



Shui On Land Limited (0272.HK)

2017 Interim Results Announcement

23rd August 2017



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Business Review

Our key initiatives include:

- ***Pursual of Asset Light Strategy:*** The Group is implementing and refining our Asset Light Strategy, including setting up of new partnerships to leverage on our brand name and management expertise in order to capture land acquisitions and investment opportunities.
- ***Deleveraging bearing fruit:*** Our focus on strengthening our financials is bearing fruit with continued reduction of gearing and net debt levels.
- ***Balance between growth and stability:*** While the Group is committed to maintaining a strong balance sheet, we have also begun to selectively invest in new opportunities in order to ensure future growth momentum.
- ***Focus on profitability and shareholders return:*** As the Group's deleveraging exercise has yielded good results, going forward management will intend to also on improving profitability and shareholders returns.



Key Achievements in 1H 2017

- Turnover increased by 185% to RMB10,166 million; Gross profit increased by 449% to RMB4,418 million with gross profit margin increased 20 percentage points to 43% in 1H 2017 compared to 1H 2016. Attributable profit increased 17% Y/Y.
- Expanded our landbank in the key markets of Shanghai and Wuhan: The Group successfully bid for a major site in city centre of Wuhan Optics Valley with CITIC; and in July the Group announced a joint venture investment at RHXC, Lot 167.
- These JVs are part of the Asset Light Strategy that will see us working increasingly with strong partners in order to diversify risks and enhance our financial returns.
- Completed the divestment of majority interests at the Chongqing project for a total consideration of RMB4,133 million. The divestment is in line with our strategy of increasing our asset turnover and deploying our capital more efficiently.
- Further strengthened our balance sheet with net gearing ratio falling to 57% as at 30 June 2017, compared to 68% at the end of 2016. YTD the Group has called RMB4,759 million equivalent of USD denominated senior notes, and repaid RMB2,500 million of RMB denominated senior notes.

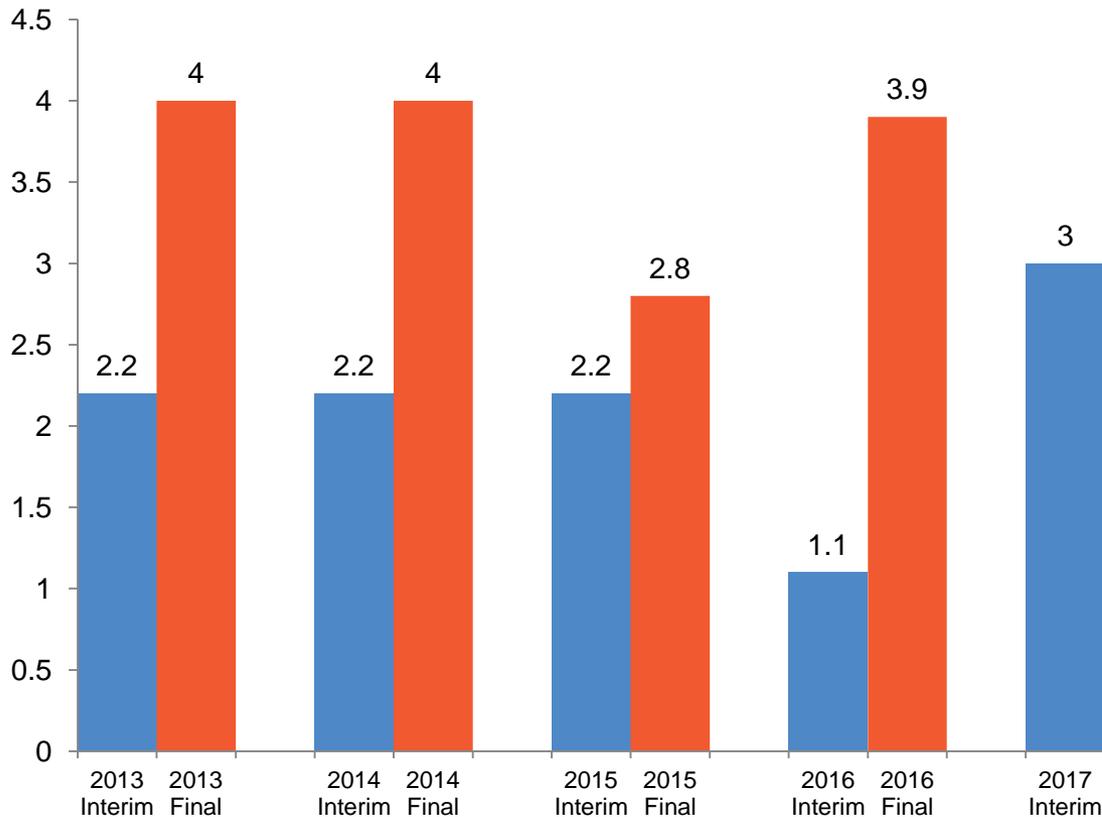


Focus on Profitability and Shareholders Return

Increased dividend payout

DPS

(HKD cents)



The Board recommends 1H2017 dividend at HK\$0.03 per share, an increase of 173% compared to last year. The increase was driven by:

- 2016 interim dividend per share as reduced from preceding years mainly due to restriction in bond covenants;
- The Group's financial positions and cash flow have improved in the past 2 years.

Therefore, 2017 interim dividend per share has been raised to above pre-2016 levels.



New Investment: Wuhan Optics Valley

- Total GFA of Wuhan Optics Valley is 1,279,000 sq.m. (AV: RMB1,790 per sq.m.), 35% of which is for residential usage and 65% is for commercial usage.
- The first phase which is a mixed-use development, includes a total GFA of 300,000 sq.m.. The first batch of residential development will be launched in 2018.
- The project is operated under a JV company which is owned as to 50% by the Group and 50% by CITIC.



Market Information for Wuhan Optics Valley Central City: Recent Transactions

RMB per sq.m.

Land Price	AV for Residential	3,500-4,500
	AV for Commercial	1,100-1,700
Residential Sales Price	Decorated Apartment	10,600-12,000
	Bare-shell Apartment	9,900-10,000

