



Shui On Land Limited (0272.HK)

2018 Interim Results Announcement

27th August 2018



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Key Achievements in 1H 2018

- **Significant revenue growth:** Revenue for the first half of 2018 (“1H 2018”) increased significantly by 87% to RMB19,032 million. RMB2,907 million generated from general property sales and RMB14,981 million from other asset disposal were recognised as revenue. Additionally, rental and related income accounted for another RMB948 million during the period, while hotel, construction and others accounted for RMB196 million.
- **36% increase in profit attributable to shareholders:** As a result of the strong revenue, profit for the period was RMB1,479 million in 1H 2018, compared to RMB1,168 million in the first half of 2017 (“1H 2017”), while profit attributable to shareholders rose 36% to RMB1,225 million in 1H 2018.
- **Solid balance sheet to weather near term uncertainties:** Net gearing ratio was further reduced to 43% as at 30 June 2018, representing a decrease of 8 percentage points from 51% as at 31 December 2017; while cash and bank deposits remained healthy at RMB11,300 million. This solid balance sheet will help the Group to weather any near term global economic uncertainties that may arise, and to seize any attractive investment opportunities
- **Improving Shareholders’ returns :** The Board recommends 2018 interim dividend at HKD0.036 per share, an increase of 20%, compared to 1H 2017.



Performance Highlights

	1H 2018	1H 2017	Change %
Contracted Sales			
Contracted sales (RMB'mn)	13,728	8,530	61%
Contracted GFA (Excluding other asset disposal)	202,300 sq.m.	112,700 sq.m.	80%
Selected Financial Information (RMB'mn)			
Revenue	19,032	10,166	87%
Gross profit	5,171	4,418	17%
Profit for the period	1,479	1,168	27%
Profit attributable to shareholders of the Group	1,225	898	36%
Core earnings	2,137	1,487	44%
Selected Financial Ratios			
Gross profit margin	27%	43%	(16ppt)
General Property Sales GPM	53%	39%	14ppt
Net profit margin	7.8%	11.5%	(3.7ppt)
Net gearing	43%	57%	(14ppt)

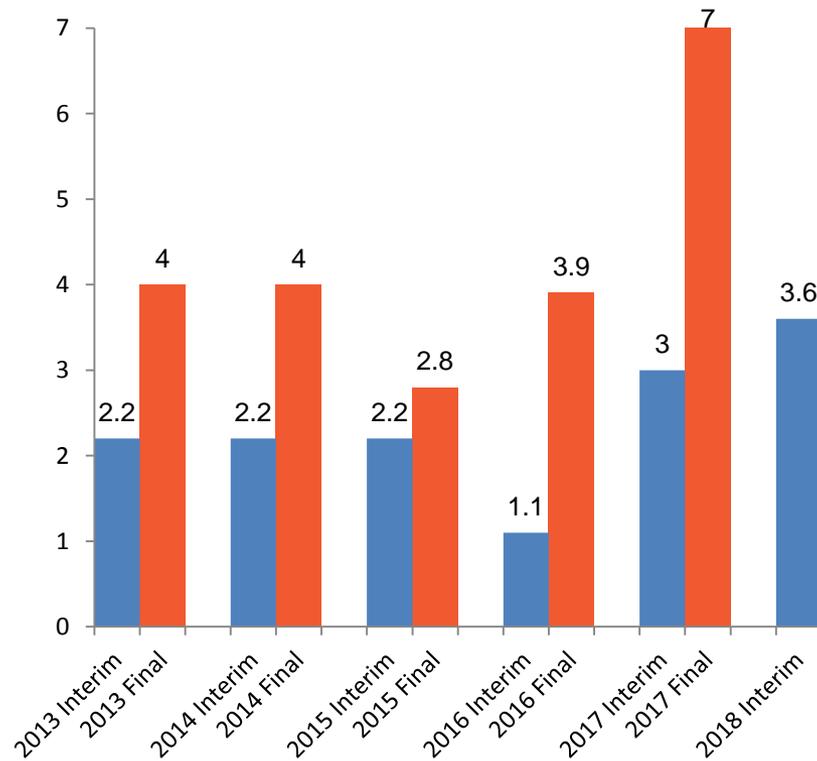


Focus on Increasing Shareholders' Return

Increased dividend payout

DPS

(HKD cents)



The Board recommends 2018 interim dividend at HKD0.036 per share, an increase of 20% compared to 1H 2017.



Group Strategy Review

- **Asset light strategy making solid progress:** The Group continued to carry out its asset light strategy through the disposal of 49.5% effective interest of residential inventory in Lots 1 and 7 in Shanghai Rui Hong Xin Cheng, which allowed the Group to enhance shareholders' return through unlocking value in these assets at a substantial profit.
- **A growing prime Shanghai commercial portfolio:** In July 2018, the Group along with its strategic partners successfully won the land auction for a major commercial site located in the Taipingqiao project. This was one of the largest and most centrally located commercial sites available for sale in Shanghai in recent years. Including this site, the Group owned and held under management a total GFA of 1.67 million sq.m. for retail and office use in Shanghai. A total GFA of 733,000 sq.m. was completed and held for long term investment, 73,000 sq.m. was under renovation and to be completed in 2H 2018; and a total GFA of 787,000 sq.m. was under development or for future development. Total asset value of the portfolio at current status is approximately RMB59.4 billion. Asset value attributable to the Group is approximately RMB31.6 billion. 5 Corporate Avenue with a total GFA of 79,000 sq.m. is under the Group's asset management.



Asset Light Strategy Making Solid Progress

JV Projects Under Management

Project Name	Partners	Change	Office & Retail GFA sq.m	Residential GFA sq.m	Total GFA sq.m.	Asset Value RMB bn	Group's interest %	Attributable Value RMB bn
Shanghai KIC	China Life	Disposal of 49% offshore interest	249,000	-	249,000	7.5	44.27% ¹	3.5
Shanghai RHXC Commercial Portfolio	China Life	Disposal of 49.5% effective interest	448,000	-	448,000	10.2	49.5%	5.0
Shanghai RHXC Residential Lots 1 & 7	Joy City	Disposal of 49.5% effective interest	4,000	271,000	275,000	16.4	49.5%	8.1
Wuhan Optics Valley Innovation Tiandi	Citic	New investment	833,000	444,000	1,277,000	2.3	50%	1.2
Shanghai RHXC Lots 167A&B	GTJA	New investment	149,000	83,000	232,000	10.7	49%	5.2
Shanghai Lots 123,124,132	CPIC/SHYY	New investment	303,000	-	303,000	13.6	25%	3.4
Total			1,986,000	798,000	2,784,000	60.7		26.4

1. The Group has a 44.27% effective interest in all remaining lots, except for KIC Lot 311 in which the Group has an effective interest of 50.49%.



Asset Light Strategy Making Solid Progress: Third Party Assets Under Management

Entering into new markets: Beyond the formation of joint ventures for new investments and certain existing projects, the Group also seize opportunities to manage third party assets, in particular to leverage on, and to introduce new asset management services to properties in prime locations that have preservation elements.

- **Nanjing INNO Zhujiang Lu:** the first asset light project of the Group applying the INNO office concept which is a “New Office + INNOVATION” concepts. The “New Office” concept aims to provide a variety of new office products and services including INNO Office, INNO Studio and INNO Social. These products will cater to different end-users with very diverse space and lease requirements. “INNOVATION” concept includes INNOSPACE, an incubator for providing services to new ventures. Our first INNOSPACE project has been under operation since 2011 in our KIC Project.

The NJ Zhujiang Lu project has a total GFA of 16,000 sq.m. is under management by the Group, pursuant to a 14-year long term lease contract signed in December 2017. The property is currently under pre-leasing and will open in 2H 2018.

- **Nanjing Bai Zi Ting:** the Group’s second asset light project has a total GFA of 41,000 sq.m. The Group entered into a 20-year long term lease contract in December 2017 to undertake the asset management of the property.



New Investment in Shanghai Core City Centre Lots 123, 124 & 132

➤ Ownership

SOL: 25%, CPIC Group: 70%, Yongye Group: 5%

➤ Investment Thesis

Value creation through the development of a world-class commercial project at an unique prime Shanghai CBD location

➤ Project Description

The project is a key component of the entire TPQ/XTD master plan that SOL has been developing for the past 20 years.

➤ Shui On Land's Role

Act as the development manager and asset manager upon completion, with attractive recurrent fee income including:

- Project management fee: based on total construction budget
- Asset management fee : based on total development cost and a share of the NOI

➤ Strategic Implication for Shui On Land

- This investment is in line with the Group's Asset Light Strategy.
- After the acquisition, the Group will hold and manage approximately 1.67 million sq.m. of GFA in 4 core city areas of Shanghai. A total GFA of 733,000 sq.m. was completed and held for long term investment, 73,000 sq.m. was under renovation and to be completed in 2H 2018; and a total GFA of 787,000 sq.m. was under development or for future development. Total asset value of the portfolio at current status is approximately RMB59.4 billion. Asset value attributable to the Group is approximately RMB31.6 billion. 5 Corporate Avenue in Shanghai with a total GFA of 79,000 sq.m. is under the Group's asset management.



