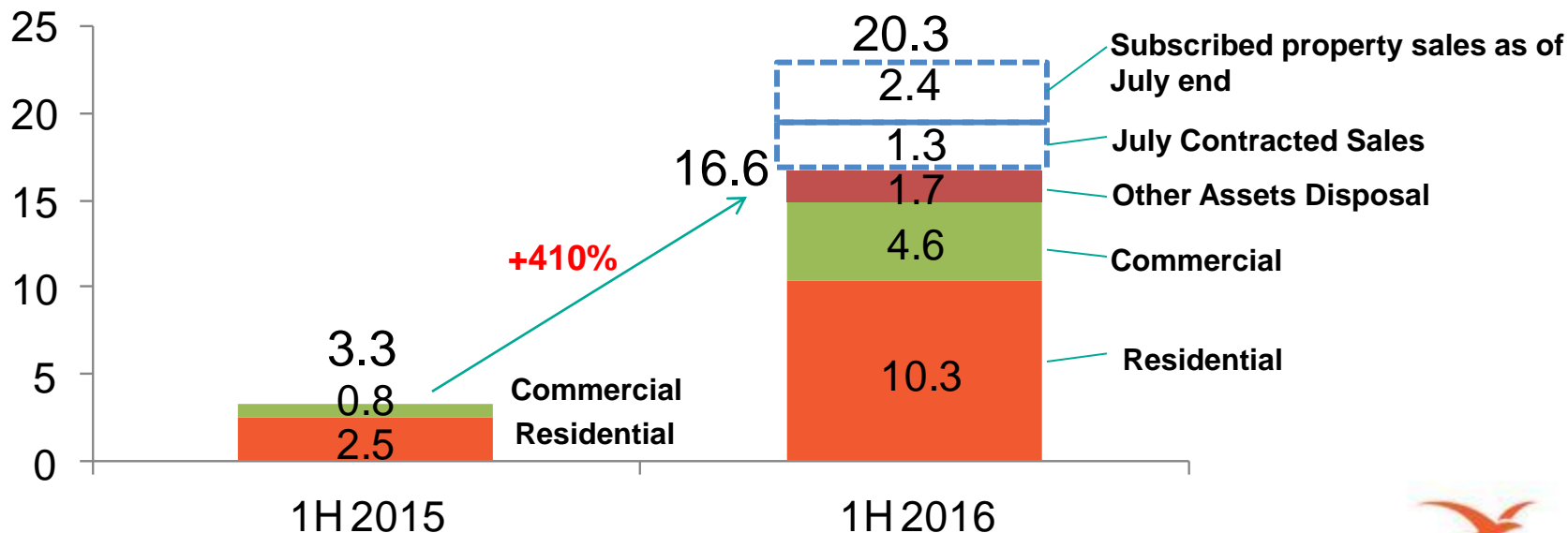
# Key Achievements in 1H 2016 and Outlook for 2H 2016

- **Thriving contracted property sales and other assets disposal:** A 410% increase to RMB16.6 billion.
- **Robust residential sell through rates:** RHXC Lot 2 sold 275 units on the day of launch at RMB94,000 per sq.m. on 18 June 2016, an ASP increase of 18% compared to the previous launch in Feb 2016 for the same project.
- **Solid asset base:** Total assets was RMB118.9 billion at 30 June 2016, an increase of 1.5%.
- **Continued balance sheet improvement:** Net gearing ratio reduced 6% to 75% compared to 81% as of 31 December 2015, and 87% as of Jun 2015.
- **Growing recurrent rental income:** 3% YOY increase to RMB759 million.
- **2016 Outlook:** Total property sales target is set at RMB24 billion.
  - 100% of RMB14 billion target achieved from residential sales:
    - RMB10.3 billion of contracted sales recorded in 1H
    - RMB1.3 billion of contracted sales recorded in July
    - RMB2.4 billion subscribed sales recorded as of 31 July 2016
  - 63% of RMB10 billion target achieved from commercial properties sales and other assets disposal sales: RMB6.3 billion contracted sales recorded.

# Contracted Sales Increased by 410% in 1H 2016

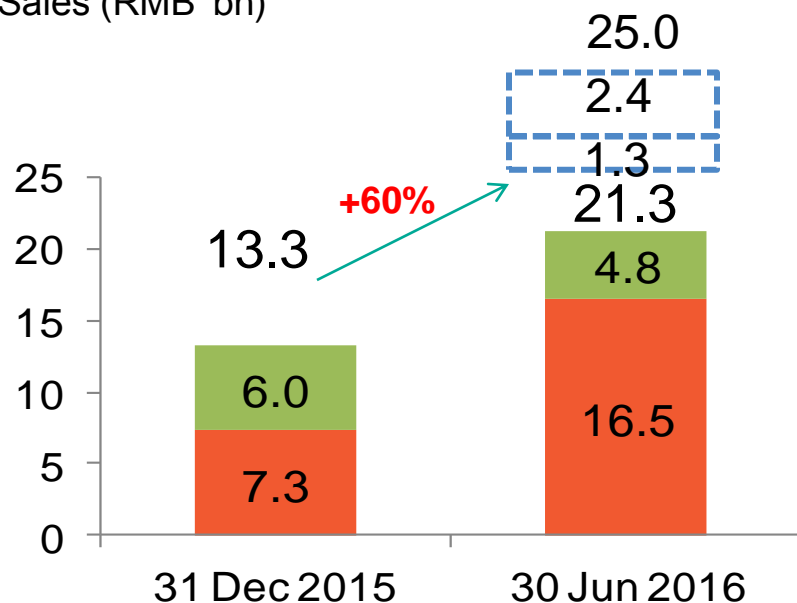
- 2016 Contracted Sales Target : RMB24 billion
- RMB20.3 billion or 85% of the sales target achieved taking into account Jan to July Contracted Property Sales, Other Assets Disposal and Subscribed Sales achieved as of 31 July 2016

Sales (RMB' bn)

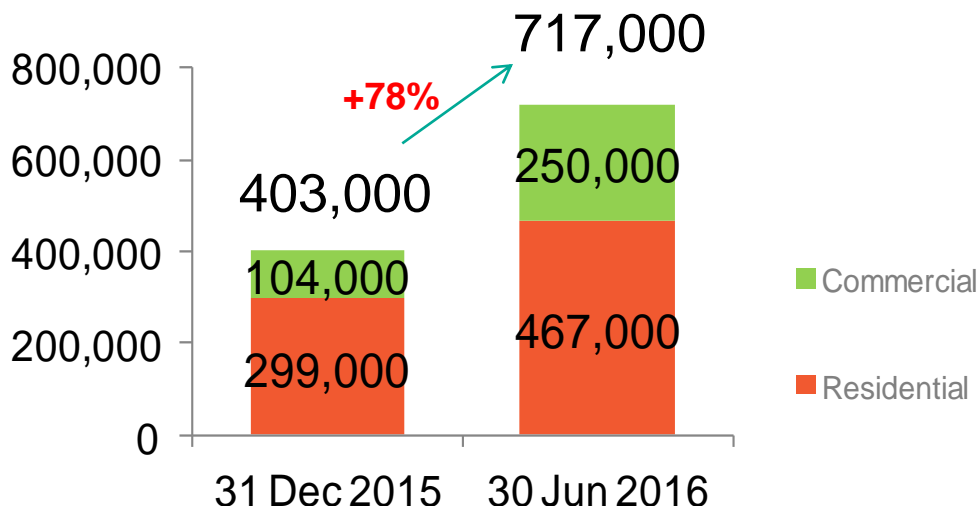


# RMB21.3 Billion Locked-in Sales for Delivery in 2H 2016 and beyond

Sales (RMB' bn)

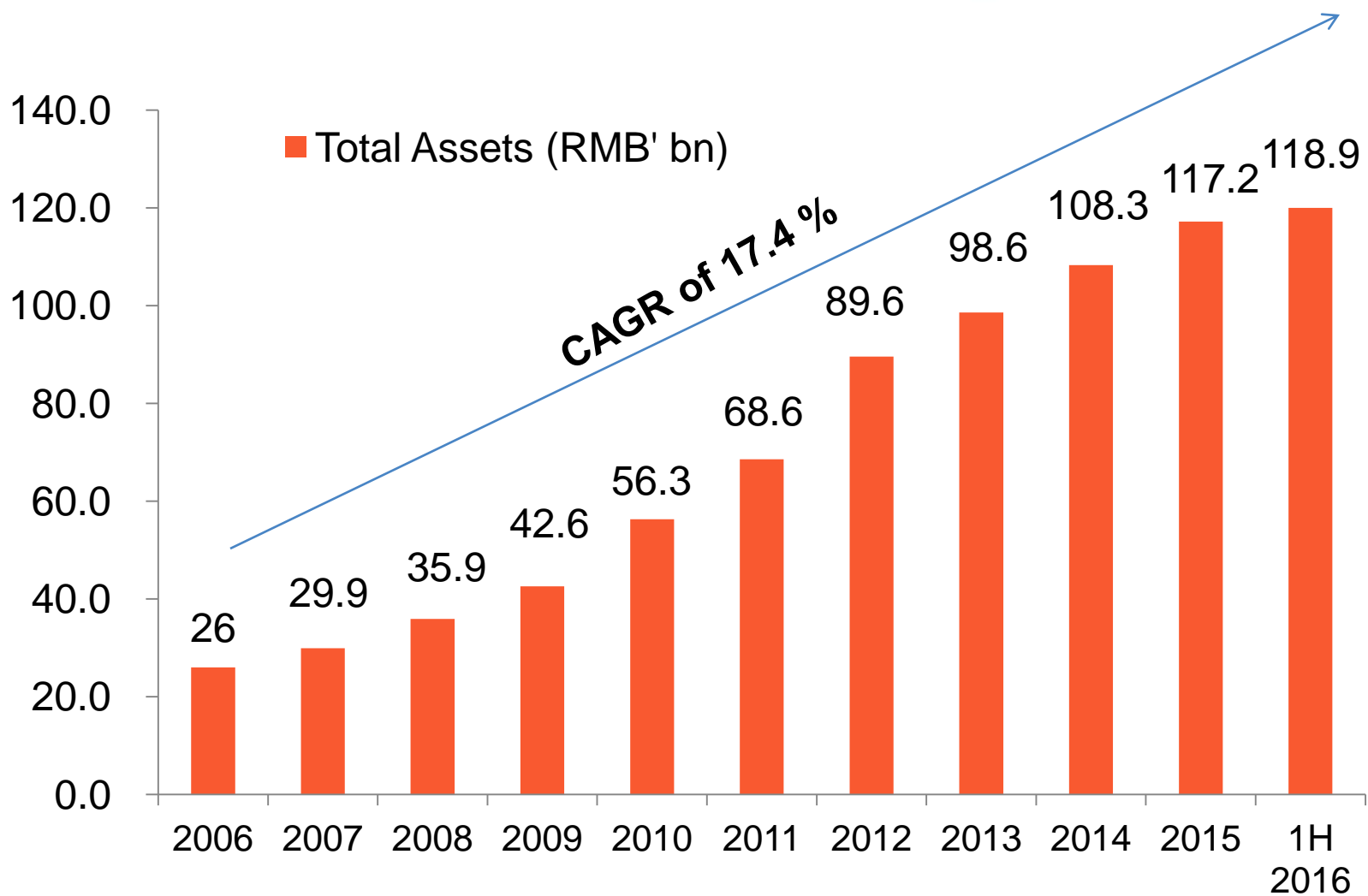


GFA (sq.m.)