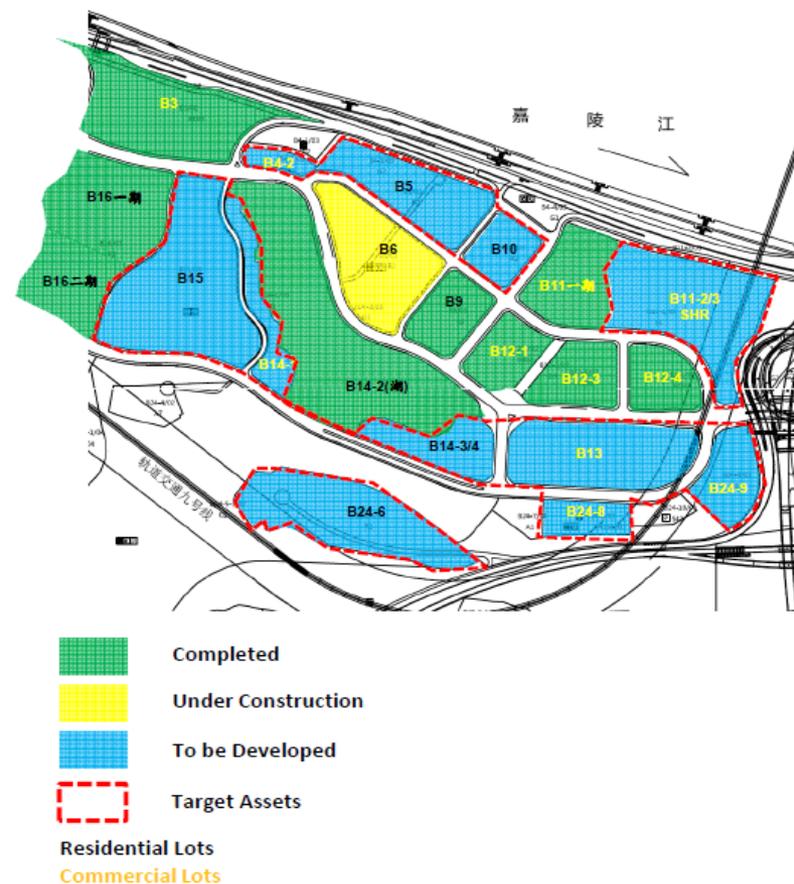
New Investment: RHXC Lot 167

- Total GFA of Lot 167 is 213,200 sq.m., 40% of which is for residential usage and the remaining is for commercial usage. Total investment is estimated to be RMB15 bn.
- Relocation of Lot 167 has started in August 2017.



Major Divestment

Disposal of the majority equity interests in 11 parcels at the Chongqing project



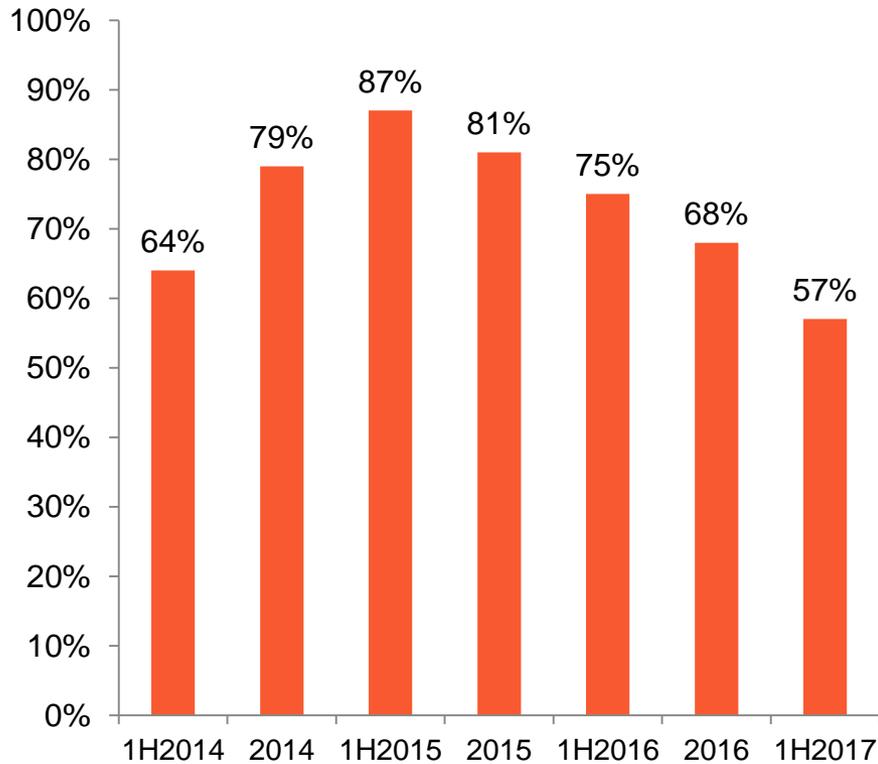
Target Assets	Sq.m.
Total GFA	1,259,200
Residential Land Parcels - Lots B5, B10, B15, B24-6 & B14-3/4	703,500
Commercial Land Parcels - Lots B13, B24-8, B24-9, B14-1 & B4-2	167,300
Super High-rise (Lot B11-2/3)	388,400

- Total consideration was RMB4,133 million, representing a 55% premium over the carrying value as of end 2016.

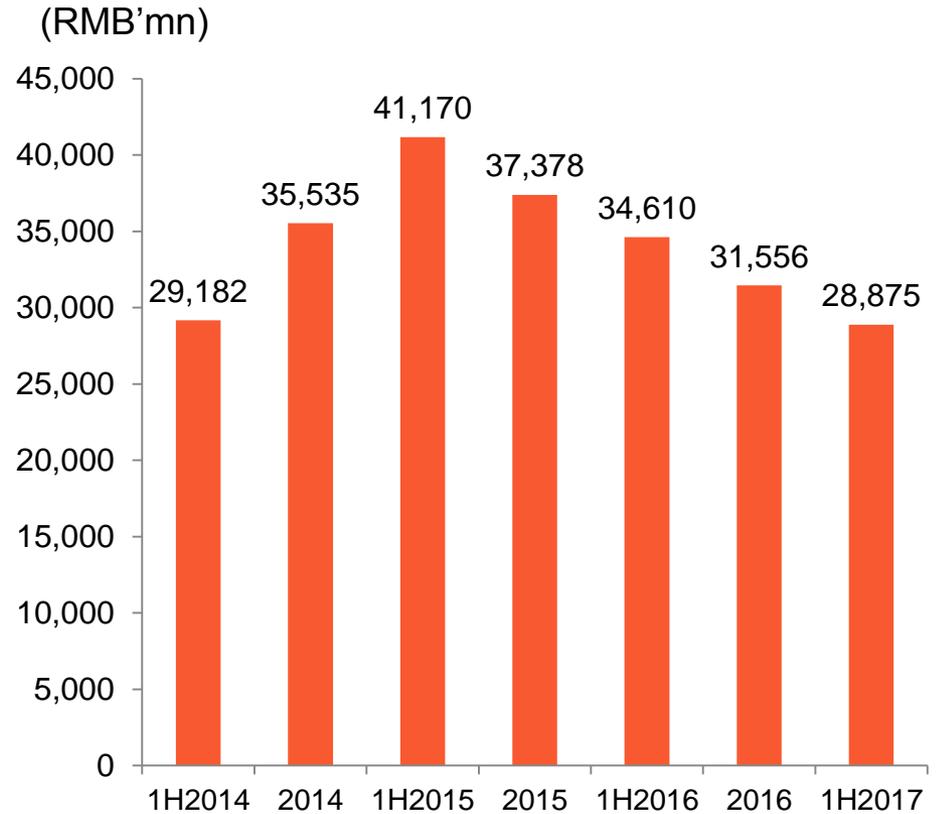


Deleveraging Exercise Bearing Fruit

Net Gearing



Net Debt





2H 2017 Outlook: Continue Our Three-Pronged Strategy of Strength, Balance and Performance

- The global economy has continued to expand during 2017, albeit at a moderate pace while the Chinese Economy is performing considerably better than other major economies and above Government targets.
- The Group expects the local and national measures imposed by Chinese government designed to stabilise property market will continue into the second half of the year, creating uncertainties to the timing, volume and pricing of contracted sales.
- The Group will continue to follow our three-pronged strategy to improve the strength, balance and performance of our business. We will further strengthen our balance sheet through asset disposals, and accelerating property sales where feasible.
- We will continue to implement our Asset Light Strategy by working in partnerships with established players in their respective businesses, in order to improve the overall efficiency and performances of the Group's business.