The Site – TPQ Lots 123/124/132



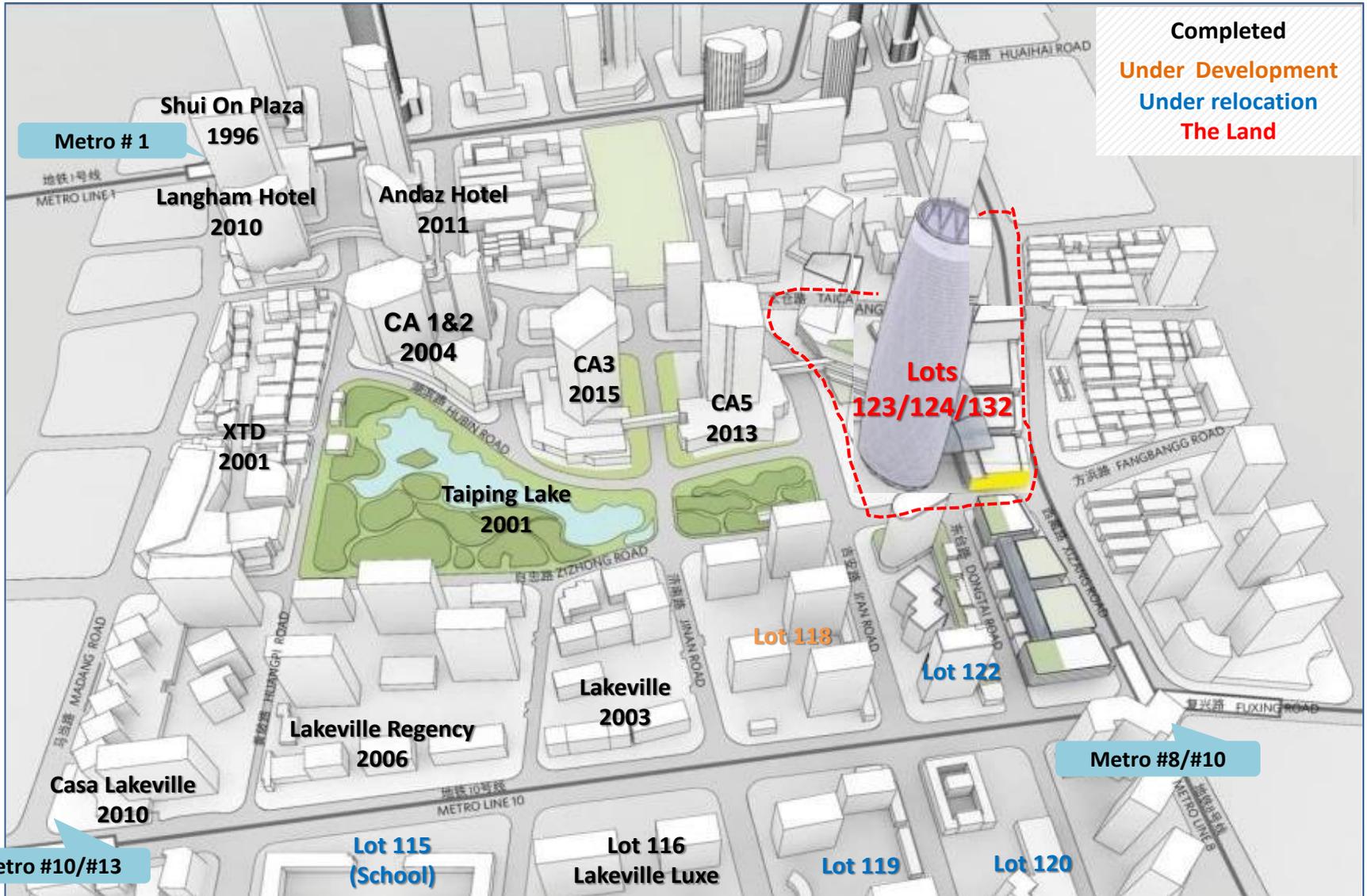
Development Plan

Land area:	34,825 sqm
Total GFA A/G:	242,689 sqm
Total leasable area:	302,689 sqm (above and under ground)
Total Land Cost:	RMB13.61 billion
Floor Price :	RMB45,000 per sq.m.

Land	Site Area (sqm)	Leasable GFA			Total
		Office	Retail (A/G)	Retail (B/G)	
Lot 123	13,770	44,573	24,001	60,000	272,590
Lot 124	18,002	122,414	21,602		
Lot 132	3,053	30,099	-	-	30,099
Total	34,825	197,086	45,603	60,000	302,689

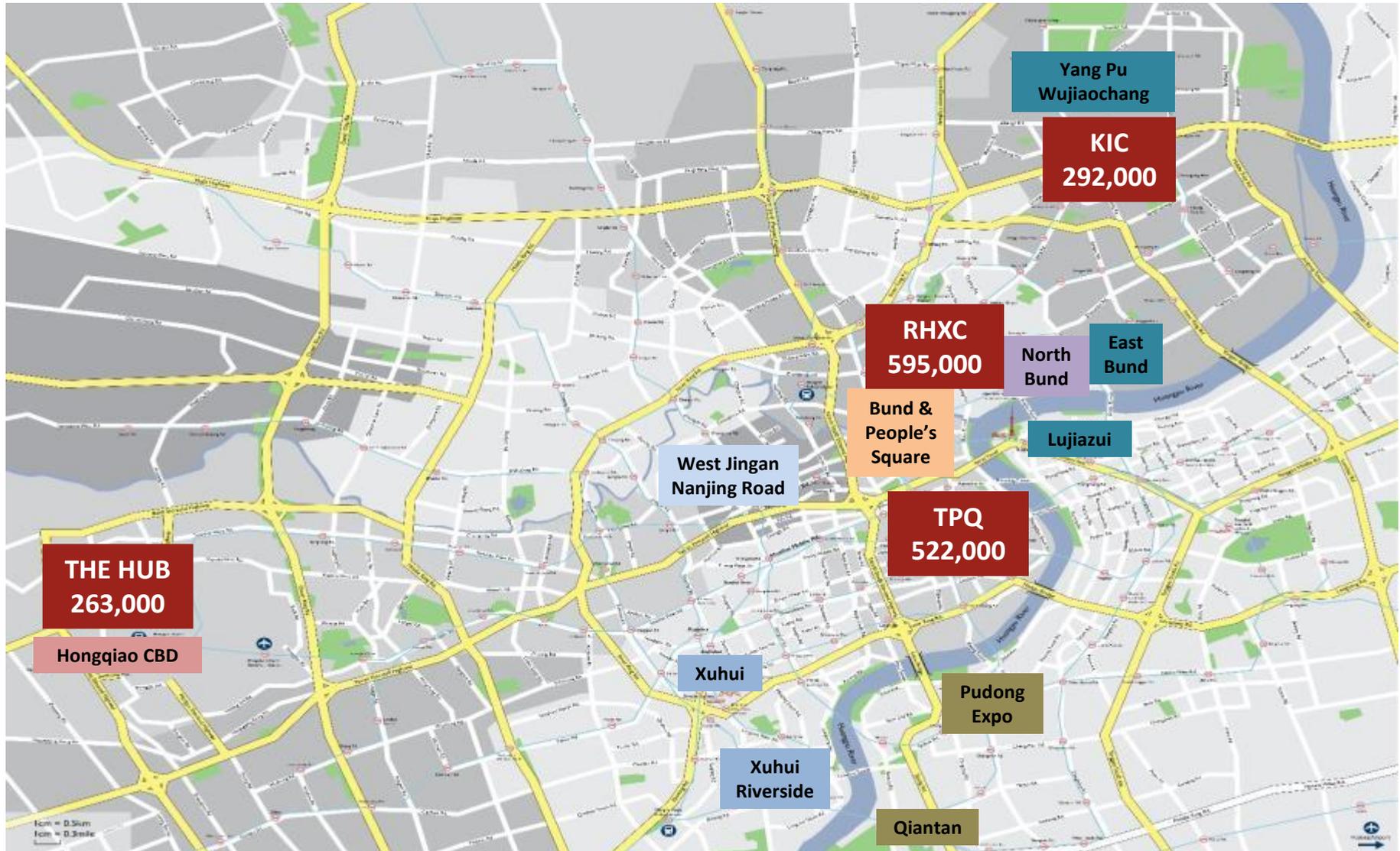


Master Plan of Tai Ping Qiao Xintiandi (“TPQ XTD”)