- Contracted property sales achieved in July 2016: RMB1.3 billion
- Subscribed property sales as of end July 2016: RMB2.4 billion

# Shui On Land – Growing Asset Base



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# Financial Summary in 1H 2016

- **Surged in property sales** : including property sales recognised as turnover, disposal of IP, disposal of equity in subsidiaries holding commercial properties, other assets disposal and turnover of associates amounted to RMB8,519 million, as compared to RMB2,044 million in 1H 2015.
- **Solid operating performance as shown by gross and operating profit growth**: GP increased by 32% to RMB761 million in 1H 2016, compared to RMB578 million in 1H 2015. OP increased 89% YOY to RMB528 million.
- **Higher GP margin**: Margin increased by 16 percentage points to 45% in 1H 2016, compared to 1H 2015.
- **Net profit declined due mainly to lower revaluation gain, and FX losses**: NP for the period was down YOY mainly due to i) the lower fair value gain of IP - higher fair value gain in 1H 2015 was driven by realisation of the disposal value of 1 & 2 Corporate Avenue; ii) exchange loss (both realised and unrealised) of RMB350 million as a result of the depreciation of RMB.
- **Major transactions completed in 1H 2016**: In line with the Group's asset light strategy to improve liquidity and accelerate asset turnover, several disposal and acquisition transactions were completed during the period.

# Income Statement

Gross profit up 32% to RMB761 million, lower valuation gain recorded in 1H 2016

RMB' mn	1H 2016	1H 2015	Change %
<b>Turnover of the Group</b>	1,681	2,027	(17%)
<b>Property sales</b>	728	951	(23%)
<b>Rental &amp; related income and others</b>	831	803	3%
<b>Construction</b>	122	273	(55%)
<b>Cost of sales</b>	(920)	(1,449)	(37%)
<b>Gross profit</b>	761	578	32%
<b>Gross profit margin</b>	45%	29%	16 ppt
<b>Other income</b>	352	196	80%
<b>Selling &amp; marketing expenses</b>	(118)	(69)	71%
<b>General &amp; administrative expenses</b>	(467)	(425)	10%
<b>Operating profit</b>	528	280	89%
<b>Net increase in fair value of the remaining investment properties</b>	519	2,797	(81%)
<b>Gain on investment properties disposed of</b>	471	-	-
<b>Other gains and losses</b>	1,141	(258)	542%
<b>Share of losses of associates and joint ventures</b>	(142)	(18)	689%
<b>Finance costs, inclusive of exchange differences</b>	(1,135)	(563)	102%
<b>Net exchange (loss)/gain</b>	(350)	10	(3,600%)
<b>Interest costs and others</b>	(785)	(573)	37%

# Income Statement

Backed by the contribution from the disposal of 3 Corporate Avenue in Shanghai, core earnings recorded was RMB1,321 million in 1H 2016

RMB'mn	1H 2016	1H 2015	Change %
Profit before taxation	1,382	2,238	(38%)
Taxation	(254)	(703)	(64%)
Profit for the Period	1,128	1,535	(27%)
Attributable to:			
Non-controlling shareholders of subsidiaries	140	49	186%
Owners of perpetual capital securities	165	155	6%
Owners of convertible perpetual capital securities	55	8	588%
Owners of convertible perpetual securities issued by CXTD Holding	-	128	-
Shareholders of the Company	768	1,195	(36%)
Core earnings	1,321	3,608	(63%)
Earnings per share – Basic	RMB0.10	RMB0.15	
Interim dividend (per share)	HKD0.011	HKD0.022	

# Recognised property sales

Inclusive disposal of investment properties, disposal of equity in subsidiaries holding commercial properties, other assets disposal and turnover of associates, property sales reached RMB8.5 billion for 1H 2016

RMB'mn	1H 2016	1H 2015	Change %
<b>Property Sales</b>	<b>728</b>	<b>951</b>	<b>(23%)</b>
TPQ	6	8	(25%)
RHXC	9	136	(93%)
KIC	12	72	(83%)
Chongqing	207	365	(43%)
Wuhan	-	104	-
Foshan	494	266	86%
<b>Rental &amp; related income and others</b>	<b>831</b>	<b>803</b>	<b>3%</b>
<b>Construction</b>	<b>122</b>	<b>273</b>	<b>(55%)</b>
<b>Total Turnover</b>	<b>1,681</b>	<b>2,027</b>	<b>(17%)</b>

<b>Property Sales Recognised as:</b>	<b>1H 2016</b>	<b>1H 2015</b>	<b>Change %</b>
- property sales in turnover of the Group	728	951	(23%)
- disposal of investment properties	58	40	45%
- disposal of hotel properties	-	910	-
- disposal of equity in subsidiaries holding commercial properties	5,700	-	-
- other assets disposal	1,693	-	-
- turnover of associates	340	143	138%
<b>Total Property sales</b>	<b>8,519</b>	<b>2,044</b>	<b>317%</b>

# Valuation of Investment Property Portfolio

RMB43.9 billion portfolio on 1.2% valuation gain

Project		Product	Leasable GFA	Fair Value Gain / (Loss) in 1H 2016	Carrying Value as of 30 June 2016		Gain / (Loss) to Carrying Value
			Sq.m.	RMB'mn	RMB'mn	RMB/sq.m.	%
Completed investment properties at valuation							
Shanghai Taipingqiao	Shanghai Xintiandi & Xintiandi Style	Office & Retail	80,000	15	7,179	89,700	-
	Shui On Plaza	Office & Retail	52,000	-	3,481	66,900	-
THE HUB		Office & Retail	244,000	46	8,482	34,800	1%
Shanghai RHXC		Retail	144,000	420	4,663	32,400	9%
Shanghai KIC		Office & Retail	219,000	78	6,690	30,500	1%
Wuhan Tiandi		Retail	46,000	53	1,699	36,900	3%
Chongqing Tiandi		Retail	134,000	(68)	1,783	13,300	(4%)
Foshan Lingnan Tiandi		Retail	139,000	15	4,137	29,800	-
Sub-total			1,058,000	559	38,114	36,000	1%
Investment properties under development at valuation							
Wuhan Tiandi		Office & Retail	185,000	32	3,829	20,700	1%
Chonqqing Tiandi		Office & Retail	388,000	(72)	1,957	5,000	(4%)
Sub-total			573,000	(40)	5,786	10,100	(1%)
Total of investment property portfolio at valuation			1,631,000	519	43,900	26,900	1%
Investment properties under development and for further development					12,383		
Grand Total					56,283		

# Finance Costs Inclusive of Exchange Differences

## 5% reduction in total interest and finance costs

RMB' mn	1H 2016	1H 2015	Change %
Total interest costs and other finance costs	(1,771)	(1,857)	(5%)
Less: Amount capitalized to investment properties under construction or development, properties under development for sale and hotels under development	986	1,284	(23%)
Total charged to profit or loss	(785)	(573)	37%
Net exchange (loss)/gain*	(350)	10	(3,600%)
Finance costs, inclusive of exchange differences	(1,135)	(563)	102%

\* Exchange loss mainly arose from RMB depreciation against USD/HKD for the foreign debts held by the Group.

### PBOC exchange rate @30/06/2016 vs @31/12/2015

RMB : USD	depreciated by 2.12%
RMB : HKD	depreciated by 2.02%

# Interim DPS Calculation

RMB' mn	Total	1H 2016	2H 2015
Profit for the period	1,360	1,128	232
20% thereon	272		
Less: 2015 Final dividend declared and paid	-190		
2016 Interim dividend ceiling	82		
Interim dividend ceiling in HKD' mn	96		
Proposed Total Dividend in HKD' mn	89		

*Note:*

*Dividend Payout Ratio & Senior Notes Covenants: Dividend payout ratio not exceed 20% of Consolidated Profit in consecutive 2 semi-annual periods*

# Financial Position

Net gearing ratio dropped to 75%

Net debt decreased by RMB6,560 million in past 12 months

RMB' mn	30 June 2016	31 December 2015	Change %	30 June 2015	Change %
<b>Total assets</b>	<b>118,914</b>	<b>117,170</b>	<b>1.5%</b>	<b>112,947</b>	<b>5%</b>
Bank and other borrowings	30,965	33,337	(7%)	33,969	(9%)
Convertible Bonds and Senior Notes	14,961	14,655	2%	14,327	4%
<b>Total debt</b>	<b>45,926</b>	<b>47,992</b>	<b>(4%)</b>	<b>48,296</b>	<b>(5%)</b>
<b>Total cash and bank balances</b>	<b>11,316</b>	<b>10,614</b>	<b>7%</b>	<b>7,126</b>	<b>59%</b>
<b>Net debt</b>	<b>34,610</b>	<b>37,378</b>	<b>(7%)</b>	<b>41,170</b>	<b>(16%)</b>
<b>Total equity</b>	<b>45,873</b>	<b>46,118</b>	<b>(0.5%)</b>	<b>47,384</b>	<b>(3%)</b>
<b>Net gearing</b>	<b>75%</b>	<b>81%</b>	<b>(6 percentage points)</b>	<b>87%</b>	<b>(12 percentage points)</b>
<b>Shareholders' Equity per share</b>	<b>RMB4.64</b>	<b>RMB4.57</b>	<b>-</b>	<b>RMB4.85</b>	

■ Average cost of debt of 1H 2016: 6.1% vs. 1H 2015: 6.4%

The average cost of debt herein only includes interest cost, excluding arrangement fees and other fees.