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Income Statement

Gross profit up 449% to RMB4,418 million underpinned by strong sales

RMB'mn	1H 2017	1H 2016 (Restated)	Change %
Turnover of the Group	10,166	3,571	185%
Property sales	9,086	2,618	247%
Rental & related income and others	973	831	17%
Construction	107	122	(12%)
Cost of sales	(5,748)	(2,766)	108%
Gross profit	4,418	805	449%
Gross profit margin	43%	23%	20ppt
Other income	206	352	(41%)
Selling & marketing expenses	(142)	(118)	20%
General & administrative expenses	(421)	(468)	(10%)
Operating profit	4,061	571	611%
Net increase in fair value of the remaining investment properties	207	519	(60%)
Gain on disposal of investment properties through disposal of subsidiaries	19	471	(96%)
Other gains and losses	(8)	1,156	(101%)
Share of losses of associates and joint ventures	(251)	(142)	77%
Finance costs, inclusive of exchange differences	(1,004)	(1,193)	(16%)
Net exchange gain/(loss)	31	(350)	(109%)
Interest costs and others	(1,035)	(843)	23%



Income Statement (Cont'd)

Profit attributable to shareholders increased 17%

RMB'mn	1H 2017	1H 2016 (Restated) ¹	Change %
Profit before taxation	3,024	1,382	119%
Taxation	(1,856)	(254)	631%
Profit for the period	1,168	1,128	4%
Attributable to:			
Non-controlling shareholders of subsidiaries	30	140	(79%)
Owners of perpetual capital securities	182	165	10%
Owners of convertible perpetual capital securities	58	55	5%
Profit attributable to shareholders	898	768	17%
Core earnings	1,487	1,321	13%
Earnings per share – Basic	RMB0.112	RMB0.096	17%
Interim dividend (per share)	HKD0.03	HKD0.011	173%

1. A new accounting policy of revenue recognition under the Group's new Asset Light Strategy has been adopted in Annual Report 2016. In accordance with the requirements set out in IAS 34 Interim Financial Reporting, the 2016 interim financial statements had been restated.



Recognised Property Sales¹

Total RMB12,558 million for 1H 2017

RMB'mn	1H 2017	1H 2016 (Restated)	Change %
Property Sales	9,086	2,618	247%
TPQ	793	6	13,117%
RHXC	4,795	9	53,178%
KIC	1	12	(92%)
Chongqing	121	207	(42%)
Foshan	147	542	(73%)
En-bloc Sales	3,229	1,842	75%

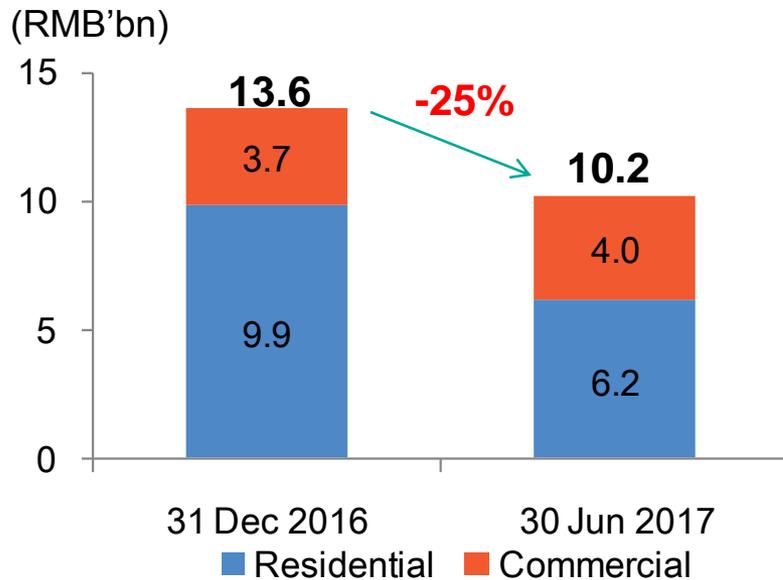
Property Sales Recognised as:	1H 2017	1H 2016 (Restated)	Change %
- property sales in turnover of the Group	9,086	2,618	247%
- disposal of investment properties	1,021	58	1,660%
- disposal of property, plant and equipment (PPE)	21	-	100%
- disposal of equity in subsidiaries holding commercial properties	1,937	5,700	(66%)
- turnover of associates	493	340	45%
Total Property Sales	12,558	8,716	44%

1. Inclusive property sales in turnover of the Group, disposal of investment properties, disposal of PPE, disposal of equity in subsidiaries holding commercial properties, and turnover of associates.

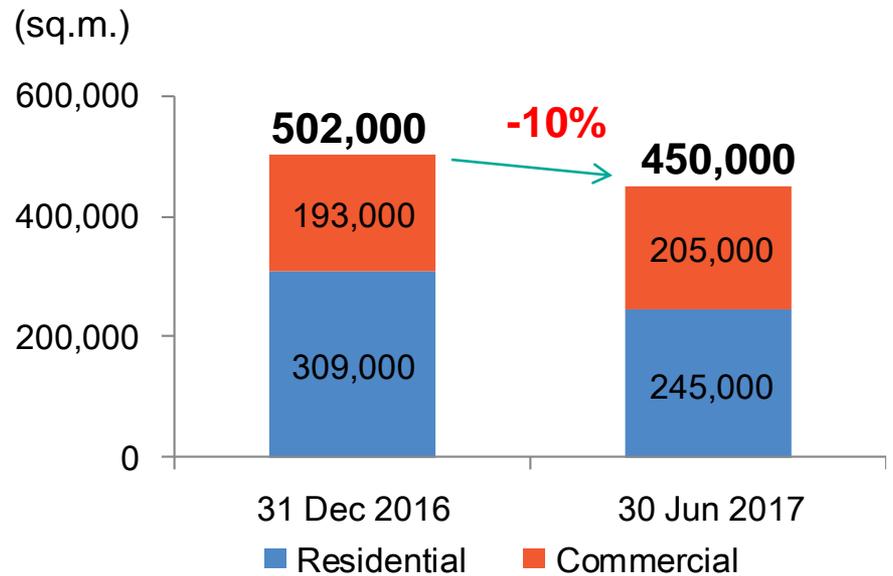


RMB10.2 Billion Locked-in Sales for Delivery in 2H 2017 and Beyond

Locked-in Sales



Locked-in Sales GFA



- RMB1.3 billion contracted sales achieved in July 2017
- RMB2.8 billion subscribed sales as at 31 July 2017



Valuation of Investment Property Portfolio

RMB43.8 billion portfolio on 0.5% valuation gain

Project	Product	Leasable GFA	Fair Value Gain / (Loss) in 1H 2017	Carrying Value as at 30 June 2017		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	75	7,400	92,500	1.0%
	Shui On Plaza	Office	24,000	1	1,873	78,000	0.1%
THE HUB		Office & Retail	263,000	(158)	8,938	34,000	(1.8%)
Shanghai RHXC		Retail	116,000	40	3,824	33,000	1.0%
Shanghai KIC		Office, Retail & Hotel	239,000	178	7,332	30,700	2.4%
Wuhan Tiandi		Retail	160,000	52	5,540	34,600	0.9%
Chongqing Tiandi		Retail	134,000	(25)	1,753	13,100	(1.4%)
Foshan Lingnan Tiandi		Retail	139,000	11	4,180	30,100	0.3%
Sub-total			1,155,000	174	40,840	35,400	0.4%
Investment properties under development at valuation							
TPQ Shui On Plaza - Retail		Retail	28,000	1	1,665	59,500	0.1%
Wuhan Tiandi		Retail	71,000	32	1,259	17,700	2.5%
Sub-total			99,000	33	2,924	29,500	1.1%
Total of investment property portfolio at valuation			1,254,000	207	43,764	34,900	0.5%



