



SHUI ON LAND LIMITED

Incorporated in the Cayman Islands with limited liability

Stock code 272

Sustainable Development and ESG Strategies

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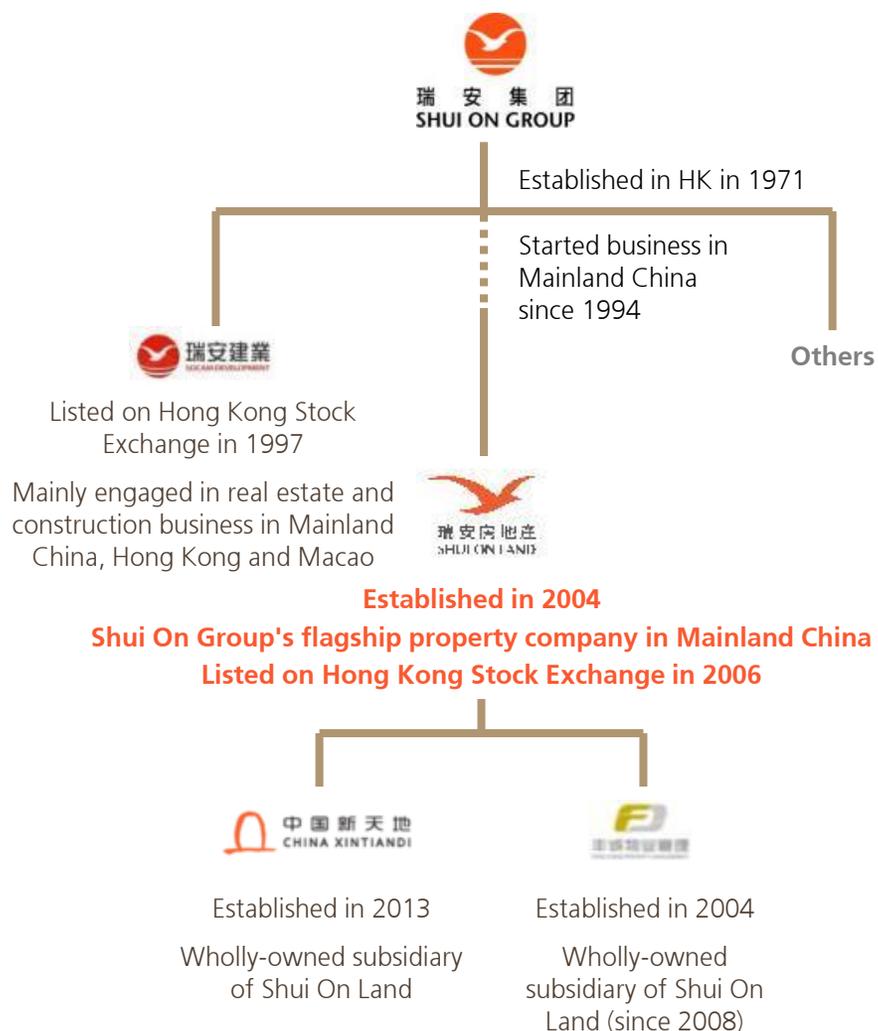
Section 1

Business and strategic overview

Group overview



Established in Hong Kong in 1971 with **50 years of history**, the Shui On Group entered the Chinese Mainland market in 1984