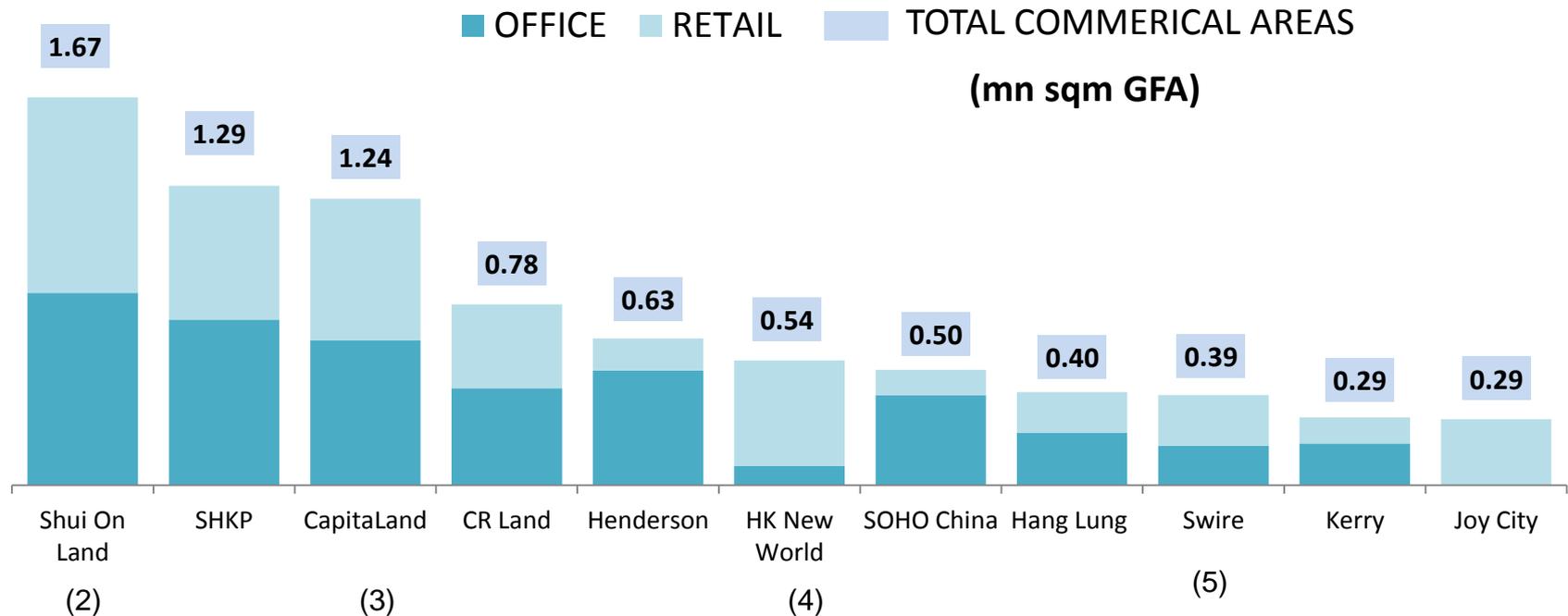


A growing prime Shanghai commercial portfolio: Hold and manage approximately GFA1.67 million sq.m. in 4 core city areas of Shanghai





The portfolio of selected¹ key commercial landlords and operators in Shanghai



Notes:

1. Only includes portfolio that are officially disclosed on companies' public released 2017 Annual Report, incl. projects under construction;
2. Shui On Land portfolio includes 1.59 million sq.m. of owned and 79,000 sq.m. GFA of assets under management in Shanghai.
3. CapitaLand portfolio excludes undisclosed assets under management
4. HK New World's retail portfolio includes HK New World Department Stores (399,930 sqm / 11 projects)
5. Swire portfolio includes Qiantan project



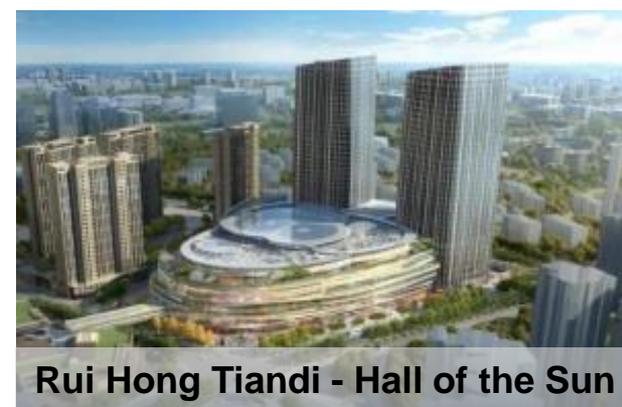
Completed Commercial Properties Hold & Under Management in Shanghai: GFA 885,000 sq.m.

Completed Key Projects	Office GFA sq.m.	Retail GFA sq.m.	Total GFA sq.m.	Attributable GFA sq.m.	Asset Value RMB' bn	% of ownership	Attributable Value RMB' bn
Completed Investment Properties for rental income							
Shanghai TPQ	36,000	76,000	112,000	82,600	9.37	62.49%/78.11%/77.33%	7.0
Rui Hong Tiandi	-	111,000	111,000	55,000	3.90	49.5%	1.9
KIC	186,000	61,000	247,000	114,500	7.54	44.27%/50.49%	3.5
THE HUB	93,000	170,000	263,000	205,000	8.91	78.11%	7.0
Sub total	315,000	418,000	733,000	457,100	29.72	-	19.4
Under AEI or Renovation to be completed in 2H 2018							
INNO KIC	41,000	4,000	45,000	45,000	1.28	100%	1.3
Xintiandi Plaza	-	28,000	28,000	17,500	1.81	62.49%	1.1
Sub total	41,000	32,000	73,000	62,500	3.09	-	2.4
Total	356,000	450,000	806,000	519,600	32.81	-	21.8
Third Party Under Asset Management							
5 Corporate Avenue	51,000	28,000	79,000	-	-	-	-
Grand Total	407,000	478,000	885,000	-	-	-	-



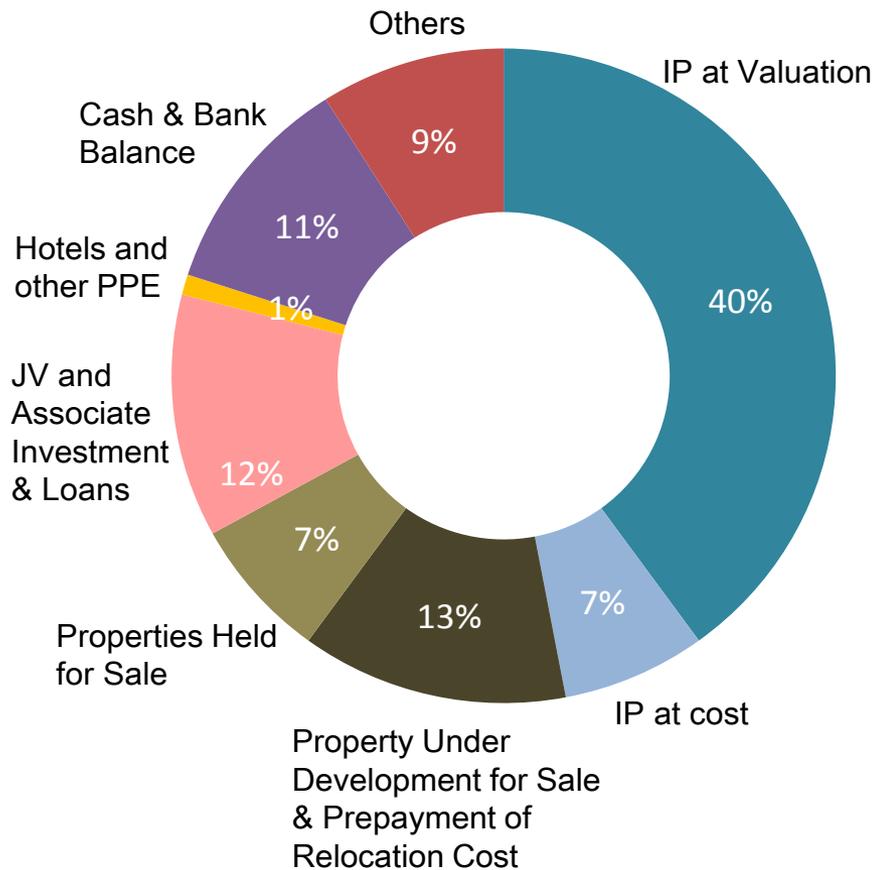
Commercial Properties Under-development in Shanghai: GFA 787,000 sq.m.

Land & Underdevelopment Key Projects		Office GFA sq.m.	Retail GFA sq.m.	Total GFA sq.m.	Attributable GFA sq.m.	Land Value RMB' bn	% of ownership	Attributable Value RMB' bn
TPQ XTD	Lots 123/124/132	197,000	106,000	303,000	75,750	13.61	25%	3.4
Rui Hong Tiandi	Lot 167 B	106,000	41,000	147,000	72,030	6.76	49%	3.3
	Hall of the Sun	157,000	180,000	337,000	166,800	6.26	49.5%	3.1
Grand Total:		460,000	327,000	787,000	314,580	26.63	-	9.8

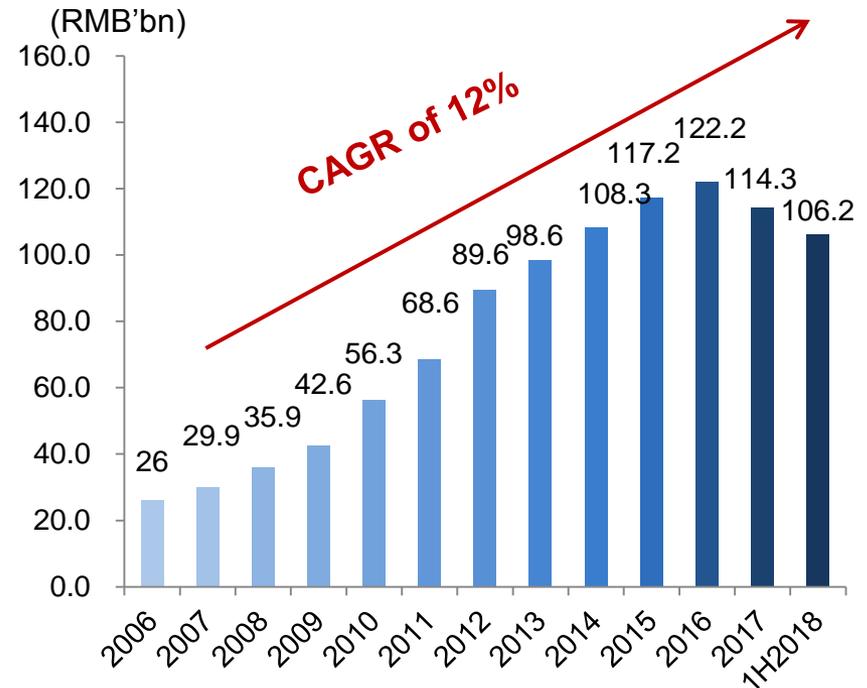


Strong Asset Base with Solid Balance Sheet

Asset Value – by Nature



Strong Asset Base



30 June 2018

Total asset	RMB 106.2 bn
Net Debt	RMB 21.5 bn
Net gearing	43%
Total Equity	RMB 50.0 bn
Shareholders' Equity per share	RMB4.84



