



瑞安房地產
SHUI ON LAND

Shui On Land Limited

2020 Interim Results Announcement

26 August 2020



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Section 1

1H 2020 Business Review and Strategic Outlook



Business Summary

Unprecedented challenges in 1H 2020

- **Unprecedented challenges arising from the pandemic:** The outbreak of COVID-19 in late 2019 and corresponding government responses to manage the pandemic has resulted in severe disruptions of global economic activity. Spillover effects of such measures have had a significant impact on our industry and the Group's businesses, as is reflected in our 2020 Interim Results.
- **Responding to the pandemic:** Immediately after its outbreak the Group launched an emergency response team to proactively protect our staff and customers against the pandemic. In total, we donated RMB10 million and arranged for medical supplies to be sent to Wuhan. We also offered rental concessions and other reliefs for all our retail tenants in excess of RMB200 million.
- **Substantial financial impacts:** Partly as a result of these emergency measures, the Group recorded a net loss attributable to shareholders of RMB1,622 million during the period. Key effects included but are not limited to:
 - A decline in the fair value of the Group's investment properties and other property assets of approximately RMB1,962 million;
 - Lower leasing income due to, among other factors, the Group's waiver of rental and other reliefs to its tenants owing to the disruption of their businesses by the COVID-19 outbreak;
 - Delay in the construction and handover of residential units to homebuyers due to the COVID-19 outbreak.
- **Balance sheet conditions remain substantively stable:** Stable financials and responsive operational adjustments should enable the Group to manage reasonably the effects of the ongoing COVID-19 outbreak. Net gearing ratio remained at a healthy 58% as of 30 June 2020, an increase of 6 percentage points compared to 31 December 2019, which was mainly due to repayment of USD225 million perpetual bonds in June. Cash and bank deposits held by the Group were RMB13,962 million as of 30 June 2020.
- **Operating performance is improving:** The Group's businesses have been improving since the second quarter of 2020. Our contracted property sales in the first half of 2020 ("1H 2020") increased by 82% to RMB6,222 million compared with that for the corresponding period in 2019. As of 30 June 2020, the Group's total subscribed sales was RMB9,201 million, which will translate to income and cash proceeds in the second half of 2020 ("2H 2020") and beyond. In our commercial portfolio, the overall same-store sales in July 2020 in our retail properties have recovered to over 90% of the same period in 2019.
- **Interim dividend:** Having taken into consideration the Group's financial performance during the period and the ongoing uncertainties regarding COVID-19, the Board has decided to recommend withholding interim dividend in 2020 (1H 2019: HKD0.036 per share).



Financial Summary

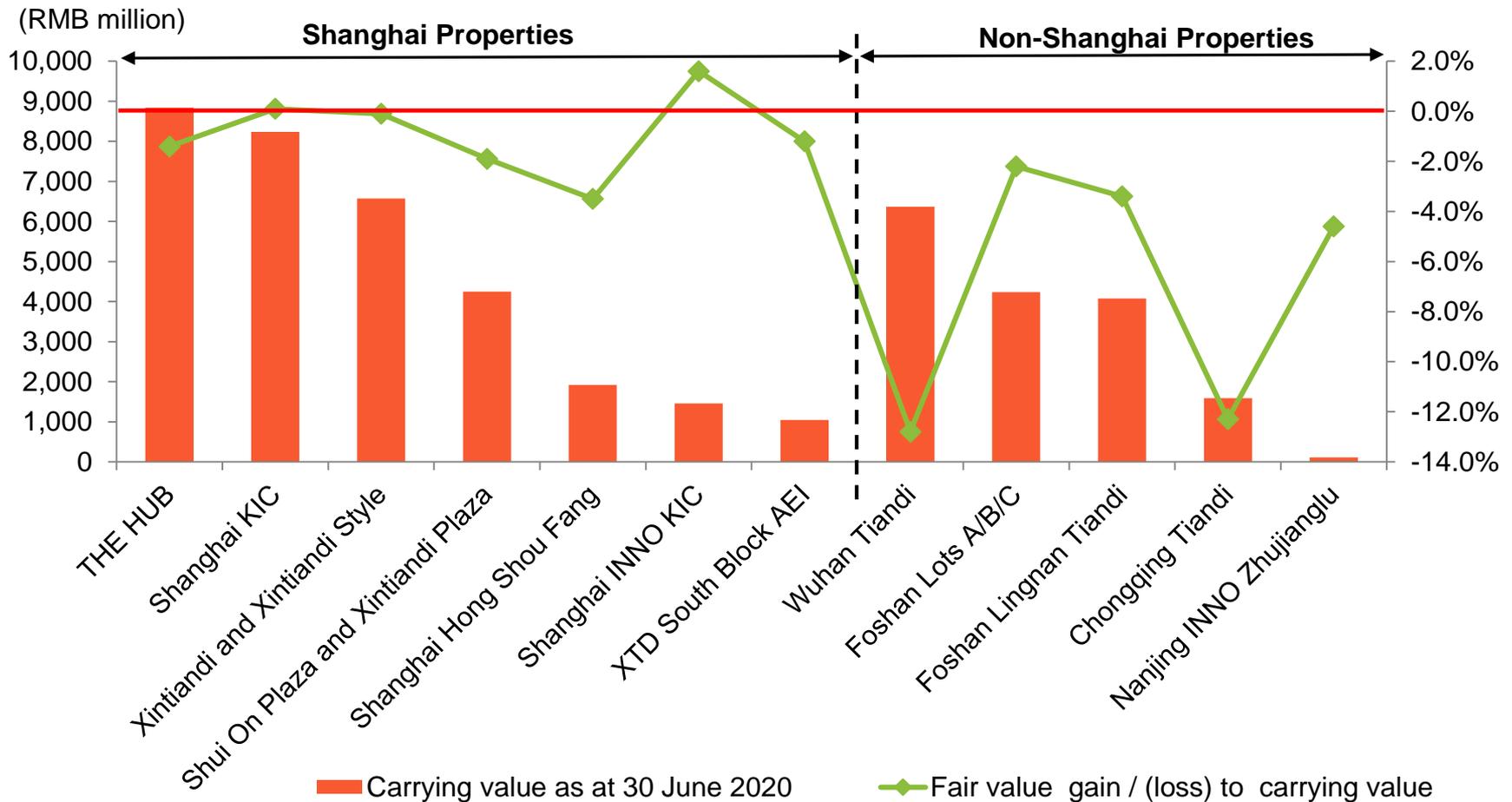
	1H 2020	1H 2019	Change
Grand total rental and related income (RMB'mn)	1,192	1,202	(1%)
Contracted sales (RMB'mn)	6,222	3,422	82%
Total subscribed sales (RMB'mn)	9,201	339	2614%
Selected Financial Information (RMB'mn)			
Revenue	1,450	7,902	(82%)
Property sales recognised as revenue (excluding RHXC Lots 1&7)	161	5,106	(97%)
Consolidated rental and related income	987	1,107	(11%)
Gross profit	964	3,578	(73%)
(Loss)/profit for the period	(1,286)	1,598	(180%)
(Loss)/profit attributable to shareholders of the Company	(1,622)	1,326	(223%)
Selected Financial Ratios			
Gross profit margin	66%	45%	21ppt
Net (loss)/profit margin	(89%)	20%	(109ppt)
(Loss)/earnings per share (basic), RMB cents	(20.2)	16.4	(223%)



Financial Summary (Con't)

	30 Jun 2020	31 Dec 2019	Change
Selected Balance Sheet Data (RMB'mn)			
Total assets	110,394	108,416	2%
Cash and bank deposits	13,962	11,859	18%
Total indebtedness	40,429	37,741	7%
Net debt	26,467	25,882	2%
Total equity	45,771	49,307	(7%)
Net gearing	58%	52%	6ppt
Average cost of indebtedness, at the end of period	4.8%	5.4%	(0.6ppt)
Landbank (GFA, million sq.m.)			
Total leasable and saleable landbank	6.8	6.7	1.5%
Attributable leasable and saleable landbank	4.4	4.3	2.3%

Valuation of Investment Property Portfolio



Key Investments in 1H 2020: Panlong Tiandi, Shanghai

Completed the acquisition of the remaining four land parcels located in Panlong area in Qingpu District in May 2020

Shanghai Panlong Tiandi

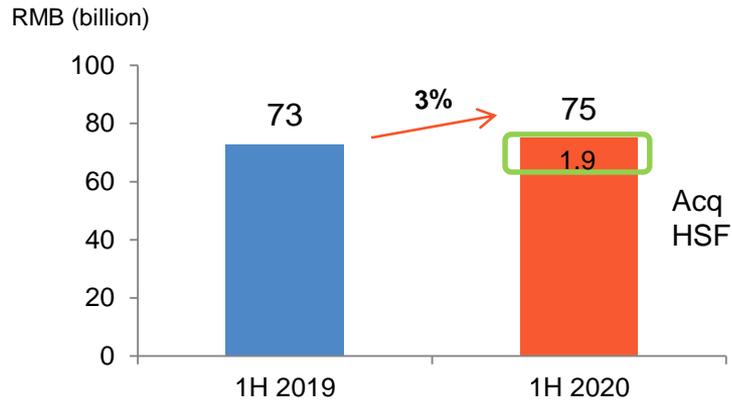


<p>Site Information</p>	<ul style="list-style-type: none"> ■ Location: The project site is located in Qingpu District, Shanghai which is part of the Hongqiao CBD. ■ Transportation: Metro line 17 – Panlong Station (in operation) , two stops from Hongqiao Railway Station. ■ After completion of the acquisitions, the Company would have acquired all land parcels planned for the Panlong Tiandi development (also known as Panlong Urban Village Redevelopment Project), which consists of a total GFA of about 250,000 sq.m. for residential development, a GFA of 49,000 sq.m. for culture and recreation /restaurant and hotel development as well as over 230,000 sq.m. of greeneries and public open space.
<p>Residential Land Parcels</p>	<ul style="list-style-type: none"> ■ Total consideration of RMB1,666 million. ■ These two residential land parcels, covering a total site area of 33,600 sq.m. with a planned GFA of 74,000 sq. m..
<p>Culture and Recreation Land Parcels</p>	<ul style="list-style-type: none"> ■ Total consideration of RMB429.6 million. ■ The planned GFA of the culture and recreation land parcel and the restaurant and hotel land parcel is 45,000 sq.m. and 4,000 sq.m., respectively.