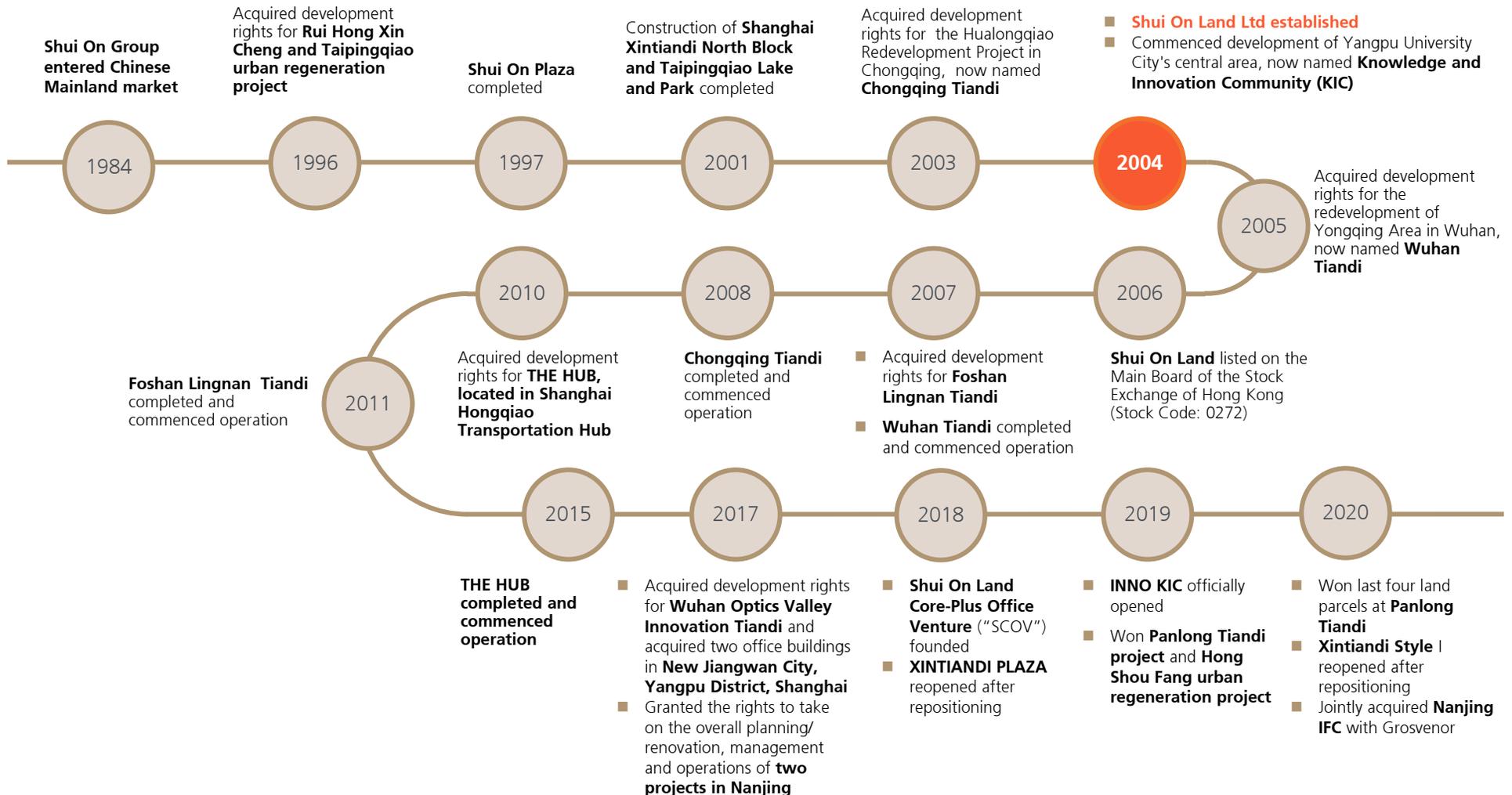


- Headquartered in Shanghai, **Shui On Land ("SOL")** was established in 2004 under the Group and is the flagship property development company with **China Xintiandi** and **Feng Cheng Property Management Limited** as two subsidiaries.
- SOL was listed on the Hong Kong Stock Exchange on October 4, 2006, being the **largest Chinese real estate enterprise by market-cap listed that year**. SOL is a constituent stock of the Hang Seng Composite Index, HSCI Composite Industry Index - Properties & Construction, Hang Seng Composite MidCap Indices as well as the Hang Seng Stock Connect HK Index. SOL is also listed in the Hang Seng Corporate Sustainability Benchmark Index Series, and MSCI ESG Leaders Index Series.
- SOL has a **proven, outstanding track record in developing large scale, mixed-use, sustainable communities**. As of 31 December 2020, the Company has 11 projects in various stages of development and 2 projects under management in prime locations in major cities, with a landbank of 8.6 million sq.m. (6.4 million sq.m. of leasable and saleable GFA, and 2.2 million sq.m. of clubhouses, car parking spaces and other facilities).
- SOL is also one of the **largest private commercial property owners and managers in Shanghai**, with a portfolio of 1.72 million sq.m. of office and retail premises, including its flagship Shanghai Xintiandi, which is currently under its management.