# Debt Profile

USD/HKD debt reduced by RMB4.46 billion equivalent or 8% of the total debt

## Debt Profile – Nature & Maturity Breakdown

RMB' mn	2H 2016	2017	2018-2020	2021 & after	Total
Senior Notes	-	5,850	7,784	1,327	14,961
HKD Bank Borrowings	539	2,301	-	-	2,840
USD Bank Borrowings	267	437	1,617	-	2,321
RMB Bank and Other Borrowings	6,157	3,518	14,639	1,490	25,804
<b>Total</b>	<b>6,963</b>	<b>12,106</b>	<b>24,040</b>	<b>2,817</b>	<b>45,926</b>

## Repayment and currency hedging

- XTD loan refinanced with RMB1,865 million drawdown to repay the prior offshore foreign currency loan in March 2016.
- The HUB RMB2.761 billion construction loan was refinanced with RMB2,815 million investment property commercial loan in July 2016.
- In August 2016, the Group entered into a hedging arrangement on USD477 million (7% of the total debt as 30 June 2016).

## Debt Profile – Currency Breakdown

Currency (RMB equivalent)	As of 30 June 2016		As of 31 December 2015	
	RMB'mn	% of total debt	RMB'mn	% of total debt
RMB	28,350	62%	25,956	54%
HKD	2,840	6%	5,540	12%
USD	14,736	32%	16,496	34%
<b>Total</b>	<b>45,926</b>	<b>100%</b>	<b>47,992</b>	<b>100%</b>

In addition,

- USD225 million of convertible perpetual capital securities
- USD500 million of perpetual capital securities
- RMB4.8 billion equivalent in total, based on the exchange rate at 30 June 2016

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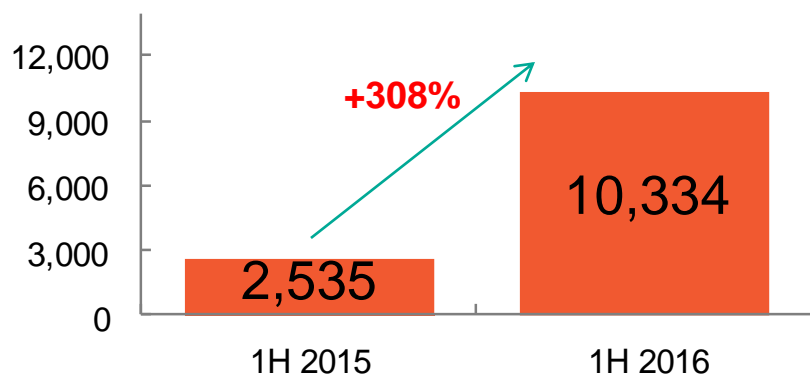
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# Residential Contracted Property Sales increased by 308%

## 72% contributed by Shanghai projects

### Residential Property Sales

RMB' mn



Residential Property Sales	1H 2016	1H 2015	Change %
Shanghai TPQ, RHXC & KIC	7,470	4	1867%
Wuhan Tiandi	1,451	975	49%
Chongqing Tiandi	683	741	(8%)
Foshan Lingnan Tiandi	344	379	(9%)
Dalian Tiandi	365	255	43%
Car Park	21	181	(88%)
<b>Total</b>	<b>10,334</b>	<b>2,535</b>	<b>308%</b>



# Robust Sell Through Rate and ASP Growth in Shanghai

Shanghai Rui Hong Xin Cheng	Lot 9 1st Batch Oct 15	Lot 9 2nd Batch Feb 16	Lot 2 1st Batch Jun 16
Average Selling Price (RMB per sq.m.)	71,000	80,000	94,000
Total Property Sales Amount (RMB'bn)	2.7	3.6	3.2
Total Units Launch/Sold on the date of launch	328/ 325	352/ 352	320/ 275
Sell Through Rate on the date of launch	99%	100%	86%

Shanghai Taipingqiao Lakeville Luxe(Lot 116)	Dec 2015	1H 2016
Average Selling Price (RMB per sq.m.)	127,000	138,000
Total Property Sales Amount (RMB'bn)	0.9	2.3
Total Units Launched/Sold on the date of launch	45/40	90/81
Sell Through Rate on the date of launch	88%	91%



## 2H 2016 Residential Available for Sale

### Abundant saleable resources from Shanghai

Residential projects	Product type	sq.m.
<b><i>Shanghai Taipingqiao – Lakeville Luxe (Lot 116)</i></b>	High-rises	68,700
<b><i>Shanghai RHXC</i></b>	High-rises	87,400
<b><i>Wuhan Tiandi</i></b>	High-rises	4,300
<b><i>Chongqing Tiandi</i></b>	High-rises	89,300
<b><i>Foshan Lingnan Tiandi</i></b>	Townhouses / Low-rises / High-rises	14,200
<b><i>Dalian Tiandi</i></b>	Mid-/high-rises / Villas / Service apartments	98,700
<b><i>Total GFA</i></b>		<b><i>362,600</i></b>

# Shanghai Taipingqiao Lakeville Luxe – Special layout units





# Shanghai Rui Hong Xin Cheng – The Gallery (Lot 2) Club House and Showflats





# Shui On Land - Residential Developments

GFA 2.2 million\* sq.m. saleable resources

**Shanghai**  
Saleable GFA: 156,100 sq.m.  
(PUD)



**Taipingqiao (Lot 116)**

- Saleable GFA: 68,700 sq.m.



**RHXC (Lots 2)**

- Saleable GFA: 87,400 sq.m.

**Shanghai\*\***  
Saleable GFA: 347,000 sq.m.  
(Under relocation)



**Taipingqiao (Lot 118)**

- Saleable GFA: 80,000 sq.m.



**RHXC (Lots 1, 7)**

- Saleable GFA: 267,000 sq.m.

**Wuhan, Chongqing, Foshan and Dalian**  
Saleable GFA: 1,731,500 sq.m.  
( Completed, PUD and for future development)



**Wuhan Tiandi**

- Saleable GFA: 247,300 sq.m.



**Chongqing Tiandi**

- Saleable GFA: 517,300 sq.m.



**Foshan Lingnan Tiandi**

- Saleable GFA: 161,200 sq.m.



**Dalian Tiandi**

- Saleable GFA: 805,700 sq.m.

\* Above represents GFA not yet recorded contracted sales

\*\* Excluding sites yet to start relocation

# Strong Shanghai Pipelines - Relocation Progress Update

Lot	GFA sq.m.	% of relocation completed as at 31 Dec 2015	% of relocation completed as at 30 June 2016	Year of relocation started	Estimated year of relocation completion	Total relocation cost paid as at 30 June 2016 RMB' mn	Estimated Year for Pre-sale
RHXC Lot 10 - Retail - Office	183,000 145,000	99%	99%	2010	Late 2016- 2017	2,571	TBC
RHXC Lot 1 - Residential - Ancillary retail	109,000 1,000	96%	97%	2013	2017	3,899	2018- 2020
RHXC Lot 7 - Residential - Ancillary retail	158,000 1,000	94%	94%	2013	2017	3,900	2018- 2020
TPQ Lot 118 - Residential	80,000	97%	99%	2014	Late 2016- 2017	4,800	2018
Total	677,000					15,170	

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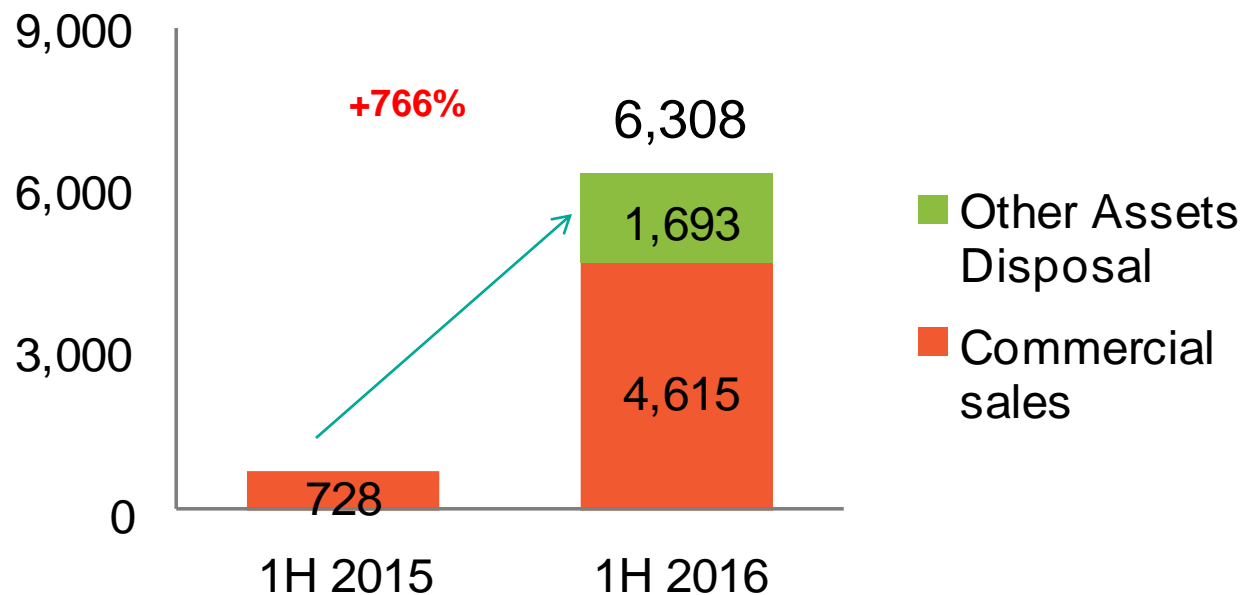
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# Commercial Properties Sales and Other Assets Disposal