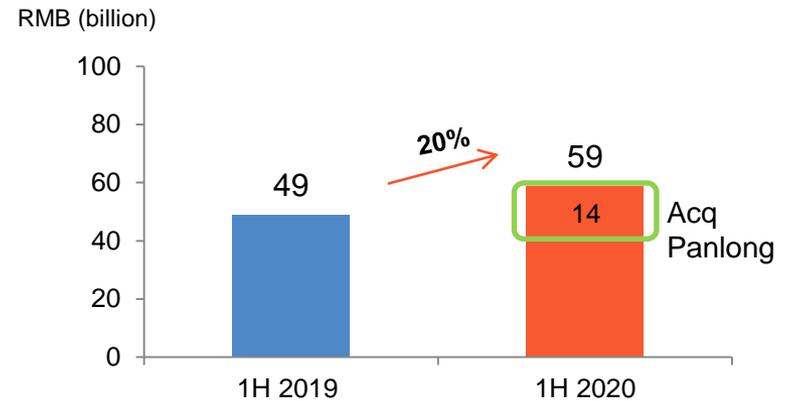
Growing Our Shanghai Market Share

We have increased our commercial assets and residential saleable resources by 2% and 33% respectively

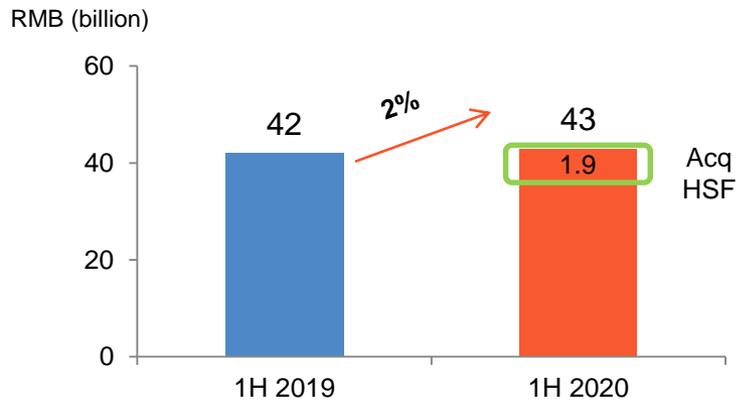
Shanghai Commercial Portfolio Total Asset Value



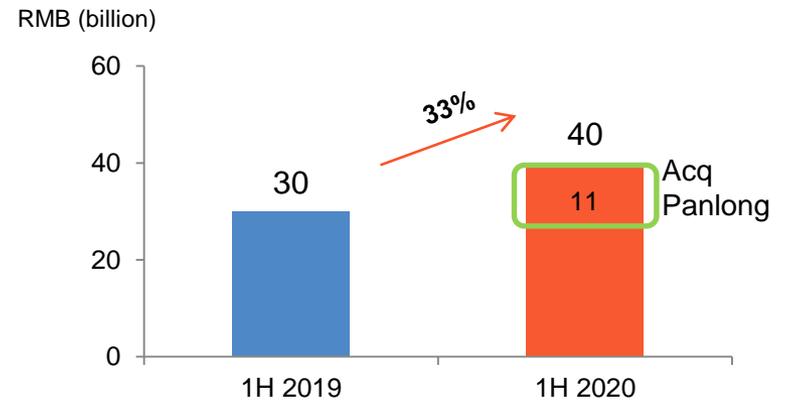
Shanghai Residential Total Saleable Resources



Shanghai Commercial Portfolio Attributable Asset Value



Shanghai Residential Attributable Saleable Resource



Large Shanghai Presence and Saleable Resources

RMB75 billion commercial property portfolio and RMB59 billion of residential saleable resources as of 30 June 2020

- The Group holds 58% of overall effective interest in commercial portfolio in Shanghai. The portfolio was valued at RMB75 billion.
- The Group has an estimated RMB59 billion of saleable resources in Shanghai.

Commercial Project	Office GFA sq.m.	Retail GFA sq.m.	Total GFA sq.m.	Attributable GFA sq.m.	Asset Value as of 30 Jun 2020 RMB' bn	% of ownership
Investment Properties in Shanghai						
Xintiandi, Xintiandi Style, XINTIANDI PLAZA, Shui On Plaza	36,000	89,000	125,000	113,100	11.41	100% /99%/80%/80%
XTD South Block AEI	-	15,000	15,000	15,000	1.05	100%
THE HUB	93,000	170,000	263,000	263,000	8.84	100%
Hall of the Moon, Stars and The Palette 3	-	111,000	111,000	55,000	3.93	49.5%
Hall of the Sun & Ruihong Corporate Avenue	147,000	183,000	330,000	163,400	8.49	49.5%
Rui Hong Xin Cheng (Lot 167 B)	107,000	12,000	119,000	58,300	4.33	49%
KIC	186,000	63,000	249,000	115,500	8.44	44.27%/50.49%
Taipingqiao Lots 123,124&132	192,000	88,000	280,000	70,000	18.05	25%
INNO KIC	41,000	4,000	45,000	45,000	1.46	100%
5 Corporate Avenue & HUBINDAO	52,000	27,000	79,000	35,200	6.62	44.55%
Hong Shou Fang	48,000	15,000	63,000	63,000	1.92	100%
Total	902,000	777,000	1,679,000	996,500	74.54	58%

Residential Project	Approximate Saleable Residential GFA sq.m	Estimated Gross Saleable Resource RMB' bn	The Group's interest %	Estimated Attributable Sales RMB' bn
Shanghai Taipingqiao Lot 118	75,600	12.4	99%	12.3
Rui Hong Xin Cheng Lot 2	1,300	0.2	99%	0.2
Rui Hong Xin Cheng Lot 1	34,000	22.6	49.5%	11.2
Rui Hong Xin Cheng Lot 7	156,800			
Rui Hong Xin Cheng Lot 167A	85,000	10.2	49%	5.0
Panlong Tiandi	239,800	13.9	80%	11.1
Shanghai Sub-total:	592,500	59.3		39.8



Market and Strategic Outlook

- The global economy suffered a severe blow from COVID-19 in the first half of 2020. China's swift response to bring COVID-19 under control is a notable global exception. Amid immense global uncertainties, the Chinese Central Government have struck a good balance between people's health and stabilization of employment and economic growth. Expansionary fiscal and monetary policies introduced by the authorities should also support the restoration of China's GDP growth to around 2.5% for 2020.
- China's residential property market was severely hit in the first quarter by the lockdown measures, but housing sales across all city tiers have since recovered, achieving positive YoY growth by June 2020. Overall, residential sales momentum is expected to remain resilient, and housing sales in Tier 1 & 2 cities are projected to continue strong recovery in the second half. But control measures are being introduced in certain cities with substantial price increase.
- Shanghai's office market outlook is highly challenging in view of abundant pipeline supply. A fall in leasing demand due to COVID-19 means that office vacancy in Shanghai will rise, with market rents coming under pressure. However, we remain optimistic on the Shanghai office market as we believe Shanghai will become the business and international finance centre of Asia in the long run.
- Travel curtailments and city lockdown measures to contain COVID-19 are reshaping consumer behavior and is adversely impacting China's retail property markets. Shopping mall traffic came to a halt in the first quarter, while sales of branded apparel products fell by 20-50%. The retail business has been recovering steadily in Shanghai, though activities were still 10% below pre-COVID level as of June 2020.
- The COVID-19 pandemic has brought the global economy to a halt and accentuated a move towards de-globalization. An uneven economic recovery may strain international relations and further increase market volatility. In view of the unsettling and highly uncertain market outlook, we will continue to closely monitor the changing market dynamics, and make new investments selectively and prudently.



Section 2

Key Financial Highlights



Key Financial Highlights in 1H 2020

- The Group's revenue for the six months ended 30 June 2020 ("1H 2020") decreased by 82% to RMB1,450 million (1H 2019: RMB7,902 million), in particular driven by recognized property sales due mainly to a timing issue as there were no new residential project completions and deliveries to homebuyers during the period .
- Partly due to rent concessions and relief measures offered to tenants, rental and related income dropped by 11% to RMB987 million during the period. However, including JV and associate projects, total rental & related income only declined 1% Y/Y to RMB1,192 million.
- Gross profit in 1H 2020 dropped by 73% to RMB964 million (1H 2019: RMB3,578 million), while gross profit margin rose to 66% (1H 2019: 45%). The Group recorded a net loss attributable to shareholders of RMB1,622 million.
- Decrease in fair value of investment properties was RMB1,510 million in 1H 2020 (1H 2019: increase RMB93 million), representing a 3.1% decrease in valuation when compared with the carrying value of investment properties as of 30 June 2020. The significant decline in the fair value of our IP portfolio reflected the negative financial effects arising from the COVID-19 outbreak.
- Net gearing ratio remained at a healthy 58% as of 30 June 2020, an increase of 6 percentage points compared to 31 December 2019, which was mainly due to repayment of USD225 million perpetual in June (classified as equity in the balance sheet). Cash and bank deposits held by the Group was RMB13,962 million as of 30 June 2020.



Income Statement

RMB'mn	1H 2020	1H 2019	Change %
Revenue of the Group	1,450	7,902	(82%)
Property sales	161	6,376	(97%)
Rental & related income	987	1,107	(11%)
Hotels, construction and others	302	419	(28%)
Cost of sales	(486)	(4,324)	(89%)
Gross profit	964	3,578	(73%)
Gross profit margin	66%	45%	21ppt
Other income	127	213	(40%)
Selling & marketing expenses	(66)	(77)	(14%)
General & administrative expenses	(456)	(455)	-
Operating profit	569	3,259	(83%)
(Decrease)/increase in fair value of investment properties	(1,510)	93	(1724%)
Other gains and losses	(163)	(133)	23%
(Provision)/reversal of impairment losses under expected credit loss model	(6)	180	(103%)
Share of (losses) gains of associates and joint ventures	(57)	27	(311%)
Finance costs, inclusive of exchange differences	(808)	(868)	(7%)
Net exchange loss	(275)	(17)	1518%
Net interest costs and others	(533)	(851)	(37%)



Income Statement (Cont'd)

RMB'mn	1H 2020	1H 2019	Change%
(Loss)/profit before taxation	(1,975)	2,558	(177%)
Taxation	689	(960)	(172%)
(Loss)/profit for the period	(1,286)	1,598	(180%)
Attributable to:			
Non-controlling shareholders of subsidiaries	150	83	81%
Owners of perpetual capital securities	137	132	4%
Owners of convertible perpetual capital securities	49	57	(14%)
(Loss)/profit attributable to shareholders	(1,622)	1,326	(223%)
(Loss)/earnings per share – Basic	RMB(0.202)	RMB0.164	(223%)

Having taken into consideration the Group's financial performance during the period and the ongoing uncertainties regarding COVID-19, the Board has decided to recommend withholding interim dividend in 2020 (1H2019: HKD0.036 per share).