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Income Statement

Gross profit up 17% to RMB5,171 million

RMB'mn	1H 2018	1H 2017	Change %
Revenue of the Group	19,032	10,166	87%
Property sales	17,888	9,086	97%
Rental & related income	948	906	5%
Hotels, construction and others	196	174	13%
Cost of sales	(13,861)	(5,748)	141%
Gross profit	5,171	4,418	17%
Gross profit margin	27%	43%	(16ppt)
Other income	145	206	(30%)
Selling & marketing expenses	(145)	(142)	2%
General & administrative expenses	(442)	(421)	5%
Operating profit	4,729	4,061	16%
Net increase in fair value of the remaining investment properties	40	207	(81%)
Gain on disposal of IP through disposal of subsidiaries	-	19	(100%)
Other gains and losses	(505)	(8)	6213%
Impairment losses, net of reversal	(183)	-	N/A
Share of losses of joint ventures and associates	(4)	(251)	(98%)
Finance costs, inclusive of exchange differences	(997)	(1,004)	(1%)
Net exchange (loss)/gain	(86)	31	(377%)
Net interest costs and others	(911)	(1,035)	(12%)



Income Statement (Cont'd)

Profit attributable to shareholders increased 36%

RMB'mn	1H 2018	1H 2017	Change%
Profit before taxation	3,080	3,024	2%
Taxation	(1,601)	(1,856)	(14%)
Profit for the year	1,479	1,168	27%
Attributable to:			
Non-controlling shareholders of subsidiaries	75	30	150%
Owners of perpetual capital securities	125	182	(31%)
Owners of convertible perpetual capital securities	54	58	(7%)
Profit attributable to shareholders	1,225	898	36%
Core earnings	2,137	1,487	44%
Earnings per share – Basic	RMB0.152	RMB0.112	36%
Interim dividend (per share)	HKD0.036	HKD0.03	20%



Total Recognised Property Sales¹

Total RMB17,907 million for 1H 2018

RMB'mn	1H 2018	1H 2017	Change %
Property Sales Recognised as Revenue	17,888	9,086	97%
TPQ	191	776	(75%)
RHXC	2,397	4,790	(50%)
Chongqing	141	110	28%
Foshan	21	94	(78%)
Car Parks	157	87	80%
Chongqing Partnership Portfolio - Residential Inventories	-	3,229	(100%)
Shanghai RHXC - Residential Inventories	14,981	-	N/A

Property Sales Recognised as:	1H 2018	1H 2017	Change %
- property sales in revenue of the Group	17,888	9,086	97%
- disposal of investment properties	19	1,021	(98%)
- disposal of property, plant and equipment (PPE)	-	21	(100%)
- disposal of equity in subsidiaries holding commercial properties(Chongqing Partnership Portfolio Commercial Portion)	-	2,527	(100%)
- revenue of associates	-	493	(100%)
Total Property Sales	17,907	13,148	36%

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



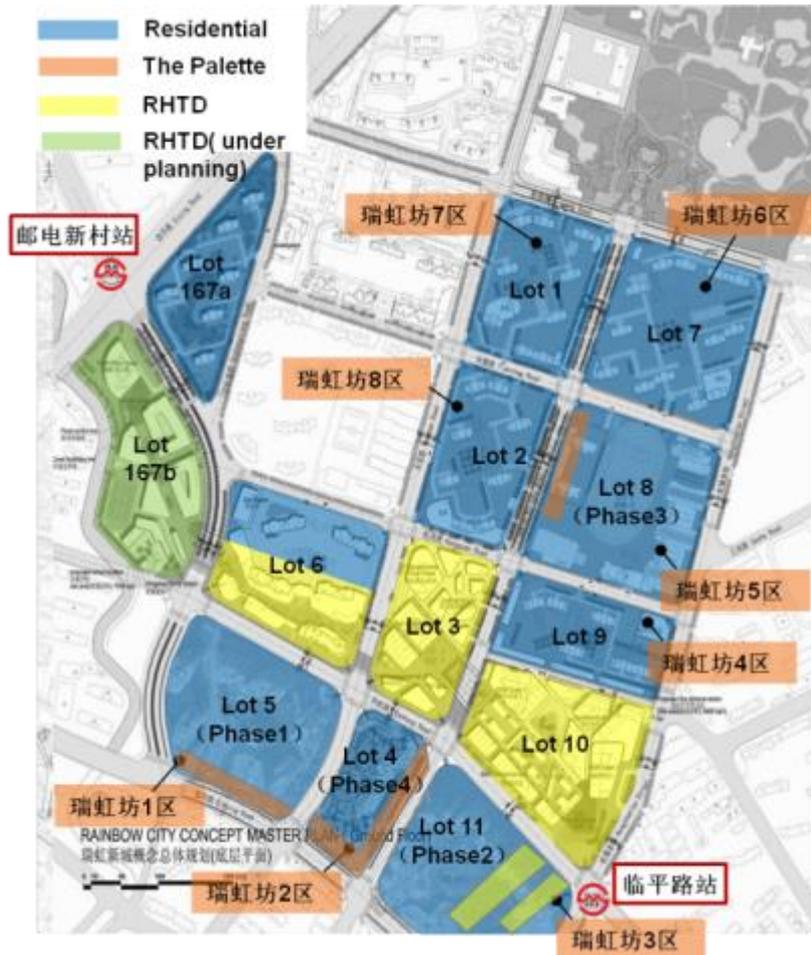
Valuation of Investment Property Portfolio

RMB42,020 million portfolio on 0.1% valuation gain

Project		Product	Leasable GFA	Fair Value Gain / (Loss) in 1H 2018	Carrying Value as at 30 June 2018	Gain / (Loss) to Carrying Value
			sq.m.	RMB'mn	RMB'mn	%
Completed investment properties at valuation						
Shanghai Taipingqiao	Xintiandi & Xintiandi Style	Office & Retail	80,000	9	7,482	0.1%
	Shui On Plaza	Office	24,000	-	1,892	-
THE HUB		Office & Retail	263,000	(16)	8,908	(0.2%)
Shanghai KIC		Office, Retail & Hotel	241,000	46	7,537	0.6%
Wuhan Tiandi		Retail	238,000	7	7,095	0.1%
Chongqing Tiandi		Retail	134,000	(28)	1,699	(1.6%)
Foshan Lingnan Tiandi		Office & Retail	151,000	2	4,318	0.1%
Subtotal			1,131,000	20	38,931	0.1%
Investment properties under development at valuation						
Xintiandi Plaza		Retail	28,000	1	1,807	0.1%
INNO KIC		Office & Retail	45,000	19	1,282	1.5%
Subtotal			73,000	20	3,089	0.7%
Total of investment property portfolio at valuation			1,204,000	40	42,020	0.1%



Rui Hong Xin Cheng Lots 1 & 7 – Profit Contribution



- Disposal of 49.5% effective interest of RHXC Lots 1 & 7 in Shanghai
- GFA:
 - 271,000 sq.m. Residential
 - 4,000 sq.m. Retail

1H 2018 Financial Impact

- Revenue: RMB14.98 billion
- Disposal gain* : RMB1.07 billion
- Cash proceeds : RMB3.59 billion received. (July 2018)

Estimated 2019 Financial Impact

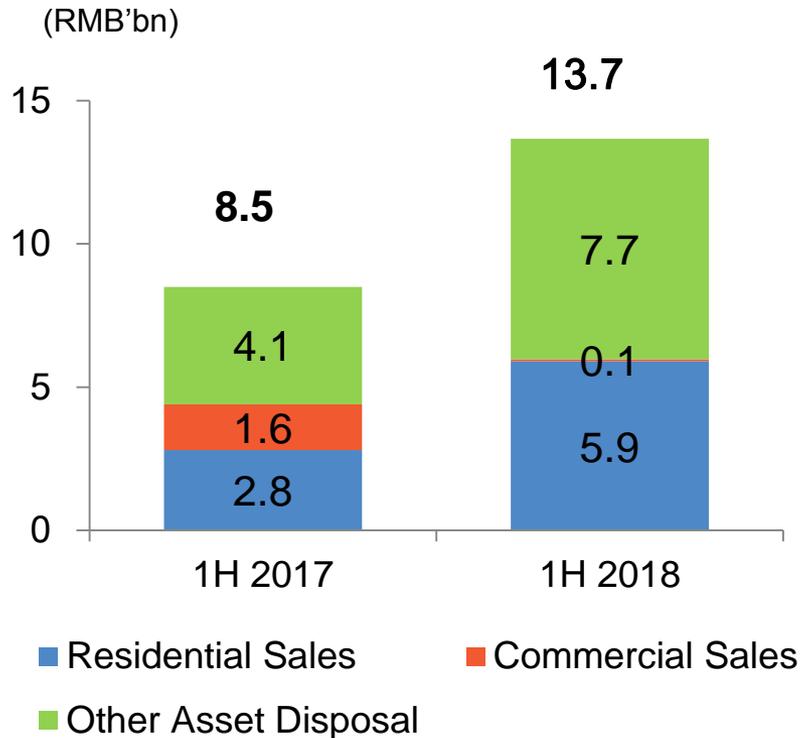
- Disposal gain* : RMB0.6 billion
- Cash proceeds: RMB1 billion

* Excluded revaluation gain.