RMB6.3 billion of contracted sales achieved in 1H 2016

## Commercial Property Sales & Other Assets Disposal

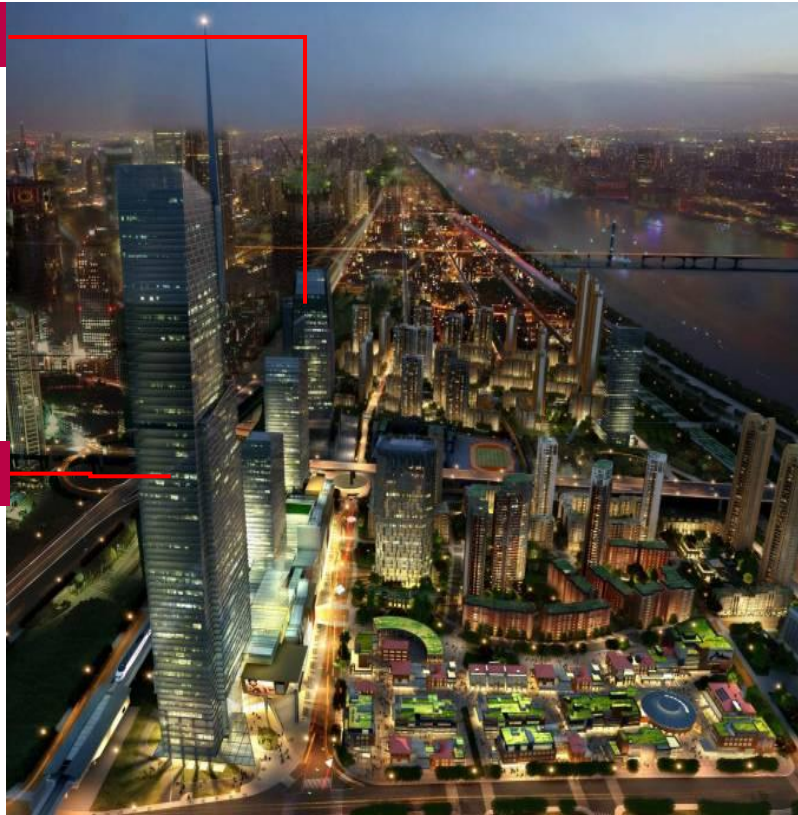
RMB' mn



# Commercial Properties Sales in Wuhan Tiandi

Two office buildings in Wuhan Tiandi sold for RMB4.5 billion in 1H 2016

A3 Office



A1 Office

## A3 Office

GFA Sold(sq.m.)	55,100
Transacted Value	RMB1,134 million
Status as of 1H 2016	Under Construction Schedule to be completed and delivered in 2H 2016

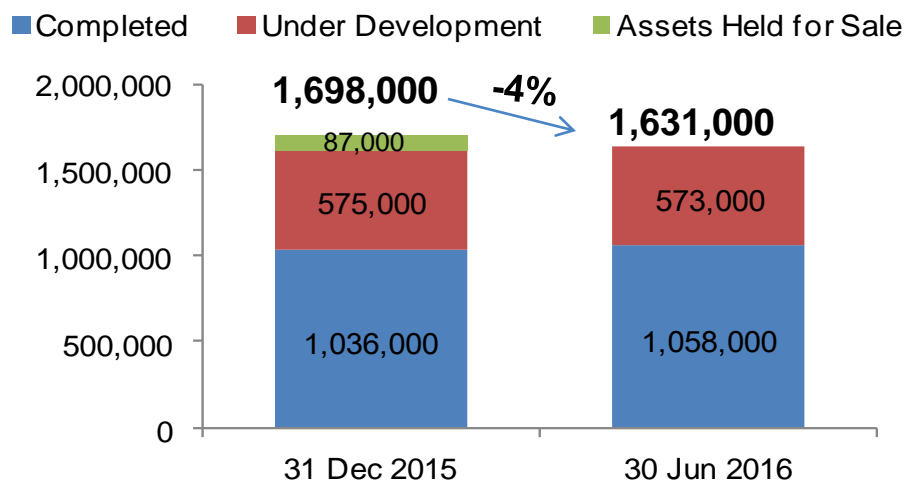
## A1 Office

GFA Sold (sq.m.)	177,100
Transacted Value	RMB3,365 million
Status as of 1H 2016	Main structure completed up to 9 <sup>th</sup> floor Schedule to be completed and delivered in 2020

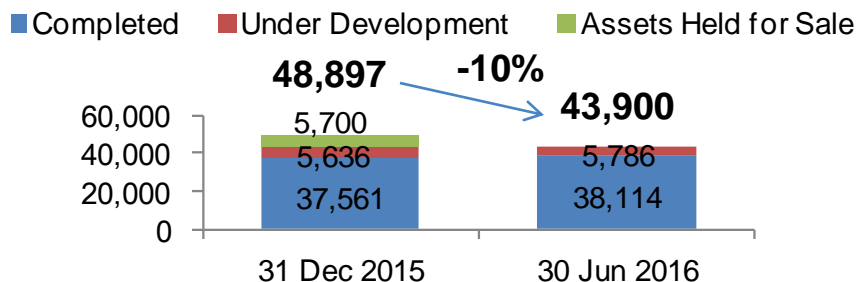
# Investment Property Portfolio & Valuation

Disposal of commercial properties transfer asset values to cash

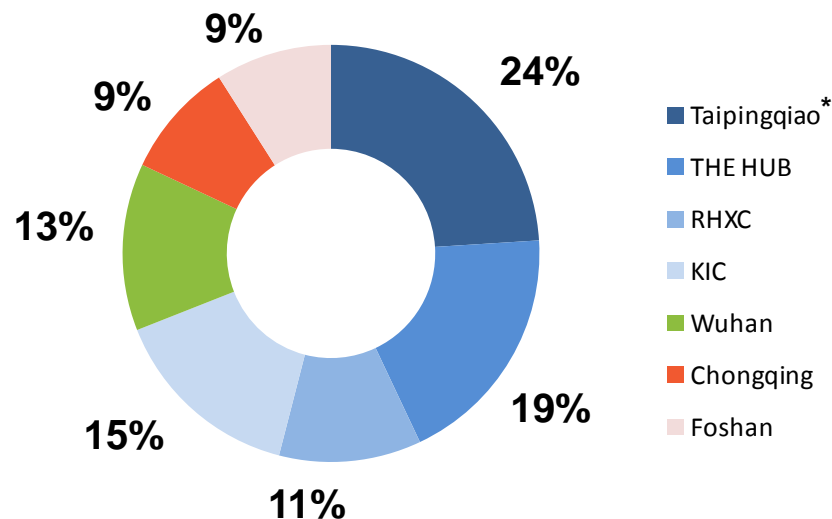
## GFA\* (sq.m.)



## Asset Value\* (RMB'mn)



## Composition in Value by Project



**69% of asset value is located in Shanghai**

\* Asset held for Sales - 3 Corporate Avenue which was sold in 2015 and delivered to the buyer in Feb 2016

# Completed Investment Property Portfolio

A total GFA of 1,058,000 sq.m. with total carrying value as of 30 June 2016:  
RMB38.1 billion

## Shanghai Portfolio\* (Leasable GFA: 739,000 sq.m.)



### Shanghai Taipingqiao

- Office & Retail
- Leasable GFA: 132,000 sq.m.



### THE HUB

- Office & Retail
- Leasable GFA: 244,000 sq.m.



### Shanghai RHXC

- Retail & Hotel
- Leasable GFA: 144,000 sq.m.



### Shanghai KIC

- Office & Retail
- Leasable GFA: 219,000 sq.m.

## Wuhan, Chongqing and Foshan (Leasable GFA: 319,000 sq.m.)



### Wuhan Tiandi

- Retail
- Leasable GFA: 46,000 sq.m.



### Chongqing Tiandi

- Retail
- Leasable GFA: 134,000 sq.m.



### Foshan Lingnan Tiandi

- Retail
- Leasable GFA: 139,000 sq.m.

\* A total GFA of 14,000 sq.m. was occupied as self-use offices by the Group, and leasable GFA of which is excluded. 3 Corporate Avenue was sold and delivered to the buyer in Feb 2016, and the leasable GFA is excluded.

# Commercial Property Portfolio

GFA 2.5 million sq.m. under development or for future development

## Shanghai



**RHXC Lot 10  
Hall of the Sun  
(Under relocation)**

- Office & Retail
- Leasable GFA:  
328,000 sq.m.



**Shanghai KIC**

- Hotel
- Leasable GFA:  
22,000 sq.m.

## Wuhan, Chongqing, Foshan



**Wuhan Tiandi  
HORIZON Lots A1/2/3**

- Retail
- Leasable GFA:  
114,000 sq.m.



**Wuhan Tiandi**

- Office, Retail & Hotel
- Leasable GFA:  
567,000 sq.m.



**Chongqing Tiandi**

- Office, Retail & Hotel
- Leasable GFA:  
841,000 sq.m.



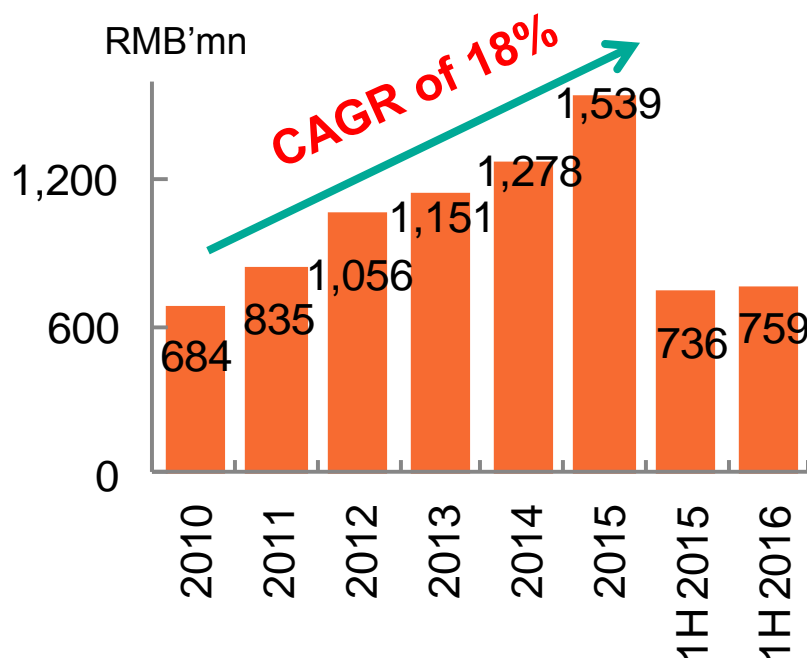
**Foshan Lingnan Tiandi**

- Office, Retail & Hotel
- Leasable GFA:  
644,000 sq.m.