Total Recognised Property Sales¹

RMB'mn	1H 2020	1H 2019	Change %
TPQ	-	3,326	(100%)
RHXC	107	393	(73%)
Foshan	2	1,127	(100%)
Chongqing	11	80	(86%)
Car Parks	41	180	(77%)
Shanghai RHXC - Residential Inventories (Lots 1 & 7)	-	1,270	(100%)
Total Property Sales Recognised as Revenue	161	6,376	(97%)

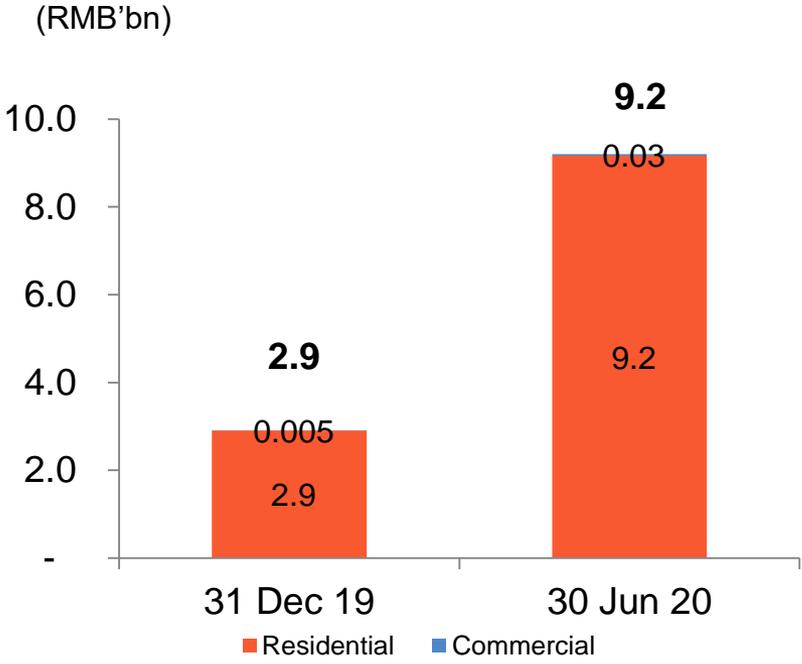
<u>Property Sales Recognised as:</u>	1H 2020	1H 2019	Change %
- Property sales in revenue of the Group	161	6,376	(97%)
- Disposal of investment properties	-	13	(100%)
- Revenue of associate	104	1,428	(93%)
Total Property Sales	265	7,817	(97%)

1. Inclusive property sales in revenue of the Group, disposal of investment properties and revenue of associate.

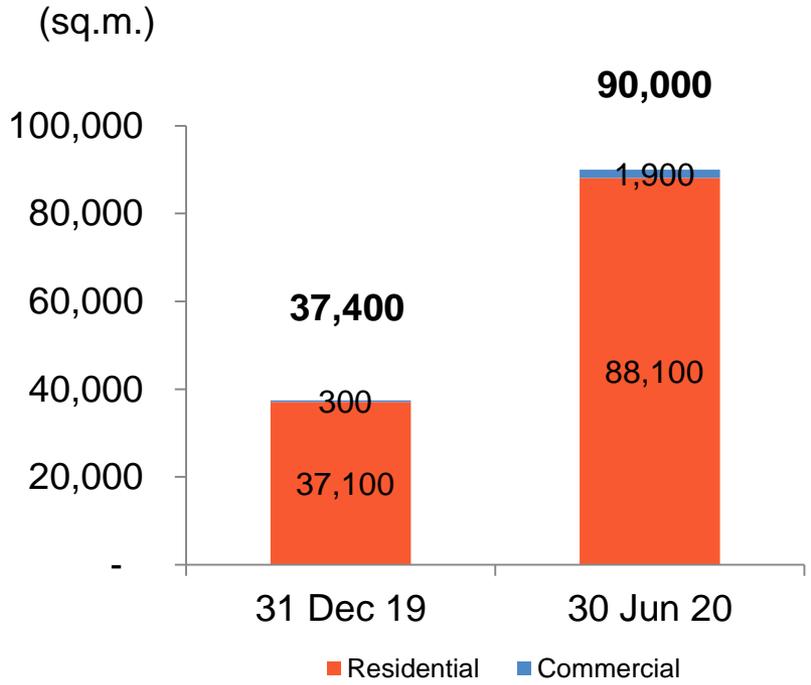


RMB9.2 billion Subscribed Sales for Delivery in 2H 2020 & Beyond

Subscribed Sales



Subscribed Sales GFA



Impact on Recurring Income from COVID-19

Project/ property	Product	Leasable GFA sq.m.	Rental & Related Income RMB' million		Changes %	Occupancy Rate		Change ppt
			1H 2020	1H 2019		30 Jun 2020	31 Dec 2019	
Shanghai Xintiandi	Office / Retail	39,000 ¹	123	184 ²	(33%) / (25%) ²	79%	86%	(7)
Xintiandi Style	Retail	26,000	43	54	(20%)	83%	96%	(13)
Shui On Plaza & XINTIANDI PLAZA	Office / Retail	53,000 ³	84	98	(14%)	86%	92%	(6)
THE HUB	Office / Retail	263,000	216	230	(6%)	89%	99%	(10)
Shanghai KIC	Office / Retail / Hotel	243,000	215	226	(5%)	89%	95%	(6)
INNO KIC ⁴	Office / Retail	45,000	18	4	350%	65%	20%	45
Wuhan Tiandi	Retail	238,000 ⁵	132	151	(13%)	89%	94%	(5)
Foshan Lingnan Tiandi	Office / Retail	142,000	121	126	(4%)	94%	97%	(3)
Chongqing Tiandi	Retail	131,000 ⁶	25	29	(14%)	67%	73%	(6)
Nanjing INNO Zhujiang Lu	Office/Retail	16,000	10	5	100%	70%	74%	(4)
Consolidated rental and related income		1,196,000	987	1,107	(11%)			
Shanghai RHXC JV ⁷	Retail	98,000	75	88	(15%)	80%	88%	(8)
Shanghai 5 Corporate Avenue & HUBINDAO associate	Office/Retail	79,000	130	7 ⁸	1757%	84%	90%	(6)
Grand Total		1,373,000⁹	1,192	1,202	(1%)			

1. A total leasable GFA of 15,000 sq.m. was under AEI since March 2019 and was excluded from the above table.
2. RMB184 million in 1H 2019 included rental and related income before AEI of a total leasable GFA of 15,000 sq.m. The AEI impact on rental and related income was about RMB20 million.
3. AEI of XINTIANDI PLAZA with a total leasable GFA of 28,000 sq.m. was completed in late 2018 and the grand opening was held in May 2019.
4. INNO KIC was newly opened in April 2019.
5. North Hall of HORIZON with a total GFA of 72,000 sq.m. held the grand opening in November 2019.
6. The occupancy rate was 65% for the Tiandi retail area and the occupancy rate of 6 and 7 Corporate Avenue retail podium (Lot B12-3 Retail) was 57%. 8 Corporate Avenue retail podium with a total GFA of 31,000 sq.m. is undergoing repositioning and tenant upgrades.
7. The Group held 49.5% effective interest in the property. Rental and related income attributable to the Group was RMB37 million in 1H 2020. With a total GFA of 13,000 sq.m. was under pre-leasing after AEI and was excluded from the above table.
8. The acquisition was completed on 20 June 2019. The Group held 44.55% effective interest of the property. Rental and related income of the property for 1H 2019 was RMB133 million. The rental and related income after the completion was RMB7 million.
9. A total GFA of 15,000 sq.m. located at Shanghai Shui On Plaza, Shanghai KIC and Foshan Lingnan Tiandi were occupied by the Group and were excluded from the above table.



Valuation of Investment Property Portfolio

Project	Product	GFA	Fair value gain/(loss) in 1H 2020	Carrying value as at 30 Jun 2020	Fair value gain / (loss) to carrying value	Attributable value
		sq.m.	RMB'mn	RMB'mn	%	RMB'mn
Completed Investment Properties						
Shanghai Taipingqiao						
Xintiandi and Xintiandi Style	Office & Retail	65,000	(7)	6,569	(0.1%)	6,549
Shui On Plaza and XINTIANDI Plaza	Office & Retail	53,000	(82)	4,248	(1.9%)	3,439
THE HUB	Office & Retail	263,000	(124)	8,844	(1.4%)	8,844
Shanghai KIC	Office & Retail	243,000	7	8,239	0.1%	3,808
Shanghai INNO KIC	Office & Retail	45,000	24	1,455	1.6%	1,455
Wuhan Tiandi	Retail	238,000	(816)	6,365	(12.8%)	6,365
Foshan Lingnan Tiandi	Office & Retail	142,000	(138)	4,080	(3.4%)	4,080
Chongqing Tiandi	Retail	131,000	(195)	1,588	(12.3%)	1,572
Subtotal		1,180,000	(1,331)	41,388	(3.2%)	36,112
Investment Properties under Development at Valuation						
XTD South Block AEI ¹	Retail	15,000	(13)	1,047	(1.2%)	1,047
Hong Shou Fang	Office & Retail	63,000	(67)	1,917	(3.5%)	1,917
Foshan Lots A/B/C	Office & Retail	628,000	(94)	4,234	(2.2%)	4,234
Subtotal		706,000	(174)	7,198	(2.4%)	7,198
Investment Property - Sublease of Right-of-use Assets						
Nanjing INNO Zhujianglu	Office & Retail	16,000	(5)	109	(4.6%)	109
Total Investment Property Portfolio		1,902,000²	(1,510)	48,695	(3.1%)	43,419

¹ A total leasable GFA of 15,000 sq.m. was under AEI since March 2019.

² Hotels for operation and self-use properties are classified as property, plant and equipment in the condensed consolidated statement of financial position, and leasable GFA of which is excluded from this table.