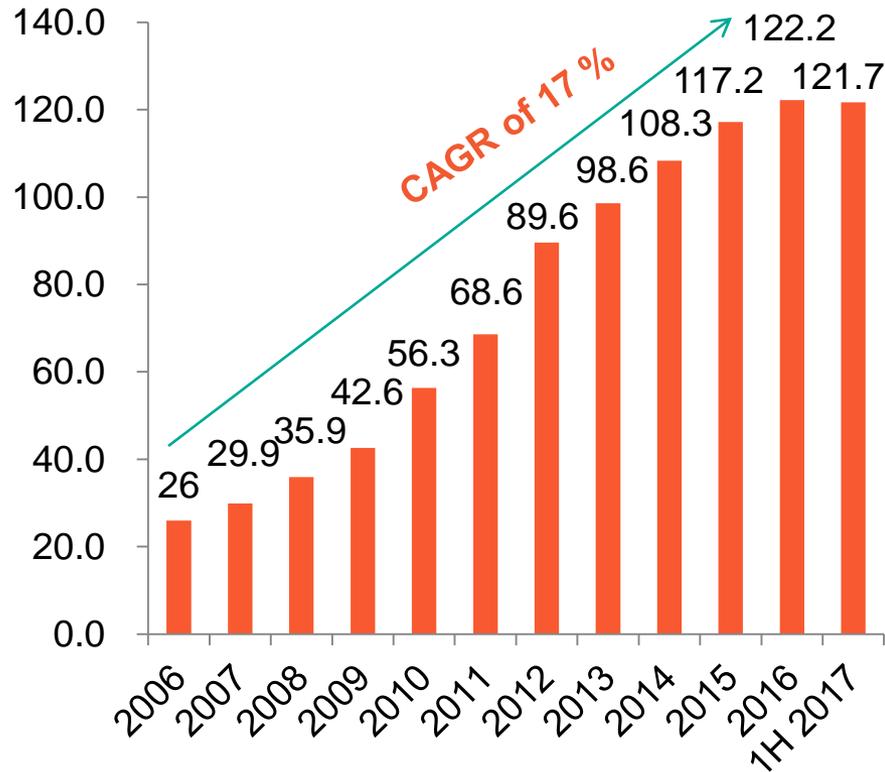
A Strong Asset Base

Total assets were RMB121.7 billion as at 30 June 2017

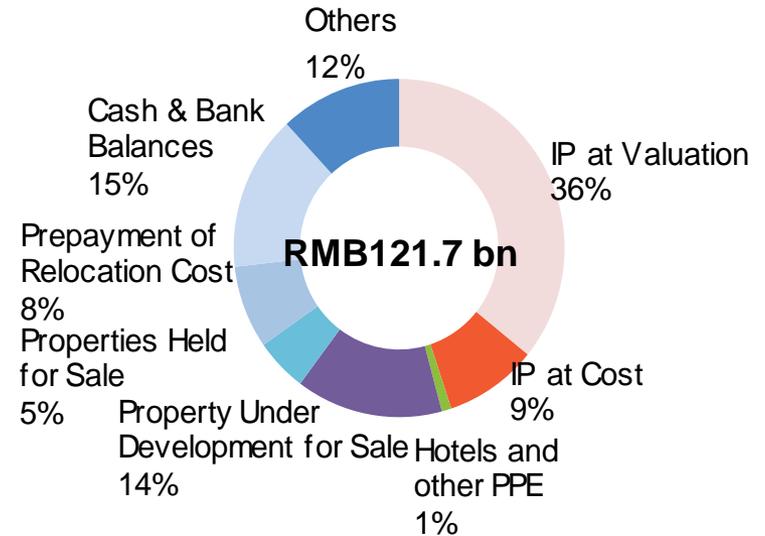
IP consists of 45% of total

Growing Asset Base

(RMB'bn)



Asset Value – by Nature





Financial Position

Net gearing ratio at 57%

Net debt decreased by RMB12,295 million in the past 2 years

RMB'mn	30 Jun 2017	31 Dec 2016	Change %	30 Jun 2015	Change %
Total cash and bank deposits	17,704	15,567	14%	7,126	148%
Total assets	121,662	122,213	0%	112,947	8%
Total debt	46,579	47,123	(1%)	48,296	(4%)
Bank and other borrowings	30,073	29,811	1%	33,969	(11%)
Senior Notes	16,506	17,312	(5%)	14,327	15%
Net debt	28,875	31,556	(8%)	41,170	(30%)
Total equity	50,772	46,256	10%	47,384	7%
Net gearing	57%	68%	(11ppt)	87%	(30ppt)
Shareholders' Equity per share	RMB4.74	RMB4.68	1%	RMB4.85	(2%)

■ Average cost of debt as at end of period: 1H 2017: **5.9%** vs. 2016: **6.1%**

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

Debt Profile

Debt Profile – Nature & Maturity Breakdown

RMB'mn	2H 2017	2018	2019-2021	2022 & after	Total
USD Senior Notes	3,402 ¹	4,310	8,794	-	16,506
HKD Bank Borrowings	-	1,148	3,210	-	4,358
USD Bank Borrowings	157	1,165	1,928	-	3,250
RMB Bank Borrowings	584	5,720	11,552	4,609	22,465
Total	4,143	12,343	25,484	4,609	46,579

1. On 26 July 2017, the USD500 million 8.7% of senior notes (RMB3,402 mn as at 30 June 2017) were fully redeemed.

In addition

■ USD225 million 7.50% of convertible perpetual capital securities

■ USD500 million 10.125% of perpetual capital securities

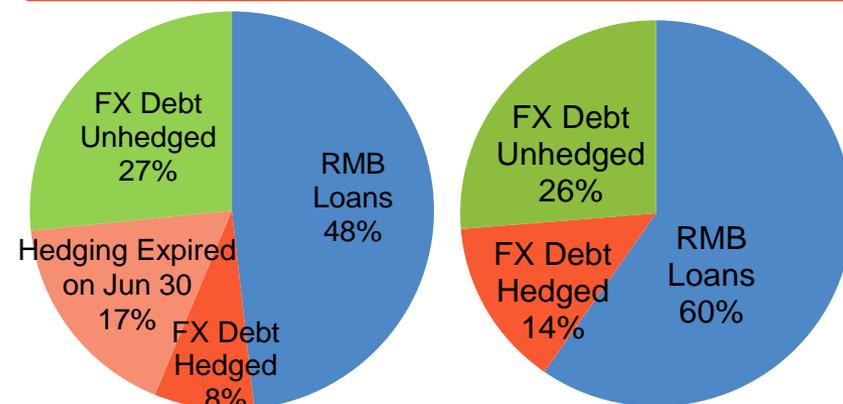
■ USD600 million 6.40% of perpetual capital securities

(RMB8,976 million equivalent in total, based on the exchange rate at 30 June 2017)

1H 2017

vs.

2016



Notes:

1. Hedging for a total amount of USD1,180 million FX debt expired on 30 June 2017, and was shown as “hedging expired on Jun 30” in the chart.
2. After 30 June 2017, the Group entered into forward contracts of USD587 million (8.5% of the total debt as at 30 June 2017) as at 22 August 2017.