Contracted Sales Increased by 61%

Contracted Sales



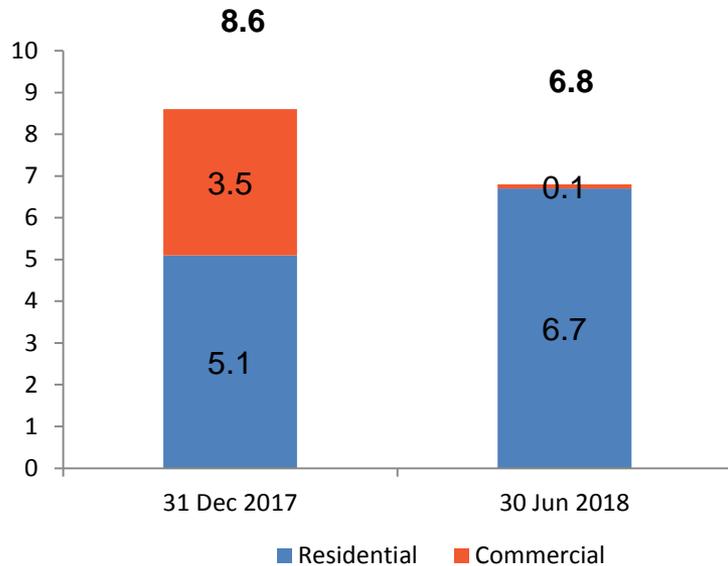
- The Group has recorded a total Contracted Sales of of RMB13.7 billion for the first half of 2018.
 - 43% - Residential property sales
 - 56% - Other asset disposal
 - 1% - Commercial property sales
- As at 30 June 2018, subscribed property sales was RMB4,529 million.



RMB6.8 Billion Locked-in Sales for Delivery in 2H 2018 and Beyond

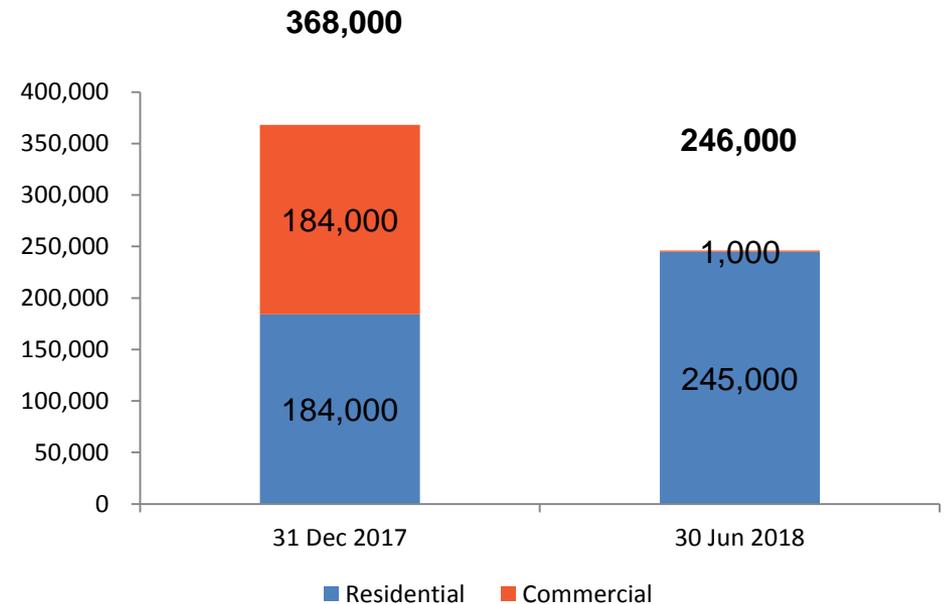
Locked-in Sales

(RMB'bn)



Locked-in Sales GFA

(sq.m.)



■ As at 30 June 2018, subscribed property sales was RMB4,529 million.



Financial Position

Total debt reduced by 21% from Dec 2017

RMB'mn	30 Jun 2018	31 Dec 2017	Change %	31 Dec 2016	Change %
Total cash and bank deposits	11,300	16,760	(33%)	15,567	(27%)
Total debt	32,791	41,699	(21%)	47,123	(30%)
Bank borrowings	25,568	30,993	(18%)	29,811	(14%)
Senior Notes	7,223	10,706	(33%)	17,312	(58%)
Net debt	21,491	24,939	(14%)	31,556	(32%)
Total equity	50,002	49,175	2%	46,256	8%
Net gearing	43%	51%	(8ppt)	68%	(25ppt)
Shareholders' Equity per share	RMB4.84	RMB4.77	1%	RMB4.68	3%

■ Average cost of debt as at end of period: 1H 2018 : **5.4%** vs. 2017: **5.8%**

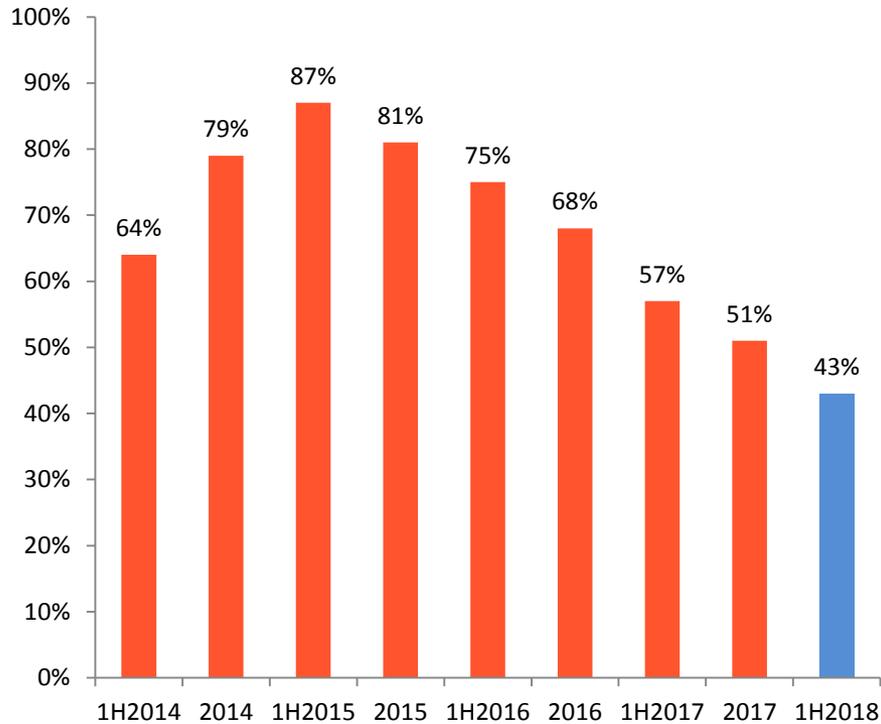
(The average cost of debt herein only includes interest cost, excluding arrangement fees and other fees.)



Gearing Target Achieved

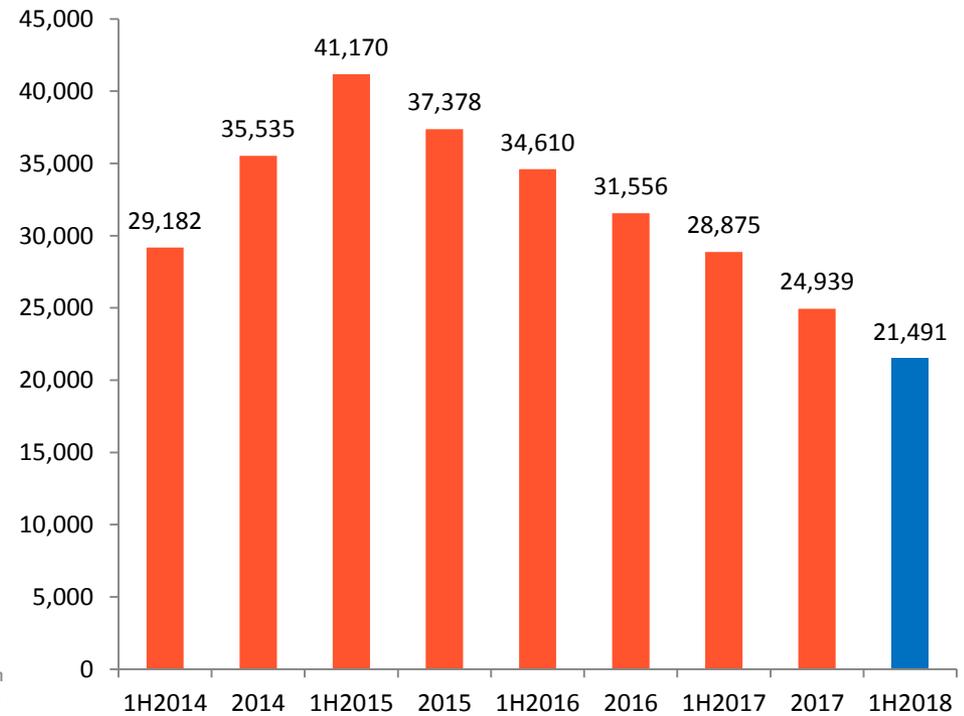
Net gearing ratio at 43% as at 30 June 2018

Net Gearing



Net Debt

(RMB'mn)





Debt Profile

Total Debt reduced by 21% from Dec 2017

Debt Profile – Nature & Maturity Breakdown

RMB'mn	1 year	>1 to <2 years	>2 to <5 years	>5 years	Total
USD Senior Notes	-	1,657	3,342	-	4,999
HKD Bank Borrowings	3,023	1,371	295	-	4,689
USD Bank Borrowings	3,357	2,451	2,475	-	8,283
RMB Senior Notes	-	-	2,224	-	2,224
RMB Bank Borrowings	3,170	3,721	2,084	3,621	12,596
Total	9,550	9,200	10,420	3,621	32,791