Financial Position as of 30 Jun 2020

A total of RMB14.0 billion cash and bank deposits

RMB'mn	30 Jun 2020	31 Dec 2019	Change %	31 Dec 2018	Change %
Total cash and bank deposits	13,962	11,859	18%	15,392	(9%)
Total asset	110,394	108,416	2%	110,250	0.1%
Total debt	40,429	37,741	7%	34,269	18%
Bank borrowings	27,695	25,823	7%	26,321	5%
Senior notes	12,219	11,399	7%	7,424	65%
Receipts under securitisation arrangements	515	519	(1%)	524	(2%)
Net debt	26,467	25,882	2%	18,877	40%
Total equity	45,771	49,307	(7%)	47,219	(3%)
Net gearing	58%	52%	6ppt	40%	18ppt
Shareholders' equity per share	RMB4.67	RMB4.97	(6%)	RMB4.84	(4%)

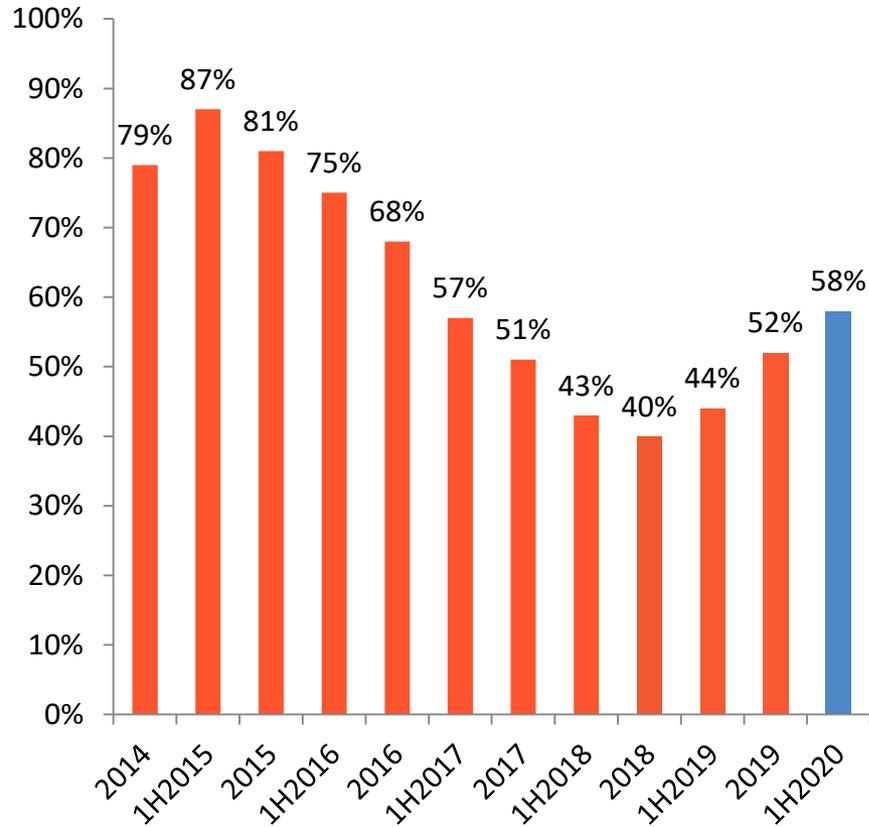
- Average cost of debt as at end of period: 1H 2020: **4.8%** vs. 2019: **5.4%**
(The average cost of debt herein only includes interest cost, excluding arrangement fees and other fees.)



Net Gearing at 58% as at 30 Jun 2020

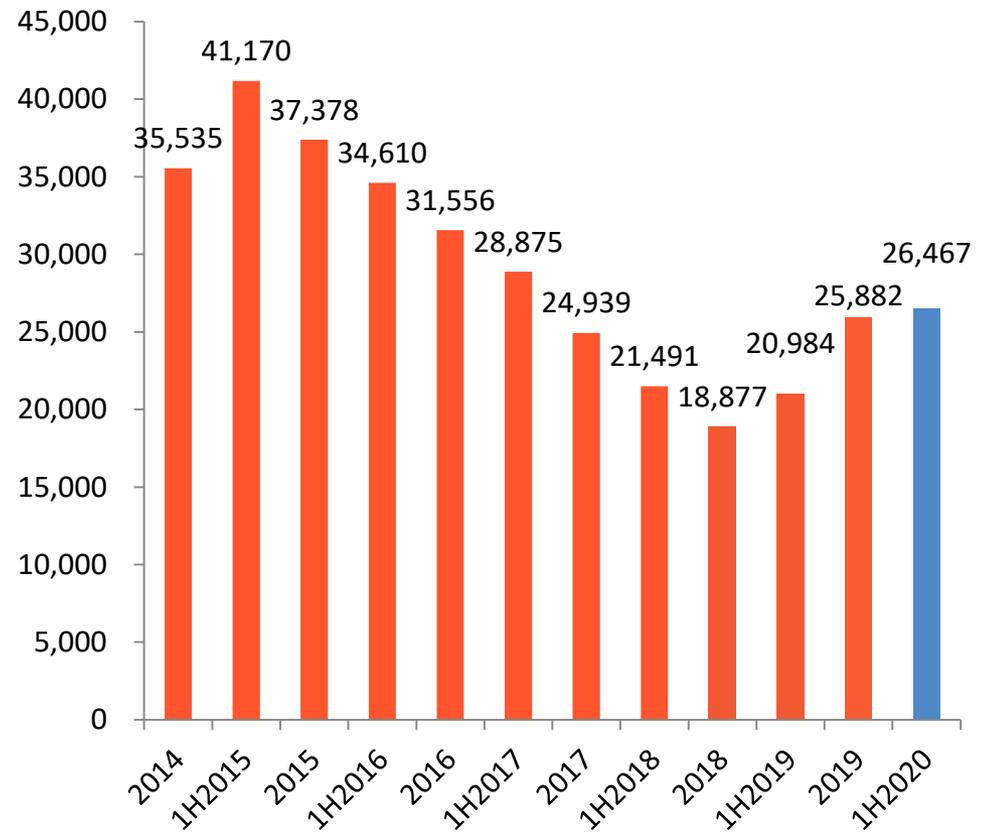
Increase due mainly to repayment of USD225 million CPCS in June

Net Gearing



Net Debt

(RMB'mn)





Proactive Liability Management

US\$392.0 million of senior notes maturing in 2021 having been tendered or exchanged

- On 20 February 2020, the Company commenced an Exchange and Tender Offer for its senior notes due in 2021
- The Company also conducted a concurrent New Issuance of US\$400.0 million, 5-year 5.50% senior notes to (i) pay the cash portion of the consideration payable under the Exchange and Tender Offer; (ii) the repayment of existing indebtedness and general corporate purposes.

	Exchange for 5.50% new notes due 2025	Tender Offer	Total
5.70% notes due Feb 2021	US\$64,972,000	US\$172,641,000	US\$237,613,000
6.25% notes due Nov 2021	US\$24,942,000	US\$129,408,000	US\$154,350,000 ¹
Total	US\$89,914,000	US\$302,049,000	US\$391,963,000

- A total of US\$302,049,000 notes was accepted for tender and US\$89,914,000 was exchanged for new 5.50% 5-year senior notes.
- The final issuance size for the new 5.50% 5-year senior notes is US\$489.9 million.

Debt Profile

Debt Profile – Nature & Maturity Breakdown

RMB'mn	2H 2020	1H 2021	>1 to <2 years	>2 to <5 years	>5 years	Total
RMB Senior Notes	-	2,239	-	-	-	2,239
USD Senior Notes	-	1,879	2,479	5,622	-	9,980
HKD Bank Borrowings	146	2,184	1,682	1,375	-	5,387
USD Bank Borrowings	2,168	3,931	1,564	1,477	-	9,140
RMB Bank Borrowings	481	1,095	3,302	5,155	3,135	13,168
CMBS	2	6	12	55	440	515
Total	2,797¹	11,334	9,039	13,684	3,575	40,429

In addition

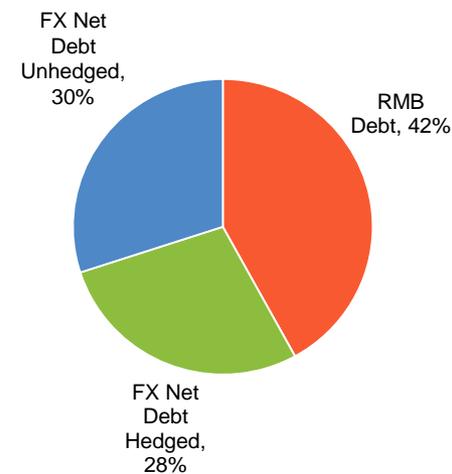
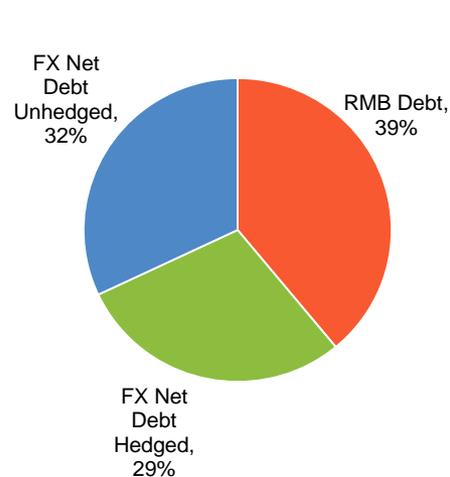
■ USD600 million 6.40% of perpetual capital securities

1. RMB831 million had been repaid / refinanced before 31 July 2020 (unaudited)

30 Jun 2020

vs.

31 Dec 2019



After 30 June 2020, the company entered HKD300 million forward contracts.



Senior Notes Maturity Profile

Senior Notes Repaid in 1H 2020

Amount (Currency million)	Coupon Rate	Issue Date	Maturity Date	Repaid Amount (mn)	Repayment Date
USD225	7.500%	04-Jun-15	Convertible Perpetual Capital Securities	USD225	04-Jun-20

Outstanding Senior Notes as at 30 Jun 2020¹

Amount (Currency million)	Coupon Rate	Issue Date	First Callable Date	Maturity Date
USD262 ¹	5.700%	06-Feb-17	-	06-Feb-21
RMB2,200	6.875%	02-Mar-18	02-Mar-20	02-Mar-21
USD346 ¹	6.250%	28-Feb-19	-	28-Nov-21
USD300 Green Bond ³	5.750%	12-Nov-19	12-Nov-21	12-Nov-23
USD600	6.400%	20-Jun-17	20-Jun-22	Perpetual Capital Securities
USD490 ²	5.500%	03-Mar-20	03-Mar-23	03-Mar-25

New issuance of Senior Notes in Aug 2020

Amount (Currency million)	Coupon Rate	Issue Date	First Callable Date	Maturity Date
USD500	6.150%	24-Aug-20	24-Aug-22	24-Aug-24

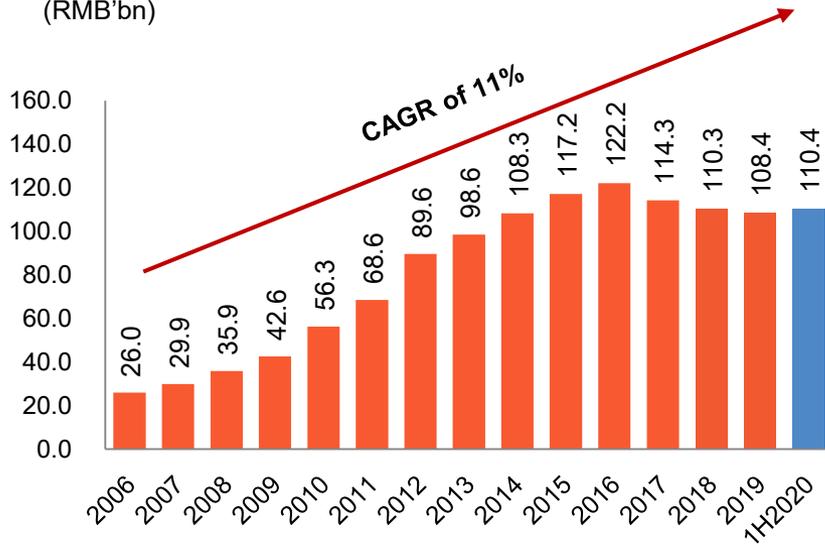
1. On 20 Feb 2020, the Group commenced an exchange and tender offer for the Feb and Nov 2021 due senior notes. The exchange and tender offerings were completed on 03 March 2020. A total of USD238 million Feb 2021 and USD154 million of Nov 2021 due senior notes was exchanged and tendered.
2. The Group has issued US\$489,914,000 of New Notes in which US\$89,914,000 of the proceeds were used for the abovementioned Exchange Offer. The transaction was completed on 3 March 2020.
3. USD255 million of proceeds from the USD300 million Green Bond was invested in buy-back of 5 Corporate Avenue. 5 Corporate Avenue is a LEED-CS Gold certified green building.