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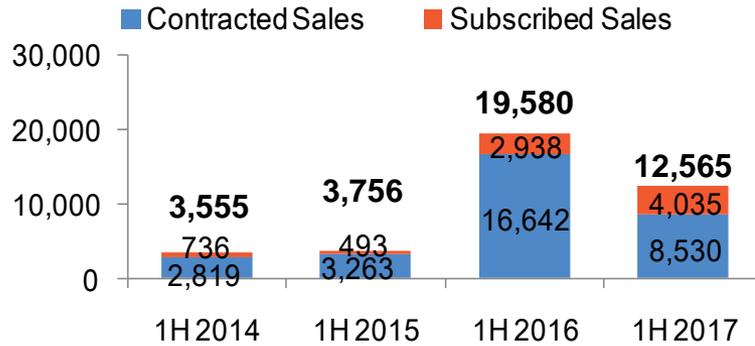


Contracted Property Sales

76% of residential sales contributed by Shanghai projects

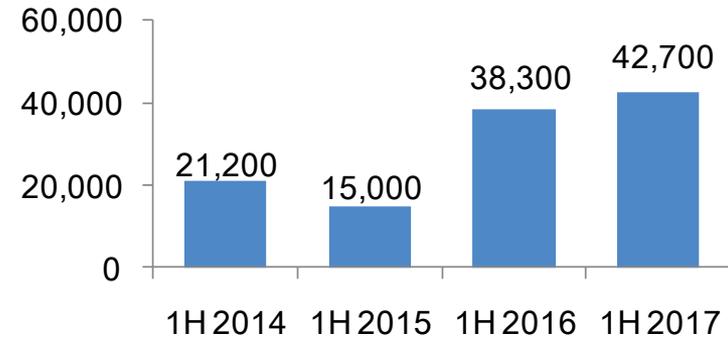
Contracted Sales

(RMB'mn)



Residential Contracted Sales ASP

(RMB per sq.m.)





Shanghai Rui Hong Xin Cheng

Robust sell through rate and ASP growth

Shanghai Rui Hong Xin Cheng		The Upper (Lot 9)		The Gallery (Lot 2)	
		1 st Batch	2 nd Batch	1 st Batch	2 nd Batch
Date of Launch		Oct 2015	Feb 2016	Jun 2016	Apr 2017
RMB	ASP (per sq.m.)	69,000	79,000	94,000	103,000
	Average Price per Unit(million)	8	10	12	19
	Total Sales Amount(billion)	2.7	3.6	3.7	4.5
Total Units Launched		328	352	320	232
Sell Through Rate on the Date of Launch		99%	100%	86%	92%





Residential Available for Sale in 2H 2017 & Beyond

Abundant saleable resources from Shanghai

Residential projects	Product type	GFA sq.m.	Group's interest %	Attributable GFA sq.m.
Shanghai Taipingqiao – Lakeville Luxe (Lot 116)	High-rises	44,900	98.00%	44,000
Shanghai RHXC	High-rises	21,200 ¹	99.00%	21,000
Foshan Lingnan Tiandi	Townhouses / Low-rises	5,900	100.00%	5,900
Chongqing Tiandi	High-rises	211,000	19.80%	41,800
Dalian Tiandi	High-rises / Serviced apartments	93,400	48.00% ²	44,700
Total GFA		376,400		157,400

1. The Group has a total GFA of 33,700 sq.m. subscribed sales as at 30 June 2017 at Shanghai RHXC, which is expected to be subsequently turned into contracted property sales in the following months. Therefore, the subscribed GFA is excluded in the above table.

2. The Group has an effective interest of 44.72% in Lots E02a & C03 with a total GFA of 53,000 sq.m., and 48.00% in the remaining lots.



Residential Developments

GFA 2.7 million^{1,2} sq.m. saleable resources

Shanghai
Saleable GFA: 179,800 sq.m.
(Completed & PUD)



Taipingqiao (Lot 116)

- Saleable GFA: 44,900 sq.m.
- Attributable GFA: 44,000 sq.m.

Taipingqiao (Lot 118)

- 80,000 sq.m.
- 79,000 sq.m.

RHXC (Lot 2)

- 54,000 sq.m.
- 53,500 sq.m.

Shanghai³
Saleable GFA: 267,000 sq.m.
(Under relocation)



RHXC (Lots 1, 7)

- 267,000 sq.m.
- 264,300 sq.m.

Wuhan, Foshan and Dalian
Saleable GFA: 2,244,300 sq.m.
(Completed, PUD and for future development)



Wuhan Tiandi

- Saleable GFA: 243,000 sq.m.
- Attributable GFA: 243,000 sq.m.

Wuhan Optics Valley

- 444,000 sq.m.
- 222,000 sq.m.

Foshan Lingnan Tiandi

- 149,900 sq.m.
- 149,900 sq.m.

Chongqing Tiandi

- 704,000 sq.m.
- 139,400 sq.m.

Dalian Tiandi

- 703,400 sq.m.
- 337,500 sq.m.

1. This represents GFA not yet recorded as contracted sales.
 2. This represents total GFA, the Group has different shareholdings across different projects.
 3. Excluding sites yet to start relocation.



Relocation Progress Update

Three lots at RHXC are scheduled to be cleared in 2017/2018

Lot	GFA sq.m.	% of relocation completed as at 31 Dec 2016	% of relocation completed as at 30 Jun 2017	Year of relocation started	Estimated year of relocation completion	Total relocation cost paid as at 30 June 2017 RMB' mn
RHXC Lot 10 - Retail - Office	182,000 156,000	99.9%	99.9% ¹	Q4 2010	2017	2,702
RHXC Lot 1 - Residential - Ancillary retail	109,000 1,000	98%	99%	Q4 2013	2017	4,182
RHXC Lot 7 - Residential - Ancillary retail	158,000 1,000	95%	98%	Q4 2013	2018	3,857
Total	607,000					10,741

1. The remaining 1 householder is expected to be vacated in 2H 2017.

In Addition

RHXC Lot 167 has started relocation in August 2017.



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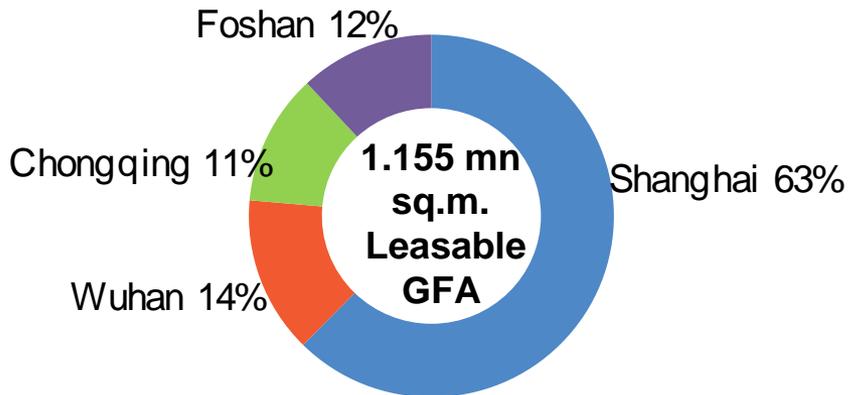
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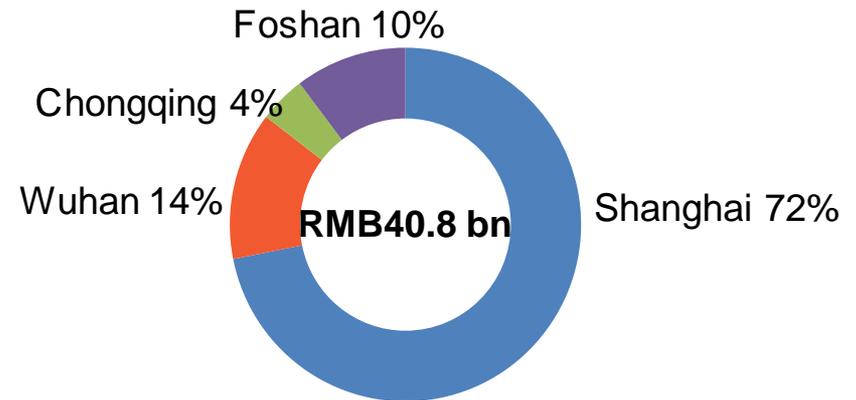
Completed Investment Property Portfolio