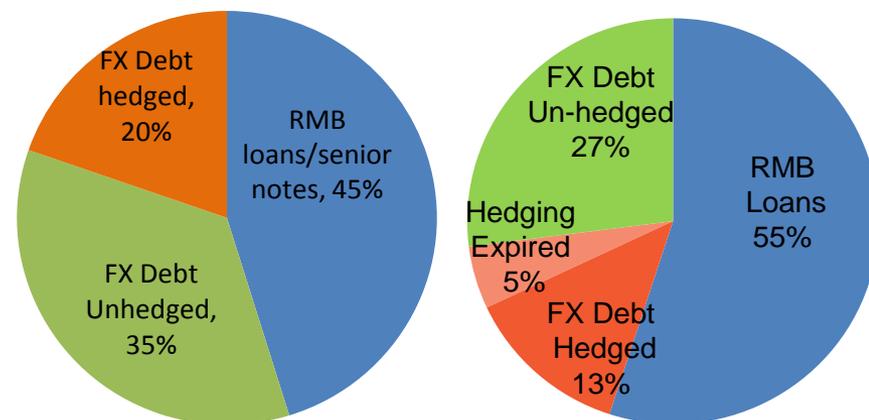
In addition

- USD225 million 7.50% of convertible perpetual capital securities
- USD600 million 6.40% of perpetual capital securities

30 Jun 2018

vs.

31 Dec 2017



Note:

After 30 June 2018, the Group entered into forward contracts of USD50 million.



Repaid USD887 million Senior Notes in 1H 2018

Senior Notes Repaid in 1H 2018

Amount (Currency' mn)	Coupon Rate	First Callable Date	Maturity Date	Repaid Amount (mn)	Repayment Date
USD250	9.625%	10 Jun 2017	10 June 2019	USD250	Jan 2018
USD637	8.700%	-	19 May 2018	USD637	19 May 2018

Outstanding Senior Notes as at 30 June 2018

Amount (Currency' mn)	Coupon Rate	Issue Date	First Callable Date	Maturity Date
USD225	7.500%	4 Jun 2015	4 Jun 2020	Convertible Perpetual Capital Securities
USD250	4.375%	5 Oct 2016	-	5 Oct 2019
USD500	5.700%	6 Feb 2017	-	6 Feb 2021
USD600	6.400%	20 Jun 2017	20 Jun 2022	Perpetual Capital Securities
RMB2,200	6.875%	2 Mar 2018	2 Mar 2020	2 Mar 2021



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Residential Developments

RMB55 billion attributable saleable resources from current landbank

Project Name	Residential GFA sq.m	Estimated Gross Saleable Resource RMB' bn	The Group's interest %	Estimated Attributable Sales RMB bn
Shanghai Taipingqiao Lot 116	27,400	3.85	98%	3.77
Shanghai Taipingqiao Lot 118	79,000	12	99%	12
Rui Hong Xin Cheng Lot 2	19,100	2	99%	2
Rui Hong Xin Cheng Lot 1	113,000	12	49.5%	6
Rui Hong Xin Cheng Lot 7	158,000	17	49.5%	8.5
Rui Hong Xin Cheng Lot 167A	83,000	9	49%	4.5
Shanghai Sub-total:	479,500	55.85		36.77
Wuhan Tiandi	243,000	11	100%	12
Wuhan Optics Valley Innovation Tiandi	444,000	8	50%	4
Foshan Lingnan Tiandi	102,500	2	100%	2
Chongqing Tiandi	513,400	11	19.8%	0.23
Total	1,782,400	87.85		55

Note: This represents saleable resources not yet recorded as contracted sales as at 30 June 2018. Excluded sites yet to commence relocation.



Residential Available for Sale and Pre-sale in 2H 2018

Residential projects	Product type	GFA sq.m.	Group's interest %	Attributable GFA sq.m.
Shanghai Taipingqiao	Lakeville Luxe (Lot 116) (High-rises)	27,400 ¹	98.00%	26,900
Shanghai RHXC	High-rises	19,100	99.00%	18,900
WH Tiandi	High-rises	28,000	100.00%	28,000
Foshan Lingnan Tiandi	Townhouses/Low-rises /High-rises	24,500	100.00%	24,500
Wuhan Optics Valley Innovation Tiandi	High-rises	79,400	50.00%	39,700
Chongqing Tiandi	High-rises	25,400	19.80%	5,000
Total GFA²		203,800		143,000

1. A total GFA of 27,400 sq.m. in Shanghai Taipingqiao Lakeville Luxe was shown as available for sale in 2H 2018. Although these properties had been launched for pre-sales in April 2018 with all units subscribed by customers, they are subject to formal sales and purchase agreements. The sales amounted to RMB3,837 million was not counted as Contracted Sales in 1H 2018.
2. Subject to obtaining pre-sale permits and other relevant government approvals.

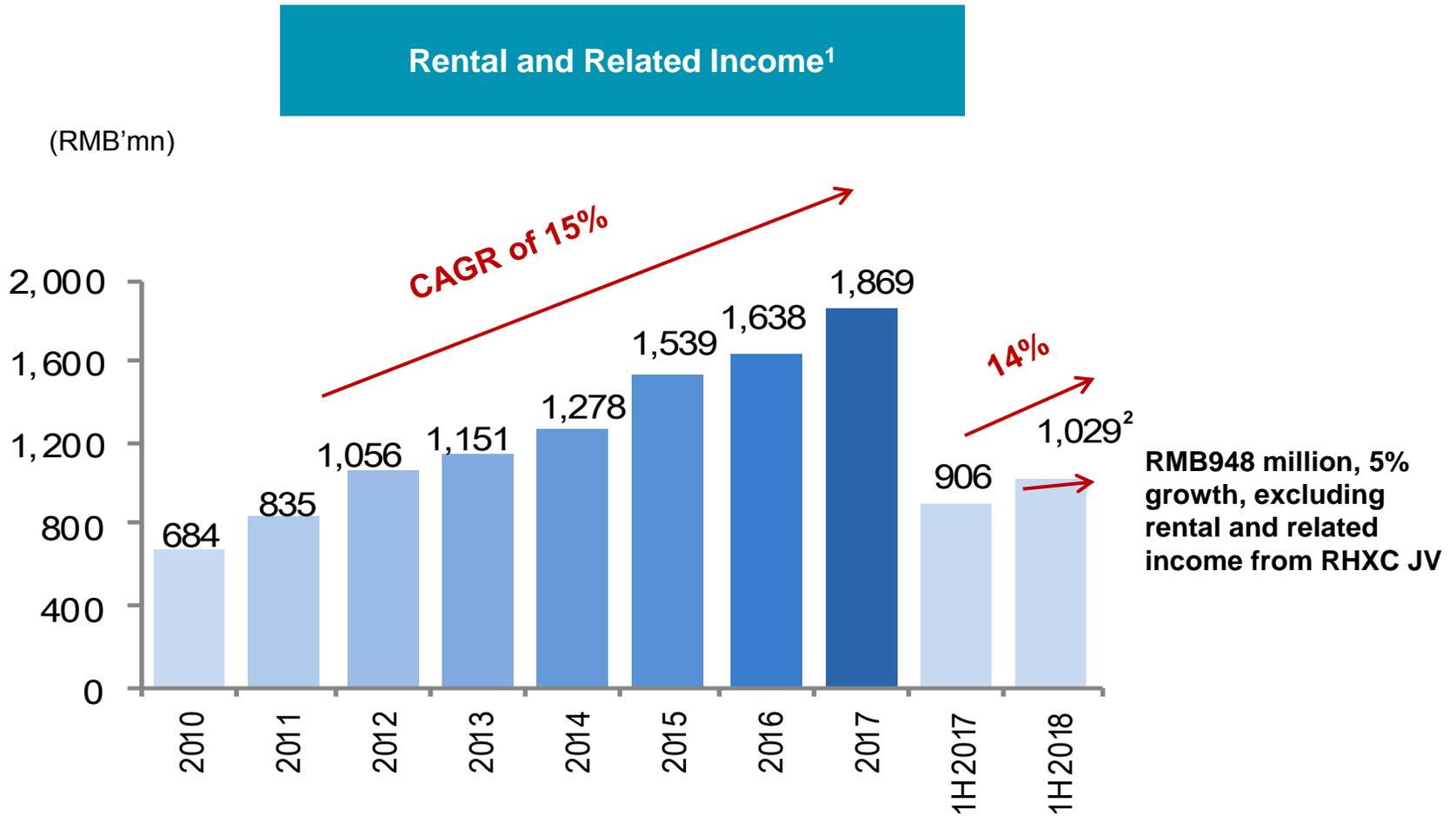


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 - Financial Position and Debt Profile
3. Residential Developments
4. **Commercial Property**
 - **Rising Rental Income**
 - **Completed Investment Property**
 - **Commercial Properties Under Development and for Future Development**
 - **New Openings in 2H 2018 and 2019**
 - **Xintiandi Branding Strategies and New Office Products**
5. Appendix