Balance Sheet Remains Substantively Stable

Notwithstanding lower fair values of the IP portfolio, total assets remain stable at RMB110.4 billion

Strong Asset Base

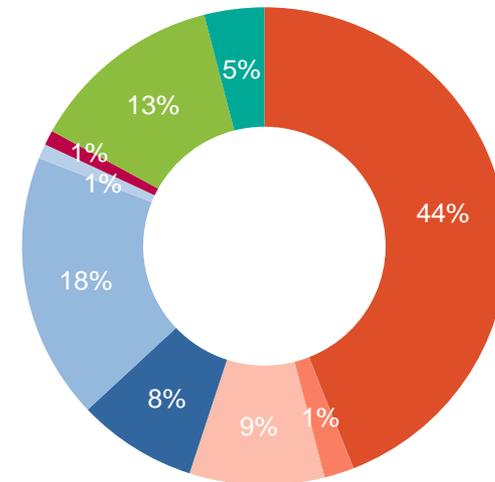
(RMB'bn)



30 Jun 2020

Total asset	RMB110.4 bn
Net debt	RMB26.5 bn
Net gearing	58%
Total equity	RMB 45.8 bn
Shareholders' equity per share	RMB 4.67

Asset Value – by Nature



- IP at Valuation
- IP at cost
- JV and Associate Investment & Loans - for IP
- JV and Associate Investment & Loans - for Sale and Mixed use
- Property Under Development for Sale & Prepayment of Relocation Cost
- Properties Held for Sale
- Hotels and other PPE
- Cash & Bank Balance
- Others



Section 3

Commercial Asset Management



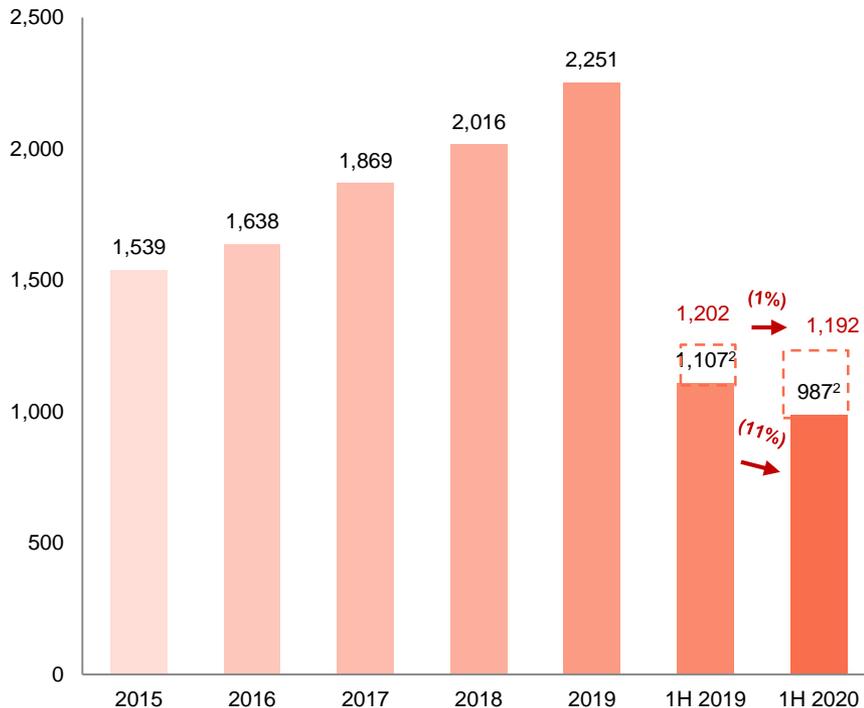
Retail and Office Business Summary and Outlook

- **Steady retail recovery:** Shopping mall and Xintiandi footfall and sales reached 70%-80% of pre-COVID levels (varying by location) by the end of Q2 and continue to rise.
- **Retail market to become more bifurcated and premium market will be largely driven by domestic reshoring spend:** The luxury sector rebounded rapidly as travel restrictions prevented consumers from purchasing luxury goods abroad. While Xintiandi is able to benefit from the growth in consumption of the premium consumer segment, we remain cautiously optimistic about the retail market.
- **Fast growth of online retail sales:** China's online sales accounted for 25.2% of the total sales volume at the end of June compared with 20.7% at the end of last year. Our online iTiandi membership base grew up by 15% to 1.98M members with total sales over RMB570 million in 1H 2020.
- **Office rental income remains stable:** 1H 2020 rental income stable compared to same period last year. Our diversified premium quality office portfolio has been more resilient to volatility in the market.
- **Shanghai office market to remain robust in the long term though experiencing short term headwinds:** while there is a large supply of office in the market and an impact on demand due to COVID-19, we believe the premium office market in tier-1 cities will be resilient due to the China's domestic economic growth.
- **The nature of office space is fast evolving:** There is strong demand for a total office solution that enhances flexibility, mobility, and customisation post COVID-19. We launched :Shui On WorkX, an office platform that addresses the need for a more flexible office solution.

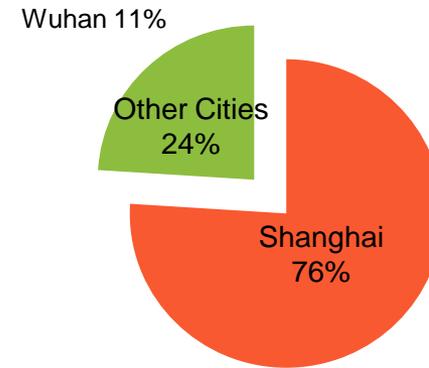
Lower Leasing Income in 1H due to COVID-19 Impact

Consolidated Rental and Related Income¹

(RMB million)



Total Rental & Related Income Contribution



- Including joint ventures and associates, the total rental & related income down 1% in 1H 2020
- Shanghai portfolio up 1% to RMB904 million
- Other cities' portfolio down 7% to RMB288 million

Notes:

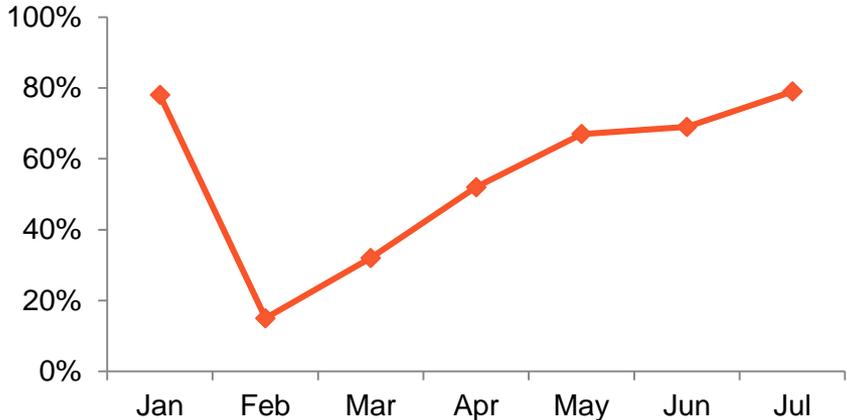
1. Excluding income from hotel operations.
2. Excluding two properties held under JV and associate with a combined rental and related income of RMB205 million (1H 2019 attributable income: RMB95 million) in 1H 2020.



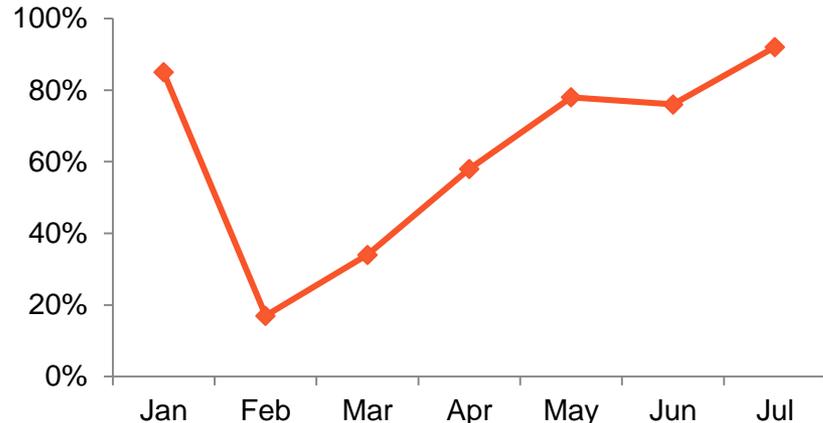
Recent Tenant Sales in Selected Retail Properties

Overall same-store sales in July 2020 in our retail properties have recovered to over 90% of the same period in 2019

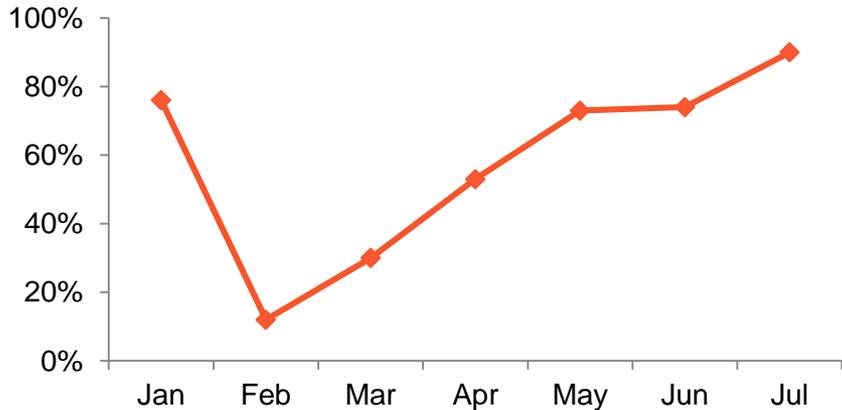
Shopper Traffic Recovery Rate



Total Tenant Sales Recovery Rate



F&B Tenant Sales Recovery Rate



Retail Tenant Sales Recovery Rate



Accelerating Online Initiatives in 1H 2020

iTiandi Go and Omni-Channel Retail Platform

- Collaboration with Shanghai Fashion Week to launch the first global on-line fashion week
- launched "XINTIANDI Pop-up" at Tmall, the first online retail shop in property industry



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BAN XIAOXUE, Sephora, AHAVA (品牌特选单品, 免费试用)
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3月24日 18:00-20:00

上海新天地美节
直播时间 2020.04.29 19:00 全网首播!