63% of the total GFA or 72% of the total IP valuation is from Shanghai projects

Completed IP GFA¹ by City



Completed IP Valuation by City



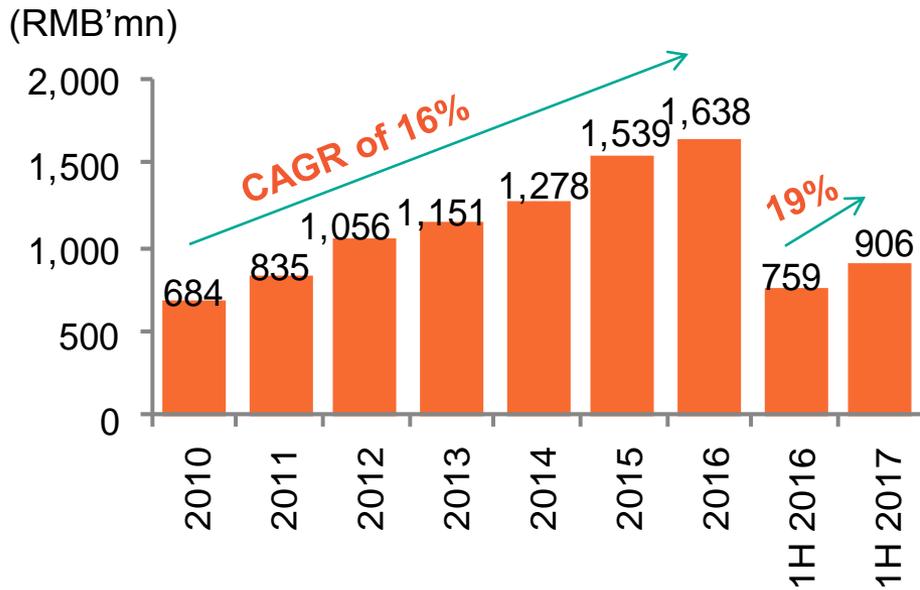
1. A total GFA of 16,000 sq.m. was occupied as self-use office by the Group, and leasable GFA of which is excluded.



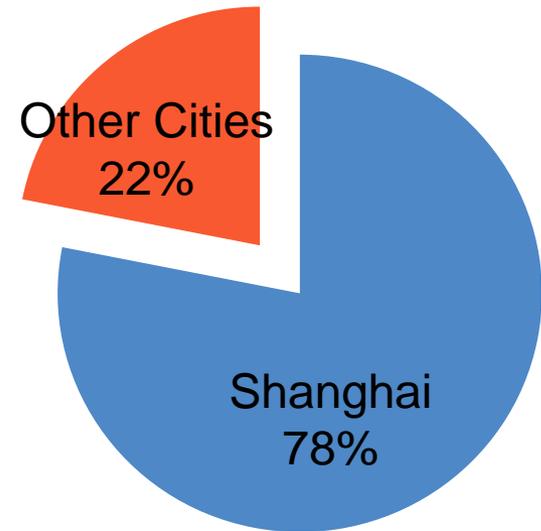
Rental and Related Income

Rental and related income increased by 19%

Rental and Related Income¹



Rental and Related Income by Cities



1. Excluding income from hotel operations.



Rental and Occupancy Rates Analysis

Shanghai projects

Project	Product	Leasable GFA sq.m.	Occupancy rate as at		Rental & related income RMB'mn		Change %
			30 Jun 2017	31 Dec 2016	1H 2017	1H 2016	
Shanghai Taipingqiao							
Shanghai Xintiandi	Office / Retail	54,000	100%	99.6%	198	164	21%
Xintiandi Style	Retail	26,000	100%	99%	43	40	8%
3 Corporate Avenue	Office / Retail	-	-	-	-	15	-
Shui On Plaza ¹	Office	32,000	93%	100%	55	75	(27%)
THE HUB							
Office Towers	Office / Retail	97,000	97%	95%	159	125	27%
The Mall & Xintiandi	Retail	147,000	92%	79%			
Performance Center	Retail	19,000	100%	NA			
Shanghai RHXC							
The Palette 1, 3 and 5	Retail	33,000	84%	100%	70	38	84%
Hall of the Stars	Retail	19,000	94%	97%			
Hall of the Moon	Retail	64,000	82%	61%			
Shanghai KIC							
1-3 & 5-12 KIC Plaza	Office / Retail	137,000	89%	89%	183	166	10%
KIC Village R1& R2	Office / Retail	22,000	94%	93%			
KIC Village Lot 12-8	Office	5,000	100%	100%			
5-7 KIC Corporate Avenue	Office / Retail	61,000	94%	94%			
Lot 311 Hotel	Hotel	22,000	97%	N/A			
Total		738,000			708	623	14%

1. Retail space of Shui On Plaza with a total GFA of 28,000 sq.m. is under AEI in 1H 2017.



Rental and Occupancy Rates Analysis(Cont'd)

Non Shanghai increased 46% Y/Y

Project	Product	Leasable GFA sq.m.	Occupancy rate as at		Rental & related income RMB'mn		Change %
			30 Jun 2017	31 Dec 2016	1H 2017	1H 2016	
Wuhan Tiandi							
Wuhan Xintiandi	Retail	46,000	95%	95%	50	55	85%
HORIZON	Retail	114,000	85%	79%	52	-	
Chongqing Tiandi							
The Riviera I – III	Retail	6,000	98%	98%	23	23	0%
Chongqing Xintiandi	Retail	49,000	74%	83%			
2, 6, 7 & 8 Corporate Avenue Retail	Retail	79,000	44%	84%			
Foshan Lingnan Tiandi							
Lingnan Tiandi	Retail	49,000	79%	82%	73	58	26%
Shui On New Plaza (Lot D retail podium)	Retail	15,000	2%	2%			
NOVA	Retail	75,000	89%	84%			
Total		433,000			198	136	46%



Commercial Property Portfolio

GFA 4.6 million¹ sq.m. under development or for future development

Shanghai – RHXC Lot 10



- Office & Retail
- Total Leasable GFA: 338,000 sq.m.
- Attributable GFA: 335,000 sq.m.

Wuhan Tiandi



- Office & Retail
- Leasable GFA: 508,000 sq.m.
- Attributable GFA: 508,000 sq.m.

Wuhan Optics Valley



- Office & Retail
- Leasable GFA: 833,000 sq.m.
- Attributable GFA: 416,500 sq.m.

Foshan Lingnan Tiandi



- Office, Retail & Hotel
- Leasable GFA: 651,000 sq.m.
- Attributable GFA: 651,000 sq.m.

Chongqing Tiandi



- Office, Retail & Hotel
- Leasable GFA: 569,000 sq.m.
- Attributable GFA: 123,900 sq.m.

Dalian Tiandi



- Office, Retail & Hotel
- Leasable GFA: 1,695,000 sq.m.
- Attributable GFA: 795,900 sq.m.