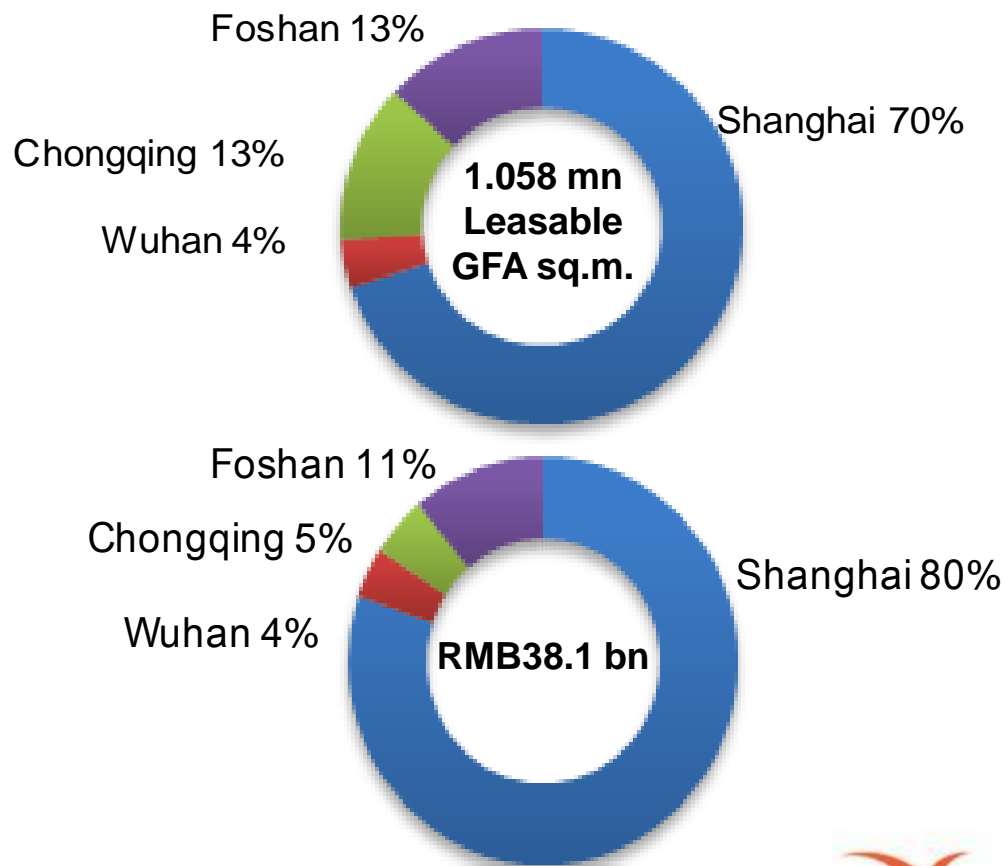
# Completed Investment Property Portfolio

Rental and related income grew to RMB759 million, 3% POP increase

## Rental and Related Income



## Completed IP Composition by City\*



- A total GFA of 14,000 sq.m. was occupied as self-use offices by the Group, and leasable GFA of which is excluded.
- 3 Corporate Avenue was sold and delivered to the buyer in Feb 2016, and the leasable GFA is excluded.

# Thank You

## Q & A

## Appendix (TO BE DISCUSSED)

### Appendix

- Market Information
- Company Introduction
- Others

# Market Information

Indicator	Year	China	Shanghai	Wuhan	Chongqing	Foshan	Dalian
GDP (RMB billion)	2013	58,802	2,160	905	1,266	701	727
	2014	63,614	2,356	1,007	1,427	744	766
	2015	67,671	2,496	1,091	1,572	800	773
	1H 2016	34,064	1,296	535	800	377	366
Population (million)	2013	1,361	24.2	10.2	29.7	7.3	6.9
	2014	1,368	24.3	10.3	29.9	7.4	7.0
	2015	1,375	24.2	10.6	30.2	7.43	7.03
Per Capita GDP (RMB)	2013	43,320	90,993	79,158	42,795	96,310	111,620
	2014	46,629	97,370	98,434	47,859	101,617	109,939
	2015	49,351	103,100	105,974	52,112	108,888	111,030
Real GDP Growth	10-yr Avg.	9.5%	9.3%	13.7%	13.9%	12.7%	12.3%
	2013	7.7%	7.7%	10.0%	12.3%	10.0%	9.0%
	2014	7.3%	7.0%	9.7%	10.9%	8.6%	5.8%
	2015	6.9%	6.9%	8.8%	11.0%	8.5%	4.2%
	1H 2016	6.7%	6.7%	7.6%	10.6%	8.1%	5.0%

Year end	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	1H 2016
M2 (RMB trillion)	29.9	34.6	40.3	47.5	61.0	72.6	85.2	97.4	110.7	122.8	139.2	149.0
PBOC deposit rate (1 year %)	2.25	2.52	4.14	2.25	2.25	2.75	3.50	3.00	3.00	2.75	1.50	1.50
PBOC lending rate (over 5 years %)	6.12	6.84	7.83	5.94	5.94	6.40	7.05	6.55	6.55	6.15	4.90	4.90
Personal housing provident fund lending rate (over 5 years %)	4.41	4.59	5.22	3.87	3.87	4.30	4.90	4.50	4.50	4.25	3.25	3.25

Indicator	Year	China		Shanghai	Wuhan	Chongqing	Foshan	Dalian
Residential Housing Price Growth	2013	7.7%		9.0%	7.6%	10.3%	9.1%	-0.1%
	2014	1.4%		11.3%	8.4%	-2.8%	-0.3%	2.7%
	2015	9.1%		17.5%	15.6%	-5.0%	-2.5%	2.1%
	1H 2016	12.3%		13.8%	11.9%	1.0%	6.8%	4.3%
Residential Transaction Area (million sq.m.)	2013	1,157		12.4	15.8	15.6	8.9	3.1
	2014	1,052		9.9	17.7	16.0	11.7	2.2
	2015	1,124		15.0	22.7	16.3	14.1	2.6
	1H 2016	571		7.6	15.8	9.7	8.8	1.3
City Core ASP(RMB/sq.m.)	2013	5,850		56,897	8,331	7,327	9,279	11,151
	2014	5,932		62,742	9,267	7,122	9,253	11,453
	2015	6,472		75,868	9,882	6,768	9,023	11,688
	1H 2016	7,322		85,427	10,950	6,816	9,472	11,777
Residential inventory (mn sq.m)	2013	324		9.8	10.3	14.9	12.7	6.3
	2014	407		13.3	14.5	17.0	12.2	8.4
	2015	452		10.8	14.9	14.5	9.8	8.3
	1H 2016	436		9.1	9.7	13.5	7.0	7.9
Residential inventory absorption time (month)	2013	8.1*	11.6**	7.9	10.5	9.4	14.0	21.1
	2014	12.2	15.7	11.3	9.8	9.4	9.5	33.8
	2015	7.9	11.9	6.5	8.1	9.2	7.5	35.9
	1H 2016	7.2	8.0	8.4	4.0	8.3	4.5	28.7
Residential new start (mn sq.m)	2013	1,458		16.4	12.5	53.9	9.5	15.1
	2014	1,249		15.5	16.8	42.8	7.1	9.4
	2015	1,067		15.6	18.2	36.7	9.7	4.9
	1H 2016	534		6.2	8.3	15.0	6.9	2.1
Residential REI growth	2013	20%		11.3%	26.2%	20.1%	16.8%	19%
	2014	11%		6.8%	24.8%	20.5%	16.6%	-15%
	2015	1%		5.1%	13.9%	3.3%	10.4%	-36%
	1H 2016	5.6%		12.8%	3.9%	0.5%	36.0%	-32%