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AHAVA, Miller Harris, HARNN
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First-in-China, First-in-City, Flagships Leasing Strategy

Provides widened choices of international and local shopping and dining experiences

- Total of over 2000 shops
- 13 First-in-China Stores
- 13 First-in-City Stores
- 18 Flagship Stores



YVES SAINT LAURENT

DIOR

NARS



Miller Harris
PERFUMER LONDON

STUDIOUS
- TOKYO -



陶陶居
| 港 | 茶 | 飲 | 文 | 化 |

CHA CHA THÉ
采采食茶文化

SHAKE SHACK



Culture and Social Destinations

Active programmes to stimulate vitality of our retail portfolio



萌鼠唱新春



Xintiandi Festival



DEBRETT



Xintiandi Design Week

■ iTiandi membership base up 15% to 1.98 mn members



新天地摇摆俱乐部



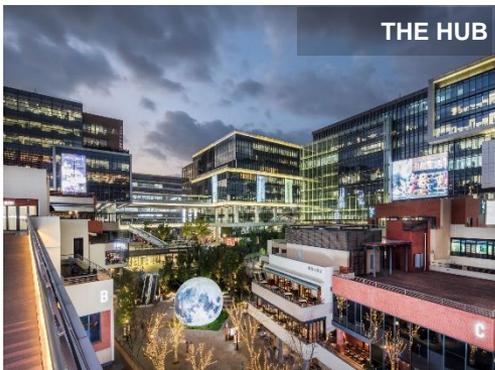
NEW STYLE · NEW MEDIA



Trunk Market

Leading Commercial Portfolio in Shanghai

RMB75 billion of Shanghai commercial portfolio (including properties under development)



Commercial Portfolio in Shanghai

Asset value attributable to the Company amounted to RMB43 billion

SOL has a strong portfolio of commercial properties in Shanghai. As of 30 Jun 2020, the asset value of Shanghai commercial portfolio was approximately RMB75 billion.

Completed Key Projects		Office GFA sq.m.	Retail GFA sq.m.	Total GFA sq.m.	Attributable GFA sq.m.	Asset Value as of 30 Jun 2020 RMB' billion	% of ownership
Investment Properties for rental income							
Shanghai Xintiandi, Xintiandi Style, XINTIANDI PLAZA, Shui On Plaza		36,000	89,000	125,000	113,100	11.41	100% /99%/80%/80%
THE HUB		93,000	170,000	263,000	263,000	8.84	100%
Hall of the Moon, Stars and The Palette 3		-	111,000	111,000	55,000	3.93	49.50%
KIC		186,000	63,000	249,000	115,500	8.44	44.27%/50.49%
INNO KIC		41,000	4,000	45,000	45,000	1.46	100%
5 Corporate Avenue & HUBINDAO		52,000	27,000	79,000	35,200	6.62	44.55%
Subtotal		408,000	464,000	872,000	626,800	40.70	
Land & Under development Key Projects							
Shanghai	XTD South Block AEI	-	15,000	15,000	15,000	1.05	100%
Taipingqiao	Lots 123, 124 & 132	192,000	88,000	280,000	70,000	18.05	25%
Shanghai RHXC	Lot 167 B	107,000	12,000	119,000	58,300	4.33	49%
	Hall of the Sun, Ruihong Corporate Avenue	147,000	183,000	330,000	163,400	8.49	49.50%
Shanghai Hong Shou Fang		48,000	15,000	63,000	63,000	1.92	100%
Subtotal		494,000	313,000	807,000	369,700	33.84	
Grand Total		902,000	777,000	1,679,000	996,500	74.54	58%



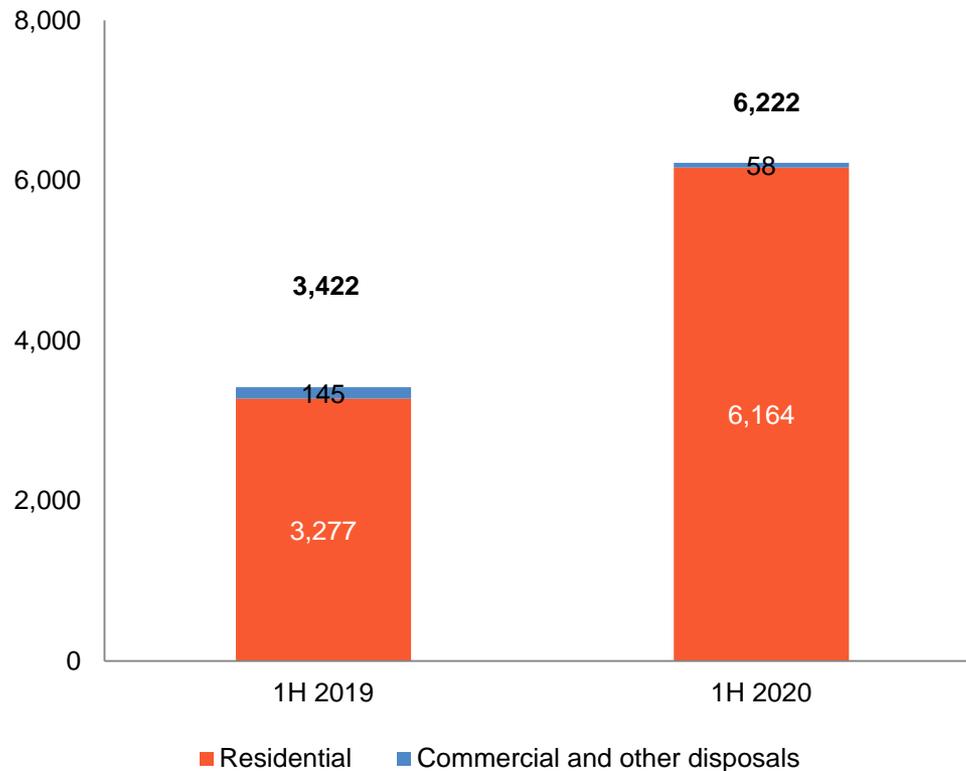
Section 4

Property Development

Contracted Sales in 1H 2020

Strong contracted sales, increased by 82%

Contracted Sales (RMB mn)



- The Group's contracted property sales increased by 82% to RMB6,222 million in 1H 2020, compared to RMB3,422 million in 1H 2019
- Residential property contracted sales totaled RMB6,164 million mainly due to strong sales performance in Wuhan Tiandi La Riva II and Shanghai RHXC Parkview (Lot 1)
- Commercial property contracted sales was RMB58 million
- As of 30 June 2020, a total subscribed sale of RMB9,201 million was recorded, among which RMB5,937 million was from Taipingqiao Ville V (Lot 118)

Wuhan Tiandi La Riva II (Lot B10)

Over RMB1.6 billion contracted/subscribed sales on the day of launch

- We launched the remaining portion of Wuhan Tiandi La Riva II (Lot B10) with a total GFA of 33,000 sq.m. on 29 April, shortly after reopen of the city post COVID-19.
- Without sales office or showroom, over RMB1.6 billion property sales were achieved online in a few minutes on the day of launch. All the units have been subscribed.

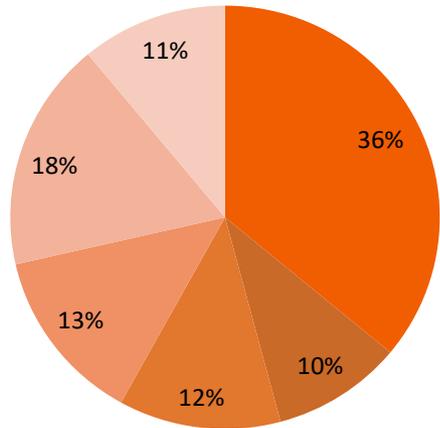




Shanghai Taipingqiao Ville V (Lot 118)

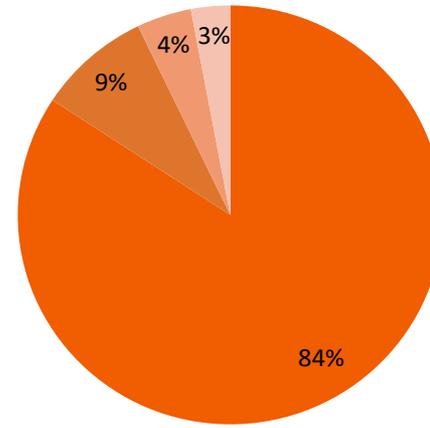
Over RMB6.4 billion contracted/subscribed sales in the June 2020 Launch

Age Group of Buyers



■ before 1970 ■ 1970-79 ■ 1980-85 ■ 1986-89 ■ 1990-95 ■ 1996-99

Geographic Breakdown of Buyers



■ Shanghai ■ Other Provinces ■ Hong Kong & Taiwan ■ Overseas





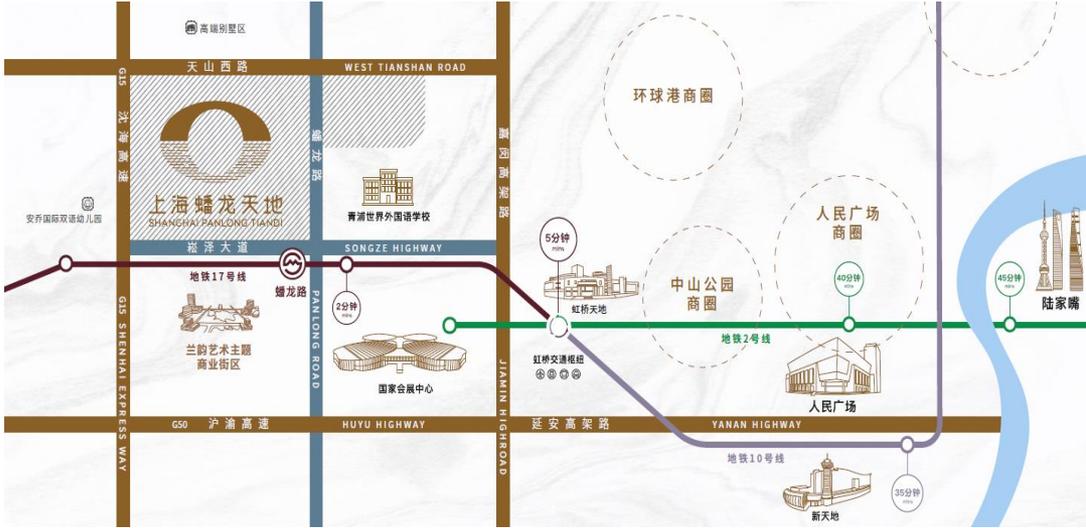
Residential Launches will Pick up in 2H 2020 / 1H 2021

Project	Product	GFA in sq.m.	Group's interest %	Attributable GFA in sq.m.
Shanghai Taipingqiao Lot 118	High-rises	37,700	99%	37,300
Shanghai RHXC Lot 1	High-rises	34,000	49.50%	16,800
Shanghai RHXC Lot 2	Townhouses/high-rises	1,300	99%	1,300
Shanghai RHXC Lot 7	High-rises	49,200	49.50%	24,400
Shanghai Panlong Tiandi	High-rises	94,800	80%	75,800
Wuhan Tiandi	High-rises	10,300	100%	10,300
Wuhan Optics Valley Innovation Tiandi	High-rises	65,500	50%	32,800
Foshan Lingnan Tiandi	High-rises	28,500	100%	28,500
Chongqing Tiandi	High-rises	67,600	19.80%	13,400
Total		388,900		240,600



Shanghai Panlong Tiandi

94,800 sq.m. of GFA for sale starting from 2H 2020





Rui Hong Xin Cheng (Lots 1 & 7)

83,200 sq.m. of GFA for sale in 2H 2020





Foshan and Wuhan Residential Sales in 2H 2020



Foshan Lingnan Tiandi

The Masterpiece (Lot 13a)

2H 2020 to launch: Total GFA of 17,500 sq.m.