Company history



Over **37 years** of real estate development and investment experiences in China

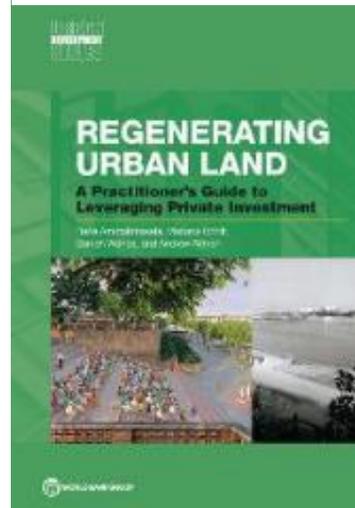
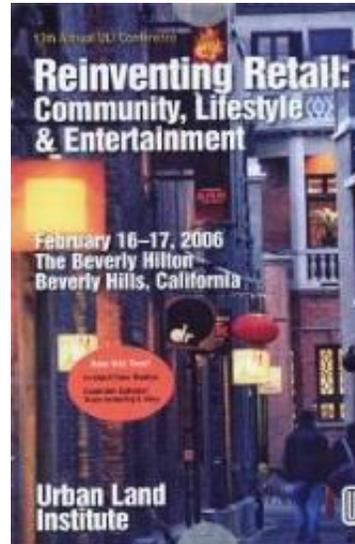


International recognitions



Our projects have received the **highest industry recognitions** for their design, planning and cultural attributes

- North Block of Xintiandi was the **first** project in China to receive **ULI Excellence Award in 2003**
- The Taipingqiao Xintiandi project was listed as a successful case in **Urban Land Regeneration** published by the World Bank in 2016
- Xintiandi was named one of the **Top 20 Global Cultural Landmarks** by Forbes in 2016 University Avenue, KIC, was selected as one of the excellent cases by "Shanghai Street Design Guidelines", and is also one of the 12 most beautiful streets in Shanghai in 2017
- Foshan Lingnan Tiandi and KIC received **ULI Global Excellence Awards** in 2019
- Shanghai Xintiandi Community was awarded the **global first WELL community certification** in 2020



Existing landbank



We currently have an existing landbank of **8.6 million sq m. in buildable GFA**

- **Total landbank: 8,600,000 sqm**
- **Commercial portfolio in Shanghai:**
 - **Total GFA: 1.72 million sqm**
 - **Total value: RMB 77 billion**



- **Shanghai**
One of the four municipalities of China, a leading commercial, financial, shipping and trading center



Shanghai Taipingqiao



The HUB



Panlong Tiandi



KIC



INNO KIC



Hong Shou Fang

Note: Figures as of 31 December 2020, and doesn't include the Nanjing IFC project, which was jointly acquired by SOL and Grosvenor in February 2021

Leading commercial property owner and operator in Shanghai



With a total GFA of **1.7 million sq m** across **6 major developments**



Commercial portfolio in Shanghai



Strong portfolio of commercial properties, with **total asset value (GAV) of approximately RMB77 billion**