\* Tier 1 cities \*\* Tier 2 cities

# Large-scale Mixed-use City Center Development



Xintiandi – Entertainment Area



Corporate Avenue – Grade A Office Tower



High-end Residential

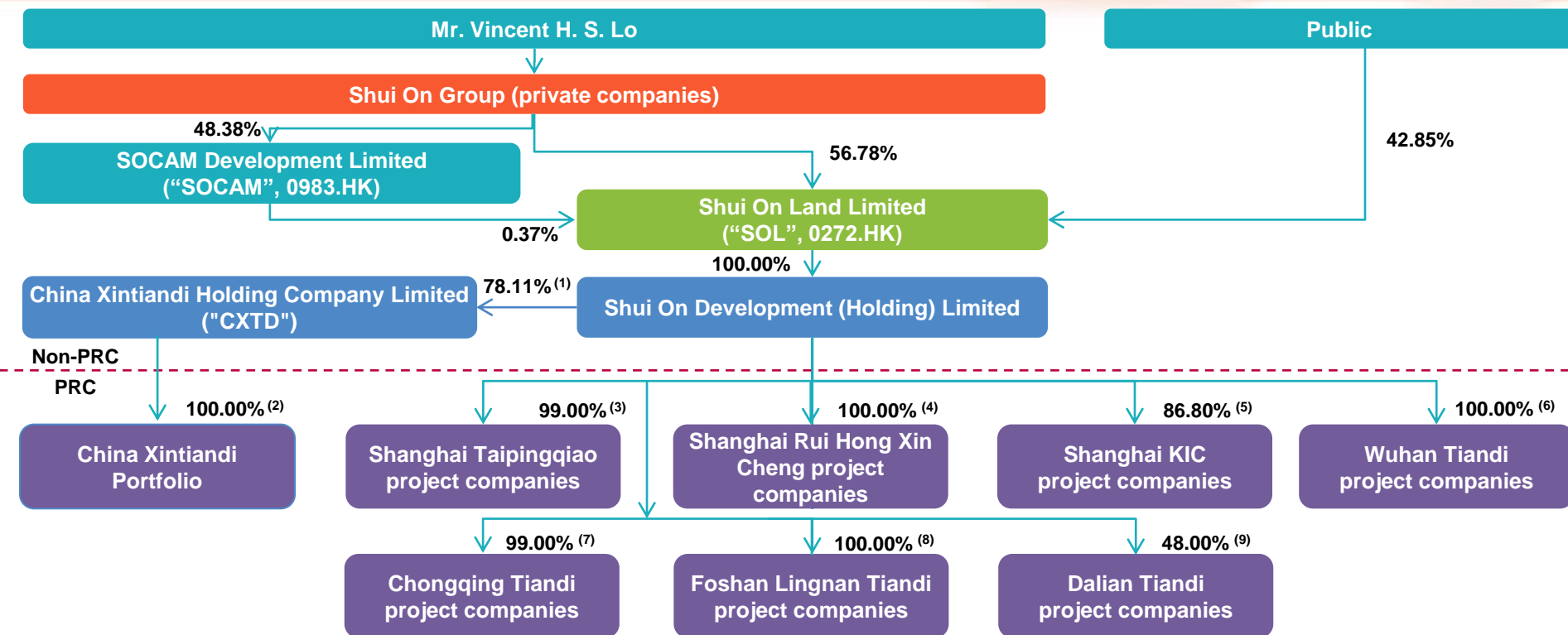


Shopping Centre



Man-made Lake

# Simplified Corporate Structure Overview (as of 31 July 2016)



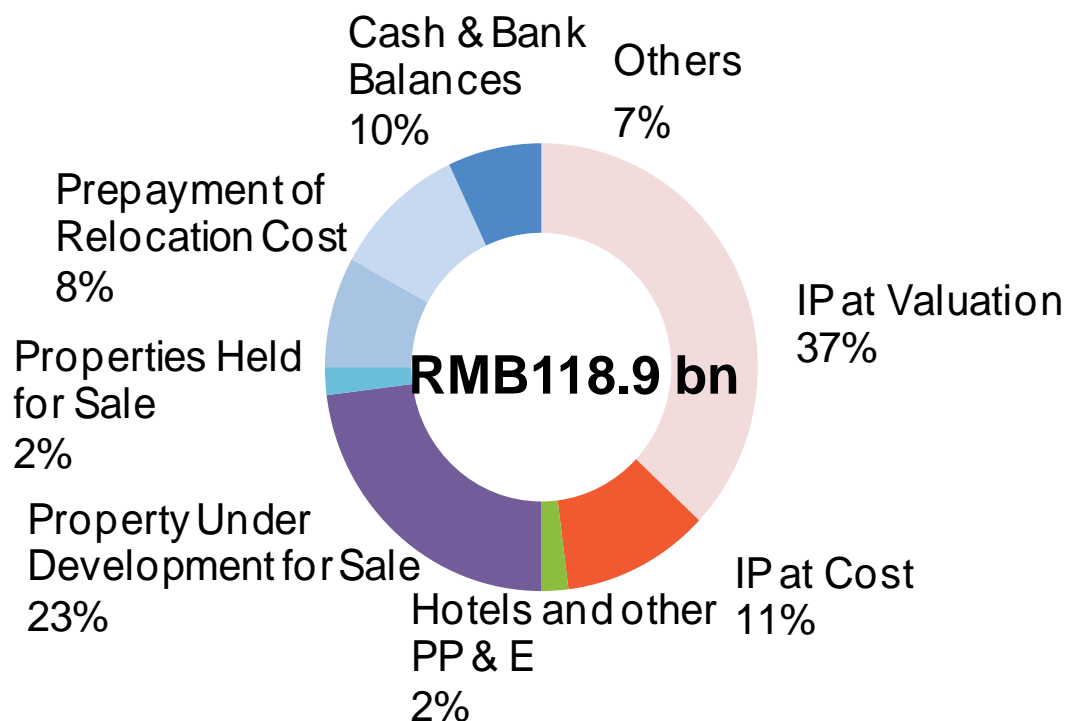
## Notes:

- On 2 September 2015, Brookfield converted USD499.9 million of Convertible Perpetual Securities of CXTD Holdings into ordinary shares of CXTD Holding. After the completion of the conversion, we have a 78.11% effective interest of CXTD Holding.
- We have a 78.11%, 77.33%, 62.49% and 78.11% effective interest of Shanghai Xintiandi, Xintiandi Style, Shui On Plaza, and Wuhan Xintiandi, respectively. The Group acquired an additional GFA of 2,000 sq.m. in Shui On Plaza in 2015 in which the Group has an effective interest of 78.11%.
- We have a 99.0% interest in all the remaining lots, except for Lot 116, in which we have an effective interest of 56.7456%.
- We have a 100.0% effective interest in Phase 1, Lot 167A and Lot 167B and 99.0% interest in all remaining phases.
- We have an 86.8% interest in all remaining lots, except for KIC Lot 311 in which we have an effective interest of 99.0%.
- We have a 100% effective interest in Wuhan Tiandi.
- We have a 99.0% effective interest in Chongqing Tiandi
- We have a 100.0% interest in Foshan Lingnan Tiandi.
- We have a 48.0% effective interest in Dalian Tiandi, except for Lots C01, C03, B08, B09 and E02a in which we have a 44.72% effective interest.

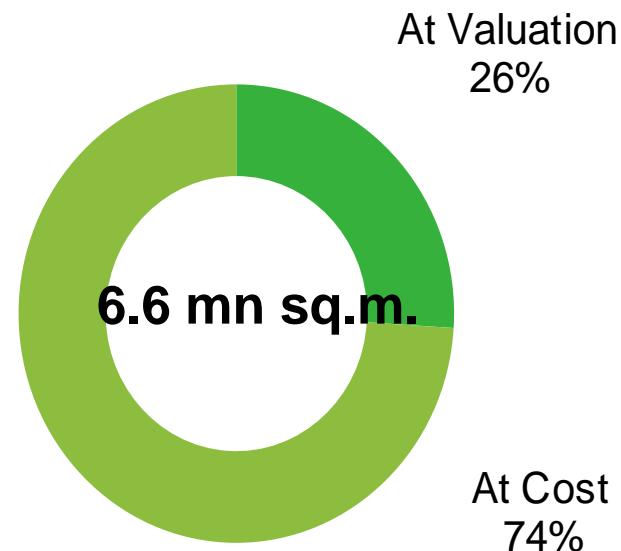
# Shui On Land – Strong Asset Base

26% of the GFA or 37% of asset value was carried at valuation

## Asset value – by nature



## GFA\* – valuation vs. cost



\*Excluding Dalian

# Shui On Land Property Portfolio in High Growth Cities



**Dalian**  
2.8 mn sq.m.



**Wuhan**  
1.1 mn sq.m.

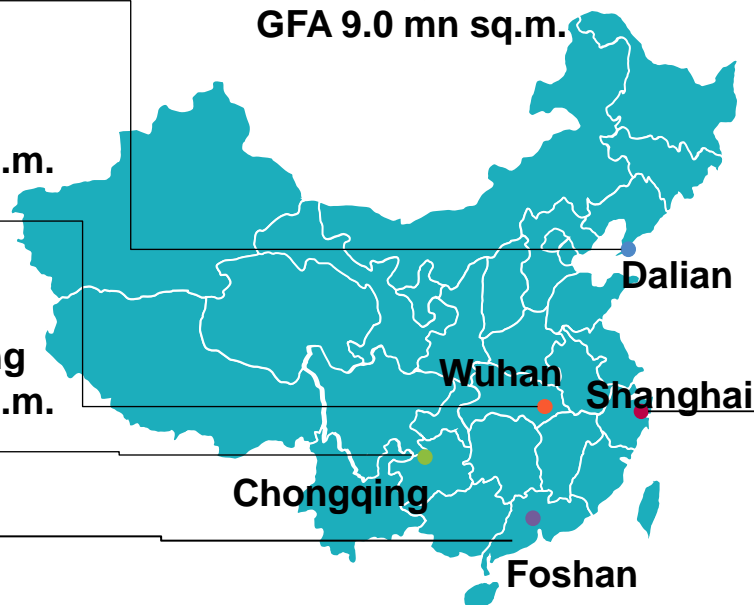


**Chongqing**  
1.7 mn sq.m.



**Foshan**  
1.0 mn sq.m.

**Total Property Portfolio\*:**  
GFA 9.0 mn sq.m.



**Shanghai**  
**Taipingqiao**  
0.7 mn sq.m.



**Shanghai**  
**RHXC**  
1.2 mn sq.m.



**Shanghai**  
**KIC**  
0.2 mn sq.m.



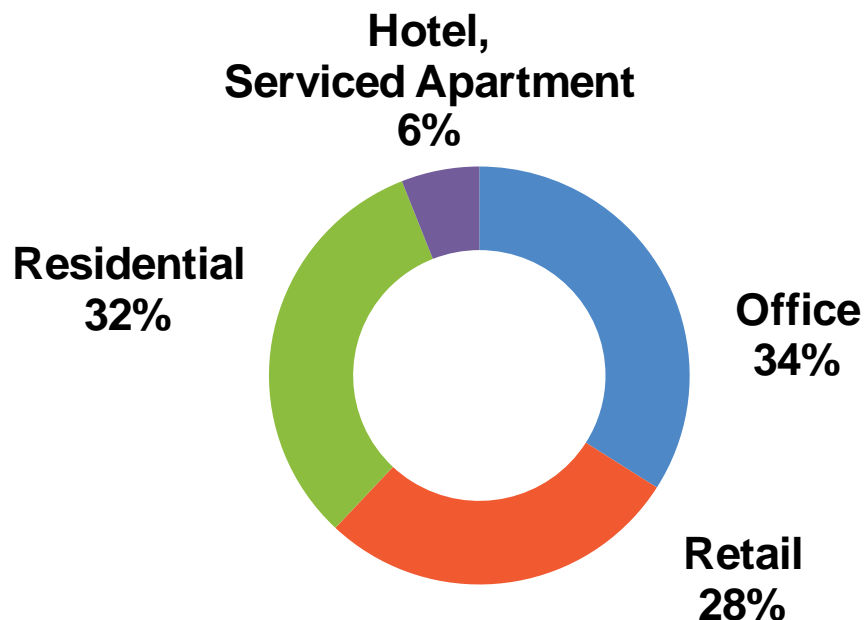
**THE HUB**  
0.3 mn sq.m.