Shui On Land's Rising Rental Income



1. Excluding income from hotel operations

2. Including SH RHXC joint venture rental income which was de-consolidated in 1H 2018.



Completed IP with Rising Rental Income & Occupancy

Project	Product	Leasable GFA sq.m.	Rental & related income RMB'mn		Change %	Occupancy %		Change ppt
			1H 2018	1H 2017		30 Jun 2018	30 Jun 2017	
Shanghai Xintiandi	Office / Retail	54,000	200	198	1%	100%	100%	-
Xintiandi Style	Retail	26,000	46	43	7%	99%	100%	(1ppt)
Shui On Plaza	Office	24,000	46	55	(16%)	96%	93%	3ppt
THE HUB	Office / Retail	263,000	191	159	20%	97%	94%	3ppt
Shanghai RHXC	Retail	-	-	70	-	-	-	-
Shanghai KIC	Office / Retail/Hotel	241,000	208	183	14%	96%	91%	5ppt
Wuhan	Retail	166,000	128	102	25%	89%	88%	1ppt
Chongqing	Retail	134,000	29	23	26%	63%	57%	6ppt
Foshan	Office / Retail	151,000	100	73	37%	83%	75%	8ppt
Sub-Total		1,059,000	948	906	5%			
SH RHXC (classified as joint venture Income)	Retail	111,000	81	-	-	92%	85%	7ppt
Grand Total		1,170,000	1,029	906	14%			



Commercial Properties

Under development and for future development

Project Name	Office GFA sq.m.	Retail GFA sq.m.	Total GFA sq.m.	Group's Interest %	Attributable GFA sq.m.
Shanghai Xintiandi Plaza	-	28,000	28,000	62.49%	17,500
Shanghai INNO KIC	41,000	4,000	45,000	100%	45,000
Shanghai Taipingqiao Lots 123,124 and 132	197,000	106,000	303,000	25%	75,750
Shanghai RHXC Hall of the Sun	157,000	180,000	337,000	49.5%	166,800
Shanghai RHXC Lot 167B	106,000	41,000	147,000	49%	72,030
Shanghai sub-total	501,000	359,000	860,000		377,080
Wuhan Tiandi	326,000	94,000	420,000	100%	420,000
Wuhan Optics Valley Innovation Tiandi	637,000	196,000	833,000	50%	416,500
Foshan Lingnan Tiandi	450,000	121,000+80,000*	651,000	100%	651,000
Chongqing Tiandi	259,000	276,000+25,000*	560,000	19.8%	110,880
Other Cities sub-total	1,672,000	792,000	2,464,000		1,598,380
Grand Total	2,173,000	1,151,000	3,324,000		1,975,460

Note: Excluded sites yet to commence relocation.

*Hotel Use



New Openings in 2H 2018 and 2019



Shanghai
XINTIANDI Plaza
GFA 28,000 sq.m



Wuhan
Horizon North
GFA 72,000 sq.m



Shanghai
INNO KIC
GFA 45,000 sq.m



Greater Xintiandi Commercial District

K11, Central Plaza, Hong Kong Plaza,
Lippo Centre, Time Square Office
Buildings

Xintiandi
Plaza

The
Langham
Hotel

1 & 2
Corporate
Avenue

3 & 5
Corporate
Avenue

Lots 123,
124 & 132

Taipingqiao
MASTER PLAN

Under Development:
Lots 123,124 and 132
197,000 sq.m. office
106,000 sq.m. retail

Dongtai Rd
Antique
Street

Completed:
GFA 104,000 sq.m.
Xintiandi Plaza
Xintiandi
Xintiandi Style

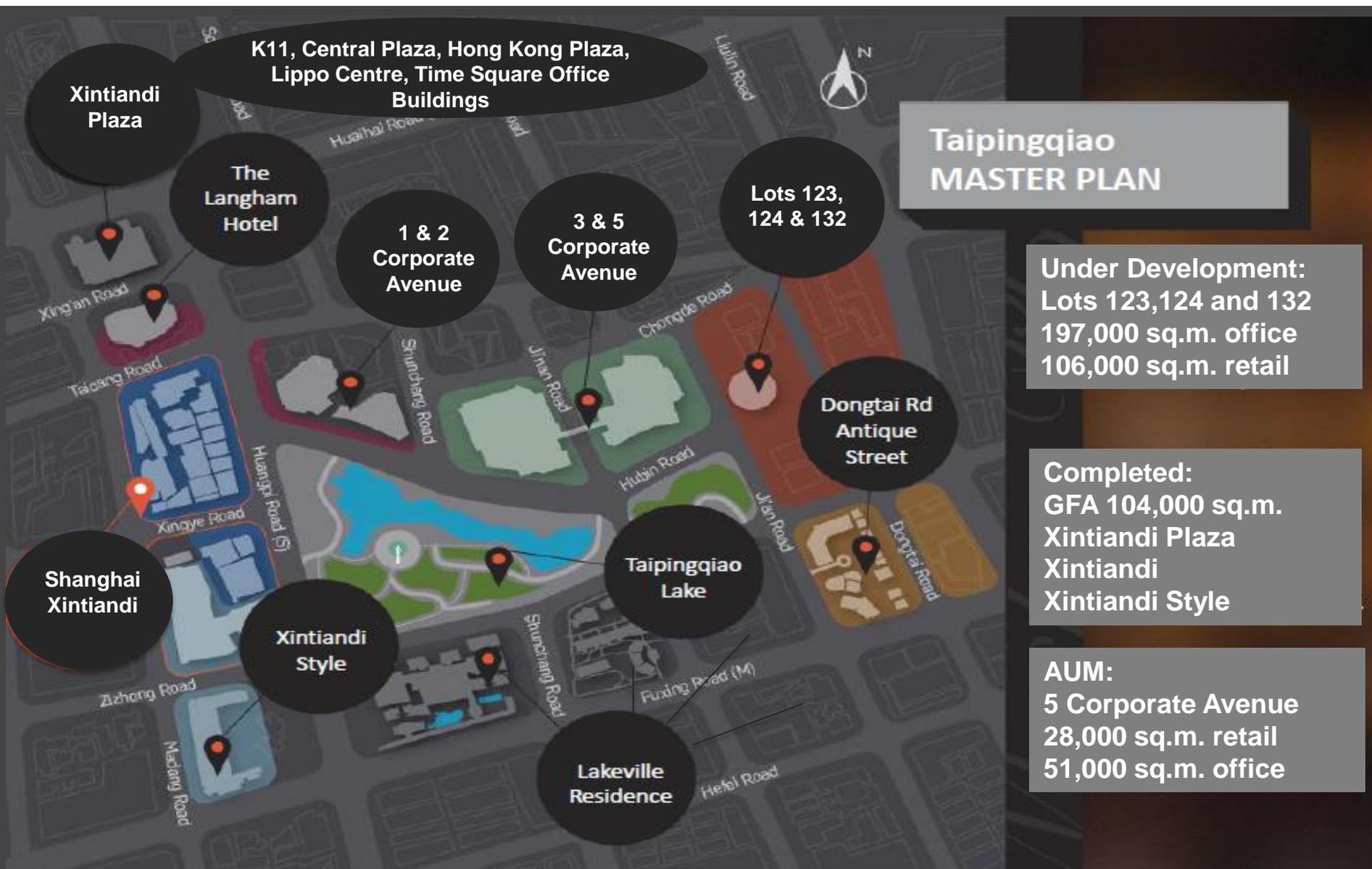
Shanghai
Xintiandi

Xintiandi
Style

Taipingqiao
Lake

AUM:
5 Corporate Avenue
28,000 sq.m. retail
51,000 sq.m. office

Lakeville
Residence





XINTIANDI *Social Renaissance*

XINTIANDI 新天地



Culture Experience



Social Destination





XINTIANDI *Social Renaissance*

XINTIANDI
新天地

XINTIANDI
上海新天地
SHANGHAI

XINTIANDI
瑞虹天地
RUIHONG

XINTIANDI
虹桥天地
THE HUB

XINTIANDI
岭南天地
FOSHAN

XINTIANDI
武汉天地
WUHAN

XINTIANDI
重庆天地
CHONGQING

XINTIANDI
新天地
PLAZA 广场

XINTIANDI
瑞虹天地
STARS 星星堂

XINTIANDI
岭南天地
NOVA 岭南站

XINTIANDI
武汉天地
HORIZON 壹方

XINTIANDI
新天地
STYLE 时尚

XINTIANDI
瑞虹天地
MOON 月亮湾

XINTIANDI
瑞虹天地
SUN 太阳宫



INNO BUSINESS SOCIAL

Total solution
for the future of office
未来办公的一站式、
全生命周期解决方案

INNO



Businesses of different scale

SPACE

- Office
- Work
- Studio
- Live
- Social
- Space



SERVICE

All-around business services

COMMUNITY

Online-to-offline integrated





INNO BUSINESS SOCIAL



INNO
创智



INNO
未来城



Thank you



Appendix

- CAPEX and Core Earnings
- Relocation Progress Updates
- Major Disposals
- Market Information
- Company Introduction



Capital Expenditure (CAPEX)

RMB'bn	1H 2018	2017	2016
Construction Cost	1.2	3.7	5.1
% of total CAPEX	52%	46%	73%
Land Premium	0.9	2.1	-
Relocation Cost	0.2	2.2	1.9
% of total CAPEX	48%	54%	27%
Total CAPEX	2.3	8.0	7.0

- Total committed and available bank loan facilities as at 30 June 2018: RMB2.4 billion
 - Construction and working capital loan facilities: RMB2.4 billion