1. This represents total GFA, the Group has different shareholdings across different projects.



Thank You

Q & A



Appendix

- Company Introduction
- CAPEX and Core Earnings
- Major Non-residential Property Transactions
- Market Information



Large-scale Mixed-use City Center Development



Xintiandi – Entertainment Area



Corporate Avenue – Grade A Office Tower



High-end Residential



Shopping Centre



Man-made Lake

Landbank in High Growth Cities



Property Portfolio	GFA (mn sq.m.)
Completed properties	1.7
Properties under development	3.0
Properties for future development	5.1

1. Total leasable and saleable landbank excludes 1.9 million sq.m. of clubhouse, carpark and other facilities.

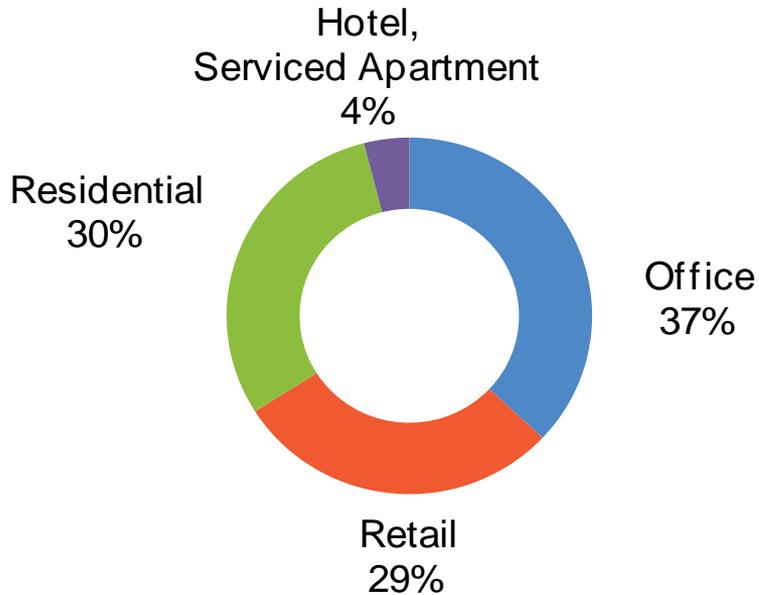
2. The Group shares 19.8% effective interests of a GFA of 1.259 million sq.m. out of the total GFA of 1.5 million sq.m. in Chongqing Tiandi.

3. The Group has 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.

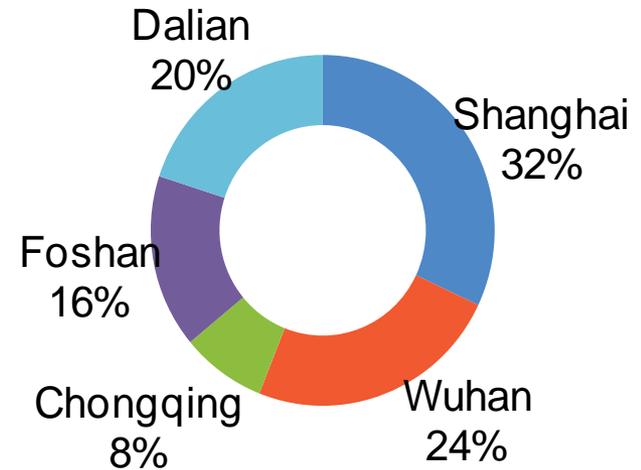


Superior and Diversified Landbank

Attributable GFA by Property Type



Attributable GFA by City





Completed Investment Property Portfolio

Total GFA of 1,155,000 sq.m.
Total carrying value as at 30 June 2017: RMB40.8 billion

Shanghai Portfolio¹ (Leasable GFA: 722,000 sq.m.)



Taipingqiao ■ Office & Retail
■ Leasable GFA: 104,000 sq.m.



THE HUB ■ Office & Retail
■ Leasable GFA: 263,000 sq.m.



RHXC ■ Retail
■ Leasable GFA: 116,000 sq.m.



KIC ■ Office, Retail & Hotel
■ Leasable GFA: 239,000 sq.m.

Wuhan, Chongqing and Foshan (Leasable GFA: 433,000 sq.m.)



Wuhan Tiandi ■ Retail
■ Leasable GFA: 160,000 sq.m.



Chongqing Tiandi ■ Retail
■ Leasable GFA: 134,000 sq.m.



Foshan Lingnan Tiandi ■ Retail
■ Leasable GFA: 139,000 sq.m.

1. A total GFA of 16,000 sq.m. was occupied as self-use offices by the Group, and leasable GFA of which is excluded. RHXC The Palette 2 was sold and delivered to the buyer in 1H 2017, and the leasable GFA is excluded.



Shanghai Taipingqiao & Rui Hong Xin Cheng

Shanghai Taipingqiao



Project Information (representing leasable & saleable GFA)

Total GFA	1,265,000 sq.m.
Completed Properties	290,000 sq.m. (Sold & Delivered Residential) 10,000 sq.m. (Sold yet to be delivered; available for sale) 112,000 sq.m. (IP) 282,000 sq.m. (Sold IP & Hotel)
Properties under development	155,000 sq.m.
Properties for future development	416,000 sq.m. (yet to start relocation)

Shanghai Rui Hong Xin Cheng



Project Information (representing leasable & saleable GFA)

Total GFA	1,744,000 sq.m.
Completed Properties	710,000 sq.m (Sold & Delivered Residential and IP) 81,000 sq.m (Sold yet to be delivered; available for sale) 116,000 sq.m. (IP)
Properties under development	607,000 sq.m.
Properties for future development	230,000 sq.m.



Shanghai KIC and THE HUB

Shanghai KIC



Project Information (representing leasable & saleable GFA)

Total GFA

498,000 sq.m.

**Completed
Properties**

**249,000 sq.m. (Sold & Delivered)
247,000 sq.m. (IP)
2,000 sq.m. (Sold yet to be
delivered ; available for sale)**

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 Center)**



Wuhan Tiandi and Wuhan Optics Valley

Wuhan Tiandi



Project Information (representing leasable & saleable GFA)

Total GFA	1,580,000 sq.m.
Completed Properties	628,000 sq.m. (Sold & Delivered) 160,000 sq.m. (IP)
Properties under development	397,000 sq.m.
Properties for future development	395,000 sq.m.

Wuhan Optics Valley



Project Information (representing leasable & saleable GFA)

Total GFA	1,277,000 sq.m.
Properties for future development	1,277,000 sq.m.

Chongqing Tiandi and Foshan Lingnan Tiandi

Chongqing Tiandi



Project Information (representing leasable & saleable GFA)

Total GFA	2,811,000 sq.m.
Completed Properties	1,269,000 sq.m. (Sold & delivered) 24,000 sq.m. (Sold yet to be delivered, available for sale) 134,000 sq.m. (IP)
Properties under development	125,000 sq.m.
Others¹	1,259,000 sq.m.

1. Others include properties under development and properties for future development. The Group has a 19.8% effective interest.

Foshan Lingnan Tiandi



Project Information (representing leasable & saleable GFA)

Total GFA	1,524,000 sq.m.
Completed Properties	274,000 sq.m. (sold & delivered) 41,000 sq.m. (sold yet to be delivered ; available for sale) 182,000 sq.m. (IP and Hotel)
Properties under development	82,000 sq.m.
Properties for future development	713,000 sq.m. 232,000 sq.m.(other asset disposal)



Dalian Tiandi

Dalian Tiandi



Project Information (representing leasable & saleable GFA)

Total GFA	3,105,000 sq.m. ¹
Completed Properties	360,000 sq.m. (sold & delivered) 52,000 sq.m. ² (sold yet to be delivered ; available for sale) 248,000 sq.m. (IP)
Properties under development	880,000 sq.m.
Properties for future development	1,565,000 sq.m.