Property Portfolio	GFA (mn sq.m.)
Completed properties	1.5
Properties under development	3.3
Properties for future development	4.2

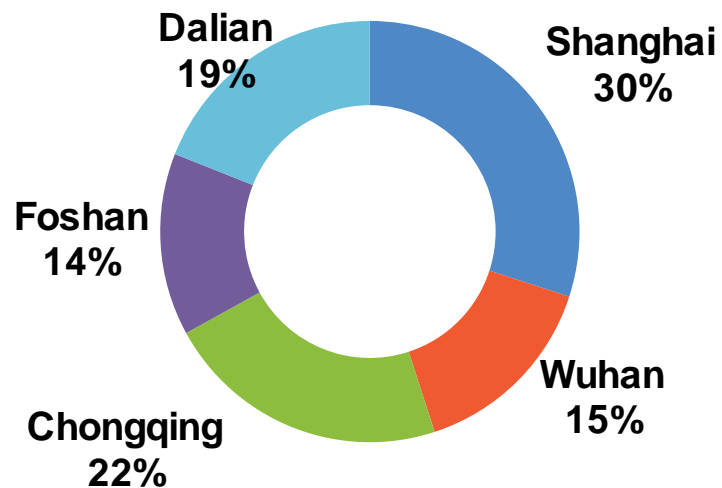
•Total leasable and saleable landbank excluding  
2.3 million sq.m. of clubhouse, carpark and other facilities.

# Superior and Diversified Landbank

Attributable GFA by Property Type



Attributable GFA by City



# Shanghai Taipingqiao & Rui Hong Xin Cheng

## Shanghai Taipingqiao



### Project Information (representing leasable & saleable GFA)

<b>Total GFA</b>	<b>1,259,000 sq.m.</b>
<b>Completed Properties</b>	<b>253,000 sq.m. (Sold &amp; Delivered Residential) 140,000sq.m . (IP) 282,000sq.m. (Sold IP &amp; Hotel)</b>
<b>Properties under development</b>	<b>168,000 sq.m.</b>
<b>Properties for future development</b>	<b>416,000sq.m. (yet to start relocation)</b>

## Shanghai Rui Hong Xin Cheng



### Project Information (representing leasable & saleable GFA)

<b>Total GFA</b>	<b>1,734,000 sq.m.</b>
<b>Completed Properties</b>	<b>571,000sq.m (Sold &amp; Delivered Residential and IP) 144,000 sq.m. (IP)</b>
<b>Properties under development</b>	<b>789,000 sq.m.</b>
<b>Properties for future development</b>	<b>230,000 sq.m. (yet to start relocation)</b>

# Shanghai KIC and THE HUB

## Shanghai KIC



### Project Information (representing leasable & saleable GFA)

**Total GFA**

**499,000 sq.m.**

**Completed  
Properties**

244,000 sq.m. (Sold & Delivered)  
225,000 sq.m. (IP)  
8,000 sq.m. (Sold yet to be  
delivered ; available for sale)

**Properties  
under  
development**

**22,000 sq.m.**

## THE HUB



### Project Information (representing leasable & saleable GFA)

**Total GFA**

**308,000 sq.m.**

**Completed  
Properties**

45,000 sq.m. (sold & delivered  
hotel)  
263,000 sq.m. (Office, Retail,  
Performance & Exhibition  
Center)

# Wuhan Tiandi and Chongqing Tiandi

## Wuhan Tiandi



### Project Information (representing leasable & saleable GFA)

<b>Total GFA</b>	<b>1,585,000 sq.m.</b>
<b>Completed Properties</b>	<b>485,000 sq.m. (Sold &amp; Delivered) 46,000sq.m. (IP)</b>
<b>Properties under development</b>	<b>547,000 sq.m.</b>
<b>Properties for future development</b>	<b>507,000 sq.m.</b>

## Chongqing Tiandi



### Project Information (representing leasable & saleable GFA)

<b>Total GFA</b>	<b>2,778,000 sq.m.</b>
<b>Completed Properties</b>	<b>1,115,000 sq.m. (Sold &amp; delivered) 16,000 sq.m. (Sold yet to be delivered, available for sale) 134,000sq.m. (IP)</b>
<b>Properties under development</b>	<b>850,000 sq.m.</b>
<b>Properties for future development</b>	<b>663,000 sq.m.</b>

# Foshan Lingnan Tiandi and Dalian Tiandi

## Foshan Lingnan Tiandi



### Project Information (representing leasable & saleable GFA)

Total GFA	1,518,000 sq.m.
Completed Properties	257,000 sq.m. (sold & delivered) 56,000sq.m. (sold yet to be delivered ; available for sale) 182,000 sq.m. (IP and Hotel )
Properties under development	7,000 sq.m.
Properties for future development	784,000 sq.m. 232,000 sq.m. (other assets disposed)

## Dalian Tiandi



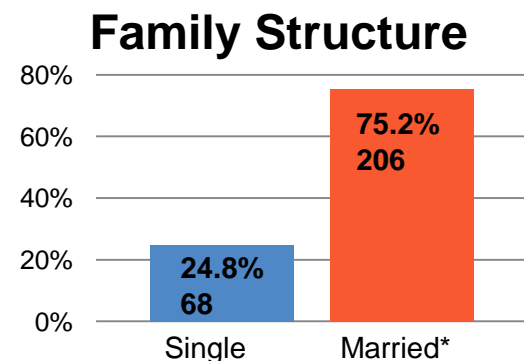
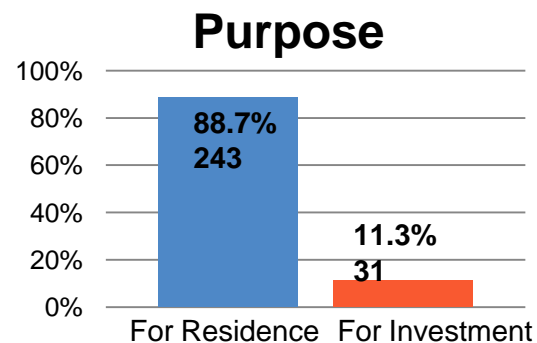
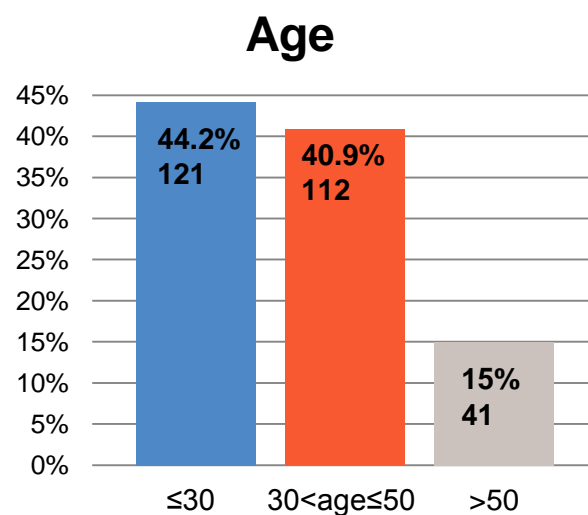
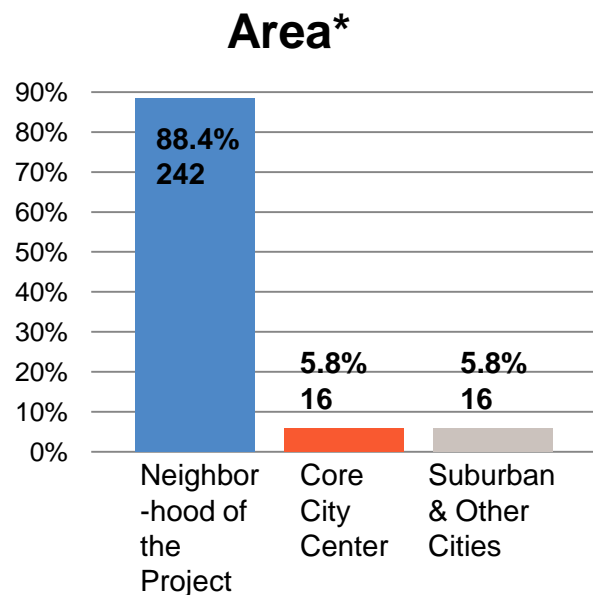
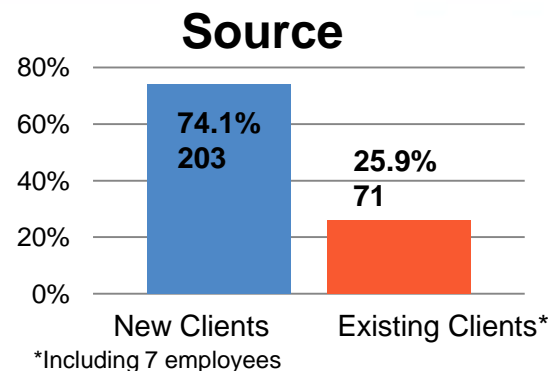
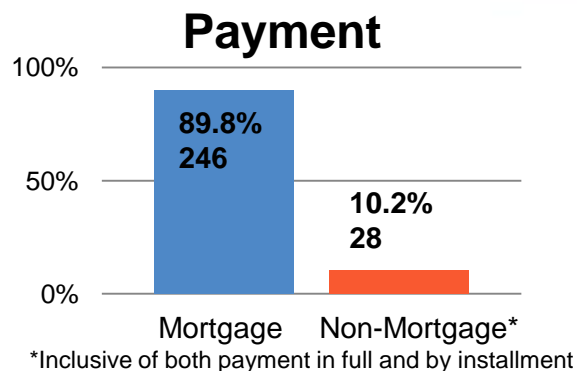
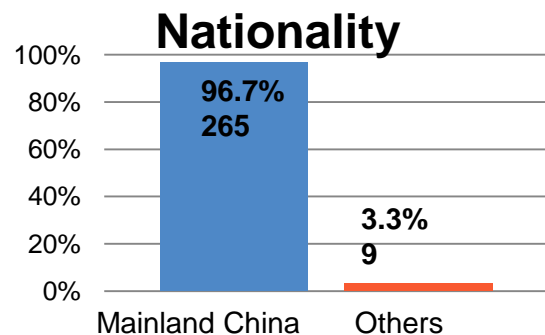
### Project Information (representing leasable & saleable GFA)

Total GFA	3,103,000 sq.m.
Properties for future development	271,000 sq.m. (sold & delivered ) 69,000 sq.m.* ( sold yet to be delivered ; available for sale ) 248,000sq.m. (IP)
Properties under development	950,000 sq.m.
Properties for future development	1,565,000 sq.m.

\*Including leasehold of 37,000 sq.m.