Wuhan Optics Valley Innovation Tiandi

Residential Lot R5

2H 2020 to launch: Total GFA of 41,700 sq.m.





Residential Development Saleable Resources

RMB77 billion saleable resources from current landbank as of 30 Jun 2020

Project Name	Approximate Saleable Residential GFA sq.m	Estimated Gross Saleable Resource RMB' bn	The Group's interest %	Estimated Attributable Sales RMB' bn
Shanghai Taipingqiao Lot 118	75,600	12.4	99%	12.3
Rui Hong Xin Cheng Lot 2	1,300	0.2	99%	0.2
Rui Hong Xin Cheng Lot 1	34,000	22.6	49.5%	11.2
Rui Hong Xin Cheng Lot 7	156,800			
Rui Hong Xin Cheng Lot 167A	85,000	10.2	49%	5.0
Panlong Tiandi	239,800	13.9	80%	11.1
Shanghai Sub-total	592,500	59.3		39.8
Wuhan Tiandi	123,100	6.8	100%	6.8
Wuhan Optics Valley Innovation Tiandi	329,200	6.3	50%	3.1
Foshan Lingnan Tiandi	28,500	0.7	100%	0.7
Chongqing Tiandi	239,500	4.3	19.8%	0.9
Other Cities Sub-total	720,300	18.1		11.5
Grand Total	1,312,800	77.4		51.3

Note: This represents saleable resources not yet recorded as contracted sales as at 30 Jun 2020. Excluded sites yet to commence relocation.

Commercial Development

Strong pipeline of commercial properties in Shanghai and other cities for rental growth and capital recycling

List of Commercial Properties Under Development and For Future Development as of 30 Jun 2020 (Excluding sites yet to commence relocation)

Project Name	Office GFA sq.m.	Retail GFA sq.m.	Total GFA sq.m.	The Group's Interest %	Attributable GFA sq.m.
Shanghai Taipingqiao Lots 123,124 & 132	192,000	88,000	280,000	25.00%	70,000
Shanghai RHXC Hall of the Sun, Ruihong Corporate Avenue	147,000	183,000	330,000	49.50%	163,400
Shanghai RHXC Lot 167B	107,000	12,000	119,000	49.00%	58,300
Shanghai Hong Shou Fang	48,000	15,000	63,000	100.00%	63,000
Shanghai Sub-total	494,000	298,000	792,000		354,700
Wuhan Tiandi	326,000	94,000	420,000	100.00%	420,000
Wuhan Optics Valley Innovation Tiandi	485,000	348,000	833,000	50.00%	416,500
Foshan Lingnan Tiandi	450,000	136,600+ 80,000 ¹	666,600	100.00%	666,600
Chongqing Tiandi	259,000	268,000+ 25,000 ¹	552,000	19.80%	109,300
Other Cities Sub-total	1,520,000	951,600	2,471,600		1,612,400
Grand Total	2,014,000	1,249,600	3,263,600		1,967,100

1. Hotel use



Section 5

Sustainability Strategy and ESG

Sustainability Strategy and ESG

- The safety of our customers, tenants and employees is a top priority: in response to the pandemic, we launched an emergency response team internally to ensure that our properties and our workplace was safe.
- In response to the pandemic, SOL donated RMB10 million to the city of Wuhan to help with relief efforts. We also arranged and donated medical supplies to be sent to hospitals in the city.
- We have revised our property management protocols in response to this “new normal” to incorporate regular disinfecting and improve air quality standards.
- This pandemic has reinforced our determination and commitment to sustainability and our vision of building sustainable communities of the future.



“5C” – New 10 Years (2020 to 2030) Sustainability Development Strategy





瑞安房地產
SHUI ON LAND

Q&A

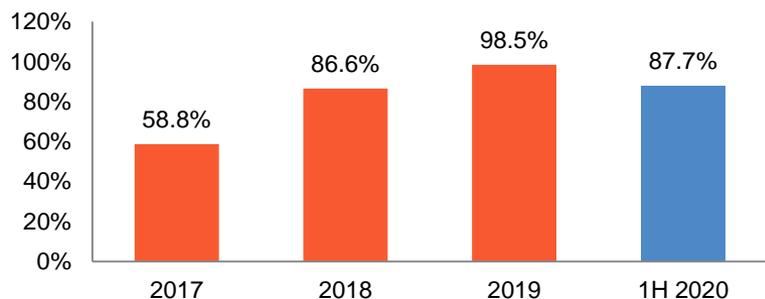


瑞安房地產
SHUI ON LAND

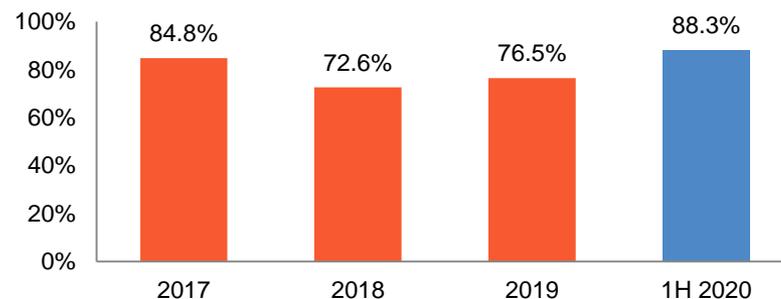
Appendix

Historical Credit Profile

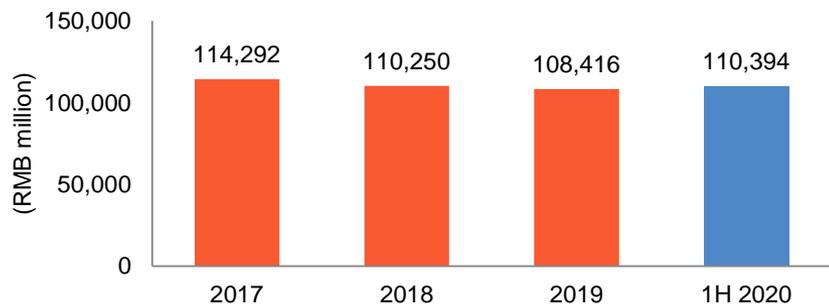
Rental and related income / total interest costs¹



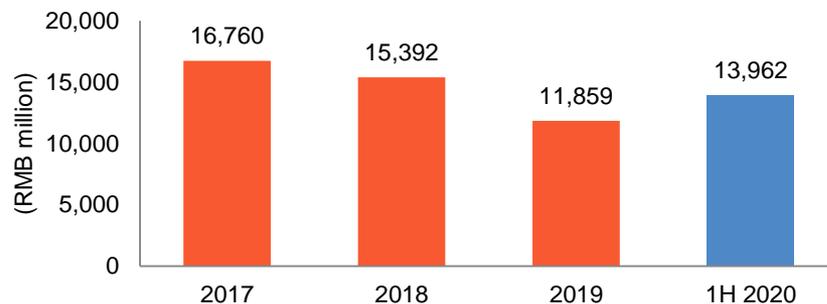
Total debt² / Total equity³



Total assets



Total cash⁴



Notes:

1. Total interest costs are calculated by adding interest on bank borrowings, interest on loans from non-controlling shareholders of subsidiaries, interest on senior notes, interest expense from lease liabilities.
2. Total debt is calculated by adding all bank borrowings (due within or after 1 year), senior notes and receipts under securitization arrangements.
3. Total equity includes convertible perpetual capital securities, perpetual capital securities and non-controlling shareholders of subsidiaries.
4. Cash includes bank balances and cash, pledged bank deposits and restricted bank deposits.



Company Overview

Shui On Land – Company Background

Leading commercial property focused developer, owner and asset manager in China

Shui On Land – Introduction

- Listed in 2006 on the Hong Kong Stock Exchange (“HKSE”, stock code 272.HK), Shui On Land (“SOL” or “the Company”) is included in the Hang Seng Composite Index, HSCI Composite Industry Index - Properties & Construction, Hang Seng Composite LargeCap & MidCap Index and Hang Seng Stock Connect HK
- Headquartered in Shanghai, the Company engages principally in the development, sale, leasing, management and long-term ownership of high-quality commercial and residential mixed-use properties
- SOL is a leading commercial property owner and operator in Shanghai, with a total of 1.68 million sq.m. of office and retail space, including its flagship Shanghai Xintiandi, currently under its management

Development Strategies

- Large Scale Mixed-use Urban Redevelopments
- Knowledge & Innovative Communities
- Transportation Oriented Developments

Product Strategies

- XINTIANDI
- Corporate Avenue Grade-A Office
- INNO Office
- Knowledge Community / Sub-centre & Business Park Office
- High-end residence



Asset Light Strategy

From Land Acquisition & Investment, Design & Positioning, Construction, Sales & Leasing to Asset & Property Management Services

Build up long-term capital & investment platform

- Formation of SOL Managed Core-Plus Office Investment Venture (SCOV)
- Expand capital base by working with 3rd party partners on new investments
- Established strategic partnerships with world-class institutional investors for both commercial and residential investments

Asset Light Strategy

- Realize value of commercial properties at appropriate timing for recycling of capital
- Deleverage and optimize balance sheet
- Improve overall return to shareholders
- New capital for investment

Strengthen asset management & development capabilities

- Develop a first-class asset management platform with unique products
- Seize opportunities to manage third party assets
- Further expand high-quality commercial property portfolio
- Land and other acquisitions



The strategy enables the Company to further expand its property portfolio and lower the concentration risk, reduce its own funding requirement, build up its fee income business thus enhancing overall shareholders' return.