Core Earnings

RMB'mn	1H 2018	1H 2017	Change %
Profit attributable to shareholders of the Company	1,225	898	36%
Net increase in fair value of the remaining investment properties	(40)	(207)	
Effect of corresponding deferred tax charges	10	52	
Realised fair value gains from investment properties disposed of	6	113	
Realised bargain purchase gain from acquisition of subsidiaries	8	119	
Impairment loss on investment properties under development at cost	380	-	
Share of results of associates - realized fair value gains from IP disposed of/fair value losses of IP, net of tax	374	276	
Share of results of joint ventures – fair value gains of IP, net of tax	(23)	-	
Non-controlling interests	18	(4)	
Net effect of changes in the valuation	733	349	110%
Profit attributable to shareholders of the Company before revaluation	1,958	1,247	57%
Add:			
Profit attributable to owners of perpetual capital securities	125	182	(31%)
Profit attributable to owners of convertible perpetual capital securities	54	58	(7%)
Core earnings of the Group	2,137	1,487	44%



Relocation Progress Update

Lot	Leasable & Saleable GFA sq.m.	% of relocation completed as at 31 Dec 2017	% of relocation completed as at 30 June 2018	Year of relocation started	Estimated year of relocation completion
RHXC Lot 7 - Residential - Ancillary retail	158,000 1,000	98%	99%	Q4 2013	2018
RHXC Lot 167 - Residential - Office - Retail	83,000 106,000 43,000	95%	95%	Q3 2017	2019
Total	391,000				

**As of 30 June 2018, total relocation paid for the above 2 sites : RMB11.9 billion
Estimated outstanding amount: RMB3.2 billion**



Major Disposals

Realising value of 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 (majority equity interests in Partnership Portfolio)	4,133	1,259,200
2017	49% of equity interests of KIC Project	2,949	253,000
2017	Entire equity interests owned of Dalian Project	3,160	N/A
2017	49.5% of equity interests of RHXC Commercial Partnership Portfolio	3,869	393,500
2018	49.5% of equity interests of RHXC Lots 1 & Lot 7	4,589	275,000
Total		52,511	

1. The transaction was terminated on 14 April 2018 due to changes of certain construction requirement.



Market Information

Indicator	Year	China	Shanghai	Wuhan	Chongqing	Foshan
GDP (RMB billion)	2016	74,413	2,747	1,191	1,756	863
	2017	82,712	3,013	1,341	1,950	955
	1H 2018	41,896	1,556	678	982	448
Population (million)	2016	1,383	24.19	10.77	30.48	7.46
	2017	1,388	24.18	10.89	30.75	7.66
Per Capita GDP (RMB)	2016	53,817	113,600	111,469	57,902	115,891
	2017	59,590	124,606	123,831	63,689	126,332
Real GDP Growth	10-yr Avg.	8.3%	7.9%	11.2%	13.1%	10.7%
	2016	6.7%	6.8%	7.8%	10.7%	8.3%
	2017	6.9%	6.9%	8.0%	9.3%	8.5%
	1H 2018	6.8%	6.9%	8.2%	6.5%	7.0%

Year end	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	1H 2018
M2 (RMB trillion)	47.5	61.0	72.6	85.2	97.4	110.7	122.8	139.2	155.0	167.7	177.0
PBOC deposit rate (1 year %)	2.25	2.25	2.75	3.50	3.00	3.00	2.75	1.50	1.50	1.50	1.50
PBOC lending rate (over 5 years %)	5.94	5.94	6.40	7.05	6.55	6.55	6.15	4.90	4.90	4.90	4.90
Personal housing provident fund lending rate (over 5 years %)	3.87	3.87	4.30	4.90	4.50	4.50	4.25	3.25	3.25	3.25	3.25



Market Information (cont'd)

Indicator	Year	China	Shanghai	Wuhan	Chongqing	Foshan
Residential Housing Price Growth	2016	11.3%	24.1%	6.8%	5.2%	11.6%
	2017	5.7%	22.6%	1.8%	31.1%	5.3%
	1H 2018	11.3%	-0.4%	0.1%	26.9%	0.1%
Residential Transaction Area (million sq.m.)	2016	1,375	14.1	30.0	21.7	19.7
	2017	1448	6.5	20.9	25.4	12.1
	1H 2018	669	2.7	7.7	14.4	6.3
City Core ASP (RMB/sq.m.)	2016	7,203	91,759	11,545	7,120	11,121
	2017	7,614	102,637	15,373	9,331	11,918
	1H 2018	8,467	108,511	16,443	11,170	12,437
Residential inventory (mn sq.m)	2016	403	6.6	10.0	13.0	3.4
	2017	302	4.9	10.9	8.3	3.3
	1H 2018	274	5.2	7.8	7.5	1.4
Residential inventory absorption time (month)	2016	7.1 ¹	6.1 ²	6.3	4.2	2.1
	2017	12.0 ¹	8.5 ²	10.3	6.0	2.9
	1H 2018	13.1 ¹	10.8 ²	11.7	6.1	1.1
Residential new start (mn sq.m)	2016	1,159	14.4	18.5	30.0	n.a.
	2017	1,281	14.0	22.0	37.6	n.a.
	1H 2018	706	6.3	10.3	25.9	n.a.
Residential REI growth	2016	6.4%	8.4%	(2.9%)	(3.0%)	30.1%*
	2017	9.4%	9.5%	6.6%	13.5%	18.2%*
	1H 2018	13.6%	4.1%	6.3%	19.3%	37.6%*

1. Tier 1 cities 2. Tier 2 cities(include 9 cities) * REI



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

6.8 mn sq.m GFA

Wuhan Tiandi
0.9 mn sq.m.



Wuhan Optics Valley
1.3 mn sq.m.



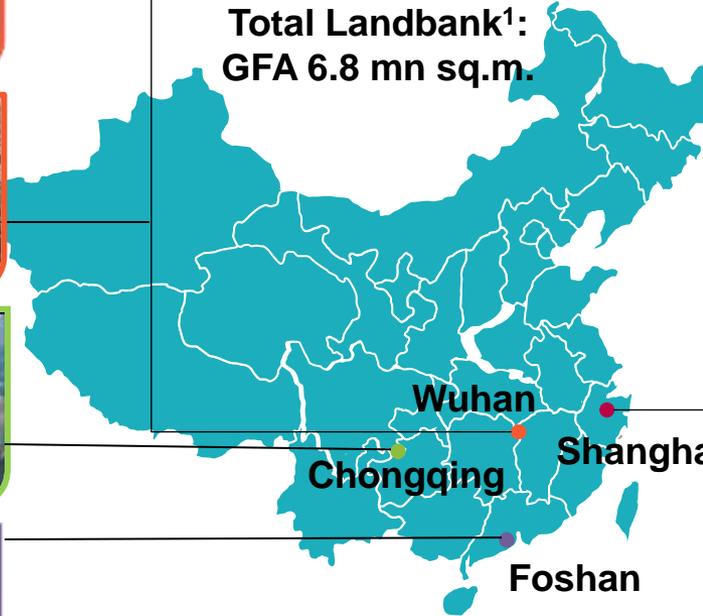
Chongqing
1.4 mn sq.m.



Foshan
1.0 mn sq.m.



Total Landbank¹:
GFA 6.8 mn sq.m.



Shanghai
Taipingqiao
0.7 mn sq.m.



Shanghai
RHXC
1.0 mn sq.m.



Shanghai
KIC
0.25 mn sq.m.



Shanghai
THE HUB
0.26 mn sq.m.

1. Total leasable and saleable landbank excludes 1.6 million sq.m. of clubhouse, carpark and other facilities.



Shanghai Taipingqiao and Rui Hong Xin Cheng

Shanghai Taipingqiao



Project Information (representing leasable & saleable GFA)

Total GFA	1,264,000 sq.m.
Completed Properties	300,000 sq.m. (Sold & delivered residential) 47,000 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	107,000 sq.m.
Properties for future development	416,000sq.m. ¹

Shanghai Rui Hong Xin Cheng



Project Information (representing leasable & saleable GFA)

Total GFA	1,751,000 sq.m.
Completed Properties	772,000 sq.m. (Sold & delivered residential and IP) 24,000 sq.m. (Sold yet to be delivered; available for sale) 111,000 sq.m (IP)
Properties under development	612,000 sq.m.
Properties for future development	232,000 sq.m.

1. On 5 July, the Group together with CPIC Life and SHYY acquired the land use rights of Lots 123,124 & 132 with a total leasable GFA of 302,689 sq.m. The Group has an effective interest of 25% in Lots 123,124 and 132. The remaining Lots 119, 120 & 122 are yet to commence relocation.



Shanghai KIC, INNO KIC and THE HUB

Shanghai KIC & INNO KIC



Project Information (representing leasable & saleable GFA)

Total GFA

543,000 sq.m.

Completed Properties

**249,000 sq.m. (Sold & delivered)
247,000 sq.m. (IP)
2,000 sq.m. (Available for sale)**

Properties under development

45,000 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 Center)**

Wuhan Tiandi and Wuhan Optics Valley Innovation Tiandi

Wuhan Tiandi



Project Information (representing leasable & saleable GFA)

Total GFA	1,570,000 sq.m.
Completed Properties	669,000 sq.m. (Sold & delivered) 238,000 sq.m. (IP)
Properties under development	268,000 sq.m.
Properties for future development	395,000 sq.m.

Wuhan Optics Valley Innovation Tiandi



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	2,799,000 sq.m.
Completed Properties	1,405,000 sq.m. (Sold & delivered) 134,000 sq.m. (IP) ¹ 8,000 sq.m. (Sold yet to be delivered ; available for sale)
Others	1,252,000 sq.m.²

1. The Group has a 99% effective interest in the investment properties.

2. 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	1,523,000 sq.m.
Completed Properties	280,000sq.m. (Sold & delivered) 21,000 sq.m. (Sold yet to be delivered ; available for sale) 196,000 sq.m. (IP and hotel)
Properties under development	79,000 sq.m.
Properties for future development	715,000 sq.m.
Others	232,000 sq.m. (Other asset disposed)