# Shanghai Rui Hong Xin Cheng

## The Gallery (Lot 2) Customer Profile

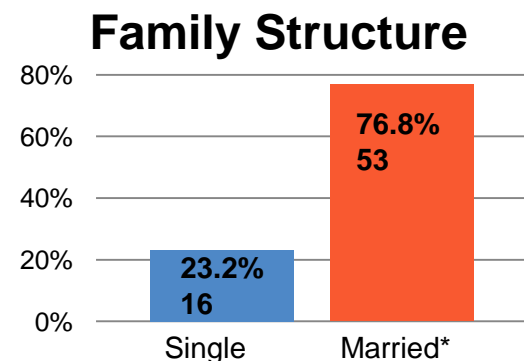
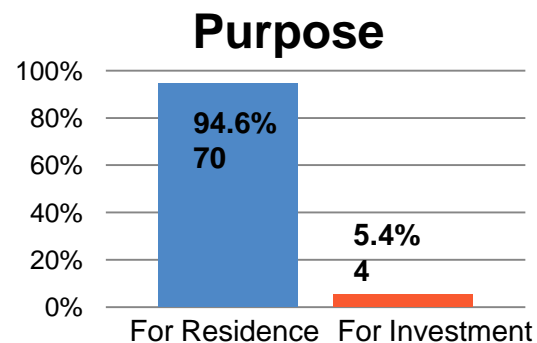
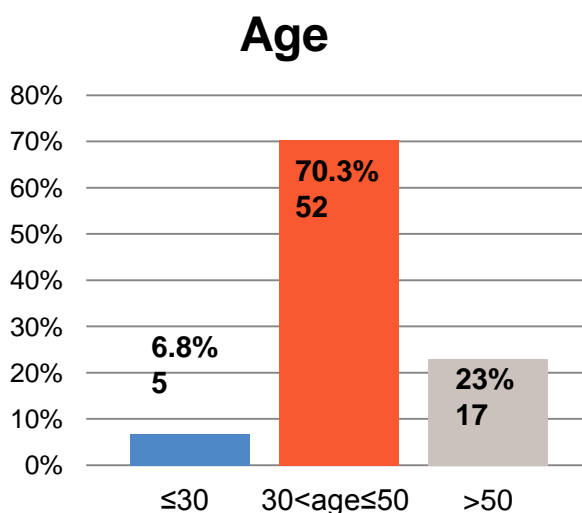
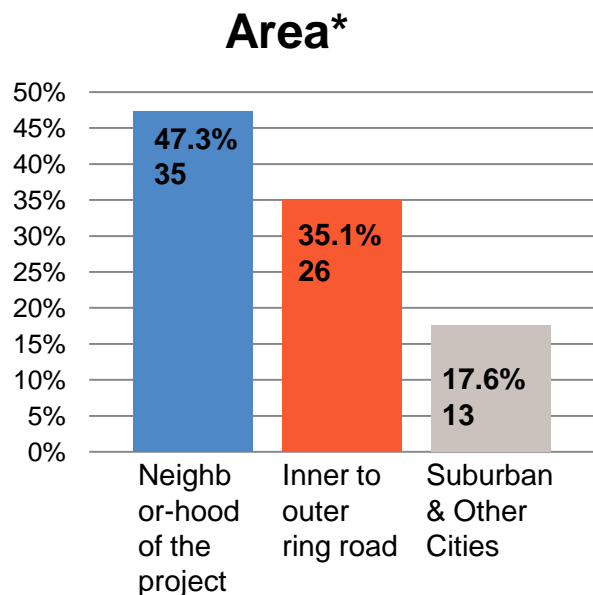
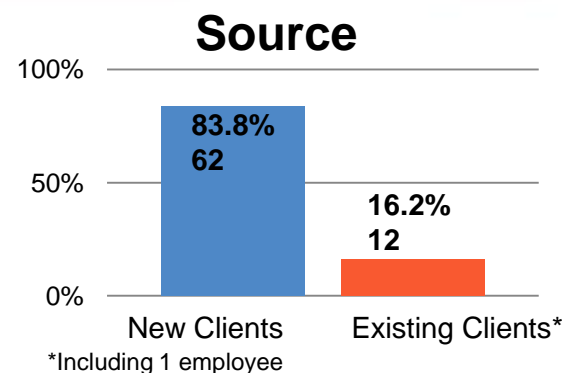
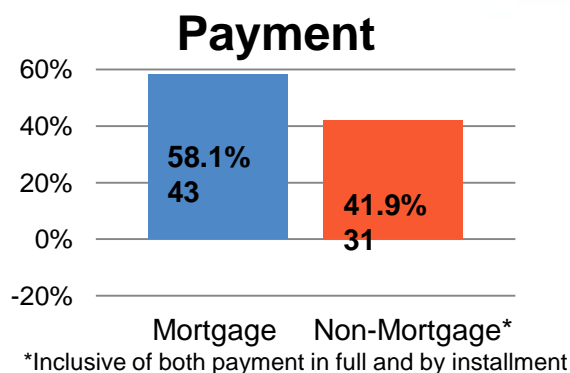
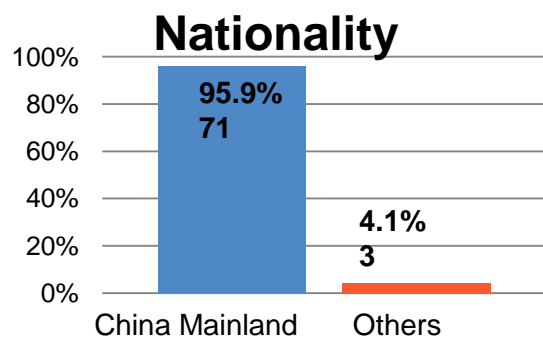


\*Neighborhood: Hongkou, Yangpu, Pudong, Changning Putuo  
Core City Center: Huangpu, Xuhui, Jingan  
Suburban & Other Cities: Minhang, Baoshan, Songjiang, Qingpu, Jinshan, Jiangsu & other cities

\*Having 2 or more persons in the family

# Shanghai Taipingqiao Project

## Lakeville Luxe (Lot 116) Customer Profile



\*Neighborhood :Huangpu, Xuhui, Jingan

Inner to outer ring road districts :Hongkou, Yangpu , Pudong, Putuo, Changning

Suburban& Other Cities: Minhang, Baoshan, Songjiang, Qingpu, Jinshan, Jiangsu & other cities

# Capital Expenditure (CAPEX)

RMB' bn	2015	1H 2016
Construction Cost	5.4	2.9
% of total CAPEX	53%	76%
Land Premium	0.4	-
Relocation Cost	4.3	0.9
% of total CAPEX	47%	24%
Total CAPEX	10.1	3.8

- Total committed and available bank loan facilities as of 30 June 2016: RMB4.1 billion
  - Construction and working capital loan facilities: RMB3.8 billion
  - Relocation loan facilities: RMB0.3 billion

# Core Earnings

RMB' mn	1H 2016	1H 2015	Change %
Profit attributable to shareholders of the Company	768	1,195	(36%)
Net increase in fair value of the remaining investment properties	(519)	(2,797)	(81%)
Effect of corresponding deferred tax charges	130	699	(81%)
Gain arose from acquisition of subsidiaries	(867)	-	-
Cumulative realized fair value gains of investment properties disposed*	1,556	4,156	(63%)
Share of results of associates – fair value losses, net of tax	75	26	188%
Non-controlling interests	(42)	38	(211%)
Net effect of changes in the valuation of investment properties	333	2,122	(84%)
Profit attributable to shareholders of the Company before revaluation of the remaining investment properties	1,101	3,317	(67%)
Add:			
Profit attributable to owners of perpetual capital securities	165	155	6%
Profit attributable to owners of convertible perpetual securities	-	128	-
Profit attributable to owners of convertible perpetual capital securities	55	8	588%
Core earnings of the Group	1,321	3,608	(63%)

\* Cumulative realised fair value gains of investment properties for 2015 was mainly related to disposal of 1 and 2 Corporate Avenue and for 2016 was mainly related to disposal of 3 Corporate Avenue in Shanghai Taipingqiao Project.

# Rental and Occupancy Rates Analysis

Excluding rental & related income from 1, 2 & 3 Corporate Avenue, growth by 25% to RMB744 million in 1H 2016 compared to RMB596 million in 1H 2015

Project	Product	Leasable  GFA sq.m.	Occupancy rate as of		Rental & related income RMB'mn		Change %
			30 Jun 2016	31 Dec 2015	1H 2016	1H 2015	
Shanghai Taipingqiao							
Shanghai Xintiandi	Office / Retail	54,000	98%	99%	164	148	11%
Xintiandi Style	Retail	26,000	99%	99%	40	37	8%
1 & 2 Corporate Avenue	Office / Retail	-	-	-	-	136	-
3 Corporate Avenue	Office / Retail	87,000	-	-	15	4	275%
Shui On Plaza	Office / Retail	52,000	98%	96%	75	70	7%
THE HUB							
Office Towers	Office / Retail	97,000	91%	80%	125	80	56%
The Mall & Xintiandi	Retail	147,000	74%	69%			
Shanghai RHXC							
The Palette 1, 2, 3, and 5	Retail	45,000	100%	96%	38	35	9%
Hall of the Stars	Retail	19,000	92%	96%			
Shanghai KIC							
1-3 & 5 - 12 KIC Plaza	Office / Retail	137,000	92%	94%	166	115	44%
KIC Village R1& R2	Office / Retail	22,000	92%	98%			
KIC Village Lot 12-8	Office	5,000	100%	NA			
5 -7 KIC Corporate Avenue	Office / Retail	61,000	78%	74%			
Wuhan Tiandi							
Wuhan Xintiandi	Retail	46,000	98%	97%	55	43	28%
Chongqing Tiandi							
The Riviera I - III	Retail	6,000	100%	88%	23	22	5%
Chongqing Xintiandi	Retail	49,000	79%	63%			
2, 6, 7 & 8 Corporate Avenue Retail	Retail	79,000	86%	80%			
Foshan Lingnan Tiandi							
Lingnan Tiandi	Retail	49,000	83%	85%	58	46	26%
Shui On New Plaza (Lot D retail podium)	Retail	15,000	2%	2%			
NOVA	Retail	73,000	73%	18%			
Total					759	736	3%
Rental & related income excluding CA1,2 & 3					744	596	25%