Quality Saleable Resources in Top-tier and High-growth Cities

Total leasable and saleable landbank of 6,772,000¹ sq.m. GFA as of 30 Jun 2020

Project	Residential	Commercial	Total GFA (sq.m.)
Shanghai Taipingqiao	164,000	570,000	734,000
Shanghai Rui Hong Xin Cheng	353,000	566,000	919,000
Shanghai KIC	-	249,000	249,000
Shanghai INNO KIC	-	45,000	45,000
Shanghai THE HUB	-	263,000	263,000
Shanghai Panlong Tiandi	250,000	49,000	299,000
Shanghai Hong Shou Fang	-	63,000	63,000
Wuhan Tiandi	249,000	658,000	907,000
Wuhan Optics Valley Innovation Tiandi	349,000	836,000	1,185,000
Foshan Lingnan Tiandi	77,000	858,000	935,000
Chongqing Tiandi	474,000	699,000	1,173,000
Total	1,916,000	4,856,000	6,772,000
Completed Properties	29,000	1,462,000	1,491,000
Under Development and for Future Development Properties	1,887,000	3,394,000	5,281,000



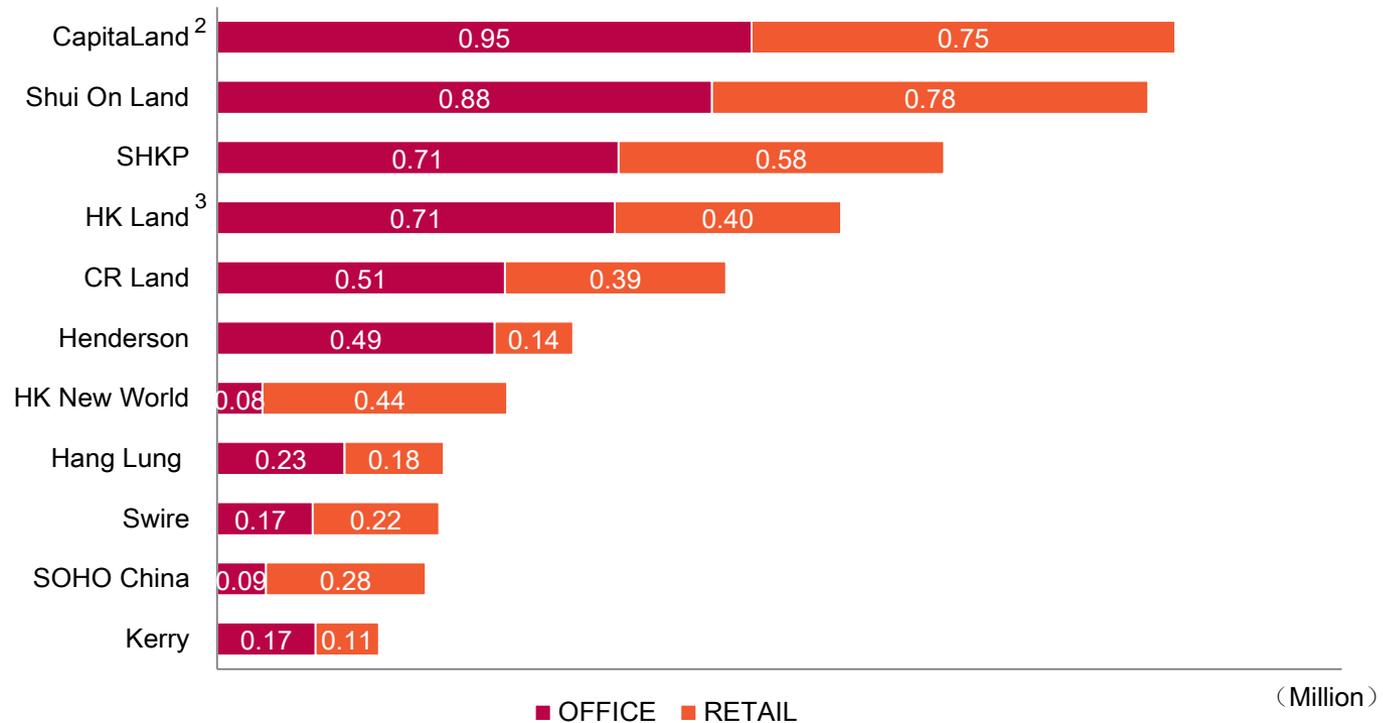
- SOL acquired all land parcels planned for the Panlong Tiandi development, which consists of a total GFA of about 250,000 sq.m. for residential development, a GFA of 49,000 sq.m. for culture and recreation /restaurant and hotel development.

Note: 1. As of 30 Jun 2020. Total leasable and saleable landbank excludes 2.2 million sq.m. of clubhouse, carpark and other facilities.

A Market Leader in Shanghai

Leading landlord in Shanghai with a growing prime commercial portfolio in core city areas

Commercial GFA owned or under management in Shanghai¹



Source: Company Presentation and Filings

- Notes:
1. Mainly includes portfolios that are officially disclosed on companies' public released 2019 Annual Report with necessary update, incl. projects under construction and assets under management;
 2. CapitaLand portfolio includes Pufa Tower, Ascendas Innovation Place and Ascendas Plaza;
 3. HK Land's portfolio size of West Bund of Shanghai is adjusted according to Half Year Results Presentation 2020

Experienced Management Team and Well Established Corporate Governance

Expertise across all disciplines with strong corporate governance

Strong corporate governance procedures and internal controls in place

- Audit and Risk Committee (comprises 3 members, all of whom are independent non-executive directors (“INEDs”))
- Finance Committee (comprises 6 members, 3 of whom are INEDs)
- Nomination Committee (comprises Mr. Lo and 2 INEDs)
- Remuneration Committee (comprises Mr. Lo and 2 INEDs)

Executive Directors



Mr. Vincent H. S. LO
Chairman

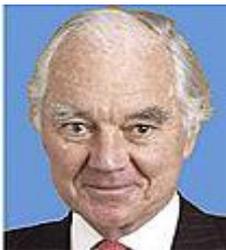


Mr. Douglas H. H. SUNG
Chief Financial Officer



Ms. Stephanie B. Y. LO

Independent Non-Executive Directors



Sir John R. H. BOND



Professor Gary C. BIDDLE



Dr. Roger L. McCARTHY



Mr. David J. SHAW



Mr. Anthony J. L. NIGHTINGALE



Our Management Team



Mr. Vincent H.S. LO
Founder, Chairman
Shui On Group
Chairman
Shui On Land Limited



Mr. Douglas H. H. SUNG
Executive Director
Chief Financial Officer
Chief Investment Officer
Shui On Land Limited
Managing Director
Shui On Management Limited



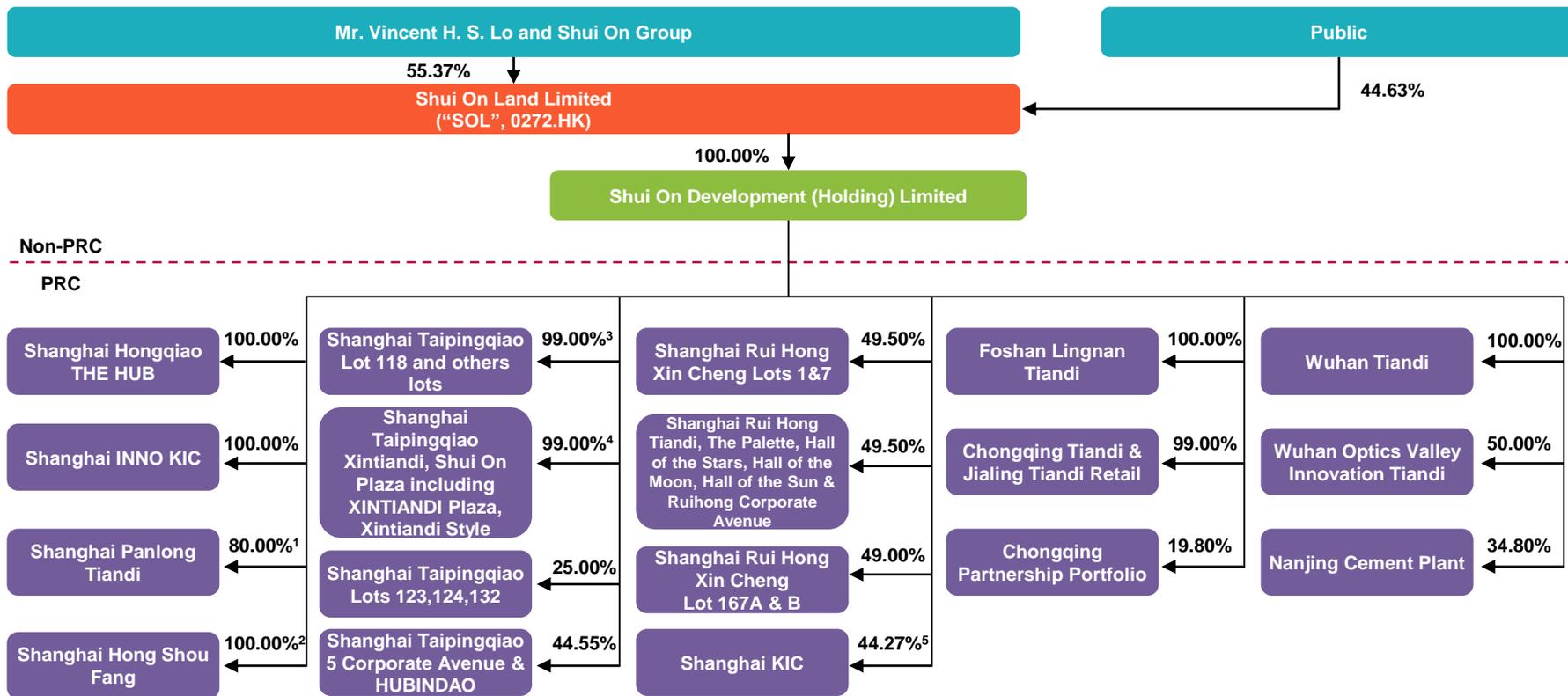
Ms. Stephanie B. Y. LO
Executive Director
Shui On Land Limited
Managing Director
Shui On Management Limited



Ms. Jessica Y. WANG
Managing Director
Shui On Management Limited

Simplified Corporate Structure Overview

(as of 30 Jun 2020)



Source: Company Information as of 30 Jun 2020 unless otherwise stated; Stock Exchange Announcements

Notes:

- On 31 October 2019, we acquired 4 parcels of residential sites located in Panlong area in Qingpu District in Shanghai. In May 2020, we acquired 2 parcels of residential sites and 2 parcels of commercial sites in Qingpu District in Shanghai. We have 80% effective interest in the sites.
- On 1 November 2019, we acquired a commercial site located in Hong Shou Fang in Putuo District of Shanghai. We have 100% effective interest in the site.
- We have an effective interest of 99.00% in Lot 118 and the remaining lots except for Lot 116, in which we have an effective interest of 98.00%. The remaining Lots 119, 120 & 122 are yet to commence relocation.
- We have 100.00%, 80.00%, 100.00% and 99.00% in Shanghai Xintiandi, Shui On Plaza (Including XINTIANDI Plaza), 15th Floor of Shui On Plaza and Xintiandi Style, respectively.
- We have a 44.27% effective interest in all the remaining lots, except for KIC Lot 311, in which we have an effective interest of 50.49%.