Completed Key Projects	Office GFA sq.m.	Retail GFA sq.m.	Total GFA sq.m.	Attributable GFA sq.m.	Asset Value as of 31 Dec 2020 RMB' bn	% of ownership
Shanghai Xintiandi, Xintiandi Style I & II, XINTIANDI PLAZA, Shui On Plaza	36,000	104,000	140,000	128,100	12.65	100%/99%/80%/80%
THE HUB	93,000	170,000	263,000	263,000	8.91	100%
Shanghai RHXC	-	111,000	111,000	55,000	3.99	49.5%
Shanghai KIC	186,000	67,000	253,000	117,300	8.47	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	6.60	44.55%
Subtotal	408,000	483,000	891,000	643,600	42.08	
Land & Under development Key Projects	Office GFA sq.m.	Retail GFA sq.m.	Total GFA sq.m.	Attributable GFA sq.m.	Asset Value as of 31 Dec 2020 RMB' bn	% of ownership
Shanghai Taipingqiao Lots 123, 124 & 132	192,000	84,000	276,000	69,000	18.25	25%
Ruihong Tiandi Lot 167B	107,000	12,000	119,000	58,300	4.33	49%
Shanghai RHXC Hall of the Sun, Ruihong Corporate Avenue	147,000	183,000	330,000	163,400	10.00	49.5%
Shanghai Hong Shou Fang	48,000	14,000	62,000	62,000	2.00	100%
Shanghai Panlong Tiandi	-	44,000	44,000	35,200	0.46	80%
Subtotal	494,000	337,000	831,000	387,900	35.04	
Grand Total	902,000	820,000	1,722,000	1,031,500	77.12	

Note: Figures as of 31 December 2020

Notable developments



Shanghai Taipingqiao (**Xintiandi**) development



- Taipingqiao, located in Huangpu, Shanghai, is Shui On Land's **first large-scale, city-center master-planned community project**
- Master-planned by SOM Co., Ltd. in 1996 with a total GFA of 1,589,423 sq.m.
- Comprised of several main components: historical redevelopment zone Shanghai Xintiandi in the West; premium offices Corporate Avenue in the North; luxury residential area Lakeville in the South; mixed-use shopping and entertainment business center in the East, and an artificial lake and greeneries at center

Residential development saleable resources



RMB64 billion saleable resources from current landbank as of 31 December 2020

Project name	Approximate saleable residential GFA sq.m.	Estimated gross saleable resources RMB' bn	The Group's interests %	Estimated attributable sales RMB' bn
Shanghai Taipingqiao Lot 118	44,500	7.4	99%	7.3
Rui Hong Xin Cheng Lot 1	5,500	19.1	49.5%	9.5
Rui Hong Xin Cheng Lot 7	161,200			
Rui Hong Xin Cheng Lot 167A	84,600	10.2	49%	5.0
Panlong Tiandi	192,500	12.0	80%	9.6
Shanghai sub-total	488,300	48.7		31.4
Wuhan Tiandi	110,800	5.8	100%	5.8
Wuhan Optics Valley Innovation Tiandi	261,200	5.6	50%	2.8
Foshan Lingnan Tiandi	2,800	0.1	100%	0.1
Chongqing Tiandi	183,100	4.0	19.8%	0.8
Other cities sub-total	557,900	15.5		9.5
Grand total	1,046,200	64.2		40.9

Note: This represents saleable resources not yet recorded as contracted sales as at 31 December 2020, excluding 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 31 December 2020

(Excluding sites yet to commence relocation)

Project Name	Office GFA sq.m.	Retail GFA sq.m.	Total GFA sq.m.	The Group's Interests %	Attributable GFA sq.m.
Shanghai Taipingqiao Lots 123,124 & 132	192,000	84,000	276,000	25.00%	69,000
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	14,000	62,000	100.00%	62,000
Shanghai Panlong Tiandi	-	44,000+4,000 ¹	48,000	80%	38,400
Shanghai sub-total	494,000	341,000	835,000		391,100
Wuhan Tiandi	230,000	17,000	247,000	100.00%	247,000
Wuhan Optics Valley Innovation Tiandi	485,000	347,000	832,000	50.00%	416,000
Foshan Lingnan Tiandi	450,000	136,000+ 80,000 ¹	666,000	100.00%	666,000
Chongqing Tiandi	259,000	268,000+ 25,000 ¹	552,000	19.80%	109,300
Other cities sub-total	1,424,000	873,000	2,297,000		1,438,300
Grand total	1,918,000	1,214,000	3,132,000		1,829,400

Note: 1. Hotel use



Section 2

Sustainable development strategy and ESG

For full details on our SD and ESG initiatives, please download the “SOL 2020 Sustainable Development Report” on our website:

https://www.shuionland.com/en-us/csr/Sustainable_development_report

Our vision