1. The Group has 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.

2. Including leasehold of 37,000 sq.m..



Capital Expenditure (CAPEX)

RMB'bn	1H 2017	2016
Construction Cost	2.2	5.1
% of total CAPEX	51%	73%
Land Premium	1.3	-
Relocation Cost	0.8	1.9
% of total CAPEX	49%	27%
Total CAPEX	4.3	7.0

- Total committed and available bank loan facilities as at 30 June 2017: RMB3.8 billion
 - Construction and working capital loan facilities: RMB3.6 billion
 - Relocation loan facilities: RMB0.2 billion



Core Earnings

RMB'mn	1H 2017	1H 2016	Change %
Profit attributable to shareholders of the Company	898	768	17%
Net increase in fair value of the remaining investment properties	(207)	(519)	
Effect of corresponding deferred tax charges	52	130	
Bargain purchase gain from acquisition of subsidiaries	-	(867)	
Realised bargain purchase gain from acquisition of subsidiaries	119	-	
Realised fair value gains of investment properties disposed ¹	113	1,556	
Share of results of associates – fair value losses, net of tax	276	75	
Non-controlling interests	(4)	(42)	
Net effect of changes in the valuation of investment properties	349	333	5%
Profit attributable to shareholders of the Company before revaluation of the remaining investment properties	1,247	1,101	13%
Add:			
Profit attributable to owners of perpetual capital securities	182	165	10%
Profit attributable to owners of convertible perpetual capital securities	58	55	5%
Core earnings of the Group	1,487	1,321	13%

1. Realised fair value gains of investment properties for 1H 2016 was mainly related to disposal of 3 Corporate Avenue in Shanghai Taipingqiao Project, for 1H 2017 it was from the disposal of RHXC Phase 4 retail, the Palette 2.



Major Non-residential Property Transactions

Realising value of commercial properties at appropriate timing for recycling of capital

Year	Project	Contracted Amount (RMB'mn)	GFA Sold (sq.m.)
2011	Wuhan Tiandi Corporate Centre 5	963	58,800
2011	Shanghai KIC C2 Lot 5-5	600	14,400
2011	Chongqing Tiandi B12-3, B12-4 & B12-1	3,232	233,200
2012	Shanghai KIC C2 Lot 5-5 (remaining portion)	170	4,600
2013	Chongqing Tiandi 2 Corporate Avenue	2,412	119,500
2013	Shanghai Taipingqiao 5 Corporate Avenue	4,300	79,000
2014	Shanghai Taipingqiao Langham Xintiandi Hotel	1,739	34,200
2014	The HUB Hotel	965	45,000
2014	Wuhan Tiandi 2 Corporate Avenue	937	42,500
2015	Shanghai Taipingqiao 1 & 2 Corporate Avenue	6,601	83,200
2015	Shanghai Taipingqiao 3 Corporate Avenue	5,700	87,300
2016	Foshan Lot 4	1,693	231,500
2016	Wuhan Tiandi A1 Office ¹	3,365	177,100
2016	Wuhan Tiandi 3 Corporate Avenue	1,134	55,100
2017	Chongqing Project (Disposal of majority equity interests in Partnership Portfolio)	4,133	1,259,200
Total		37,944	2,524,600

1. It is scheduled to be completed and delivered in 2020.



Market Information

Indicator	Year	China	Shanghai	Wuhan	Chongqing	Foshan	Dalian
GDP (RMB billion)	2014	63,614	2,356	1,007	1,427	744	766
	2015	67,671	2,496	1,091	1,572	800	773
	2016	74,413	2,747	1,191	1,756	863	815
	1H 2017	38,149	1,391	602	914	420	329
Population (million)	2014	1,368	24.26	10.34	29.91	7.4	7.0
	2015	1,375	24.15	10.61	30.17	7.43	7.03
	2016	1,383	24.19	10.77	30.48	7.46	7.03 ¹
Per Capita GDP (RMB)	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
	2016	53,817	113,600	110,648	57,902	115,642	116,662 ²
Real GDP Growth	10-yr Avg.	9.5%	8.8%	11.9%	13.7%	11.6%	12.3%
	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%
	2016	6.7%	6.8%	7.8%	10.7%	8.3%	6.5%
	1H 2017	6.9%	6.9%	7.5%	10.5%	8.5%	6.8%

Year end	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	1H 2017
M2 (RMB trillion)	34.6	40.3	47.5	61.0	72.6	85.2	97.4	110.7	122.8	139.2	155.0	163.1
PBOC deposit rate (1 year %)	2.52	4.14	2.25	2.25	2.75	3.50	3.00	3.00	2.75	1.50	1.50	1.50
PBOC lending rate (over 5 years %)	6.84	7.83	5.94	5.94	6.40	7.05	6.55	6.55	6.15	4.90	4.90	4.90
Personal housing provident fund lending rate (over 5 years %)	4.59	5.22	3.87	3.87	4.30	4.90	4.50	4.50	4.25	3.25	3.25	3.25

1. Population in 2015 2. GDP in 2016/Population in 2015



Market Information (Cont'd)

Indicator	Year	China		Shanghai	Wuhan	Chongqing	Foshan	Dalian
Residential Housing Price Growth	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%
	2016	11.3%		24.1%	6.8%	5.2%	11.6%	4.0%
	1H 2017	3.9%		34.4%	3.7%	29.1%	14.6%	12.4%
Residential Transaction Area (million sq.m.)	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
	2016	1,375		14.1	30.0	21.7	19.7	3.1
	1H 2017	648		3.6	10.0	13.5	6.2	1.6
City Core ASP (RMB/sq.m.)	2014	5,932		62,742	9,267	7,122	9,253	11,453
	2015	6,472		75,868	9,882	6,768	9,403	11,688
	2016	7,203		90,137	11,545	7,120	11,121	12,158
	1H 2017	7,609		103,433	14,377	8,801	11,967	13,237
Residential inventory (mn sq.m)	2014	407		13.3	14.5	17.0	12.2	8.4
	2015	452		10.8	14.9	14.5	9.8	8.3
	2016	403		6.6	7.4	13.0	3.4	7.3
	1H 2017	352		6.0	6.8	8.7	1.7	6.1
Residential inventory absorption time (month)	2014	12.2 ¹	15.7 ²	11.3	9.8	9.4	9.5	33.8
	2015	7.9 ¹	11.9 ²	6.5	8.1	9.2	7.5	35.9
	2016	7.3 ¹	6.2 ²	9.2	5.4	6.8	2.1	21.3
	1H 2017	7.7 ¹	8.2 ²	8.7	5.8	3.8	1.8	17.4
Residential new start (mn sq.m)	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
	2016	1,159		14.4	18.5	30.0	N.A.	4.0
	1H 2017	614		6.9	11.6	16.6	N.A.	1.3
Residential REI growth	2014	11%		6.8%	24.8%	20.5%	16.6%	-15%
	2015	1%		5.1%	13.9%	3.3%	10.4%	-36%
	2016	6.9%		8.4%	-2.5%	-7.5%	30.1%	-40%
	1H 2017	8.5%		4.5%	14.5%	10.0%	13.5%	-32%

1. Tier 1 cities 2. Tier 2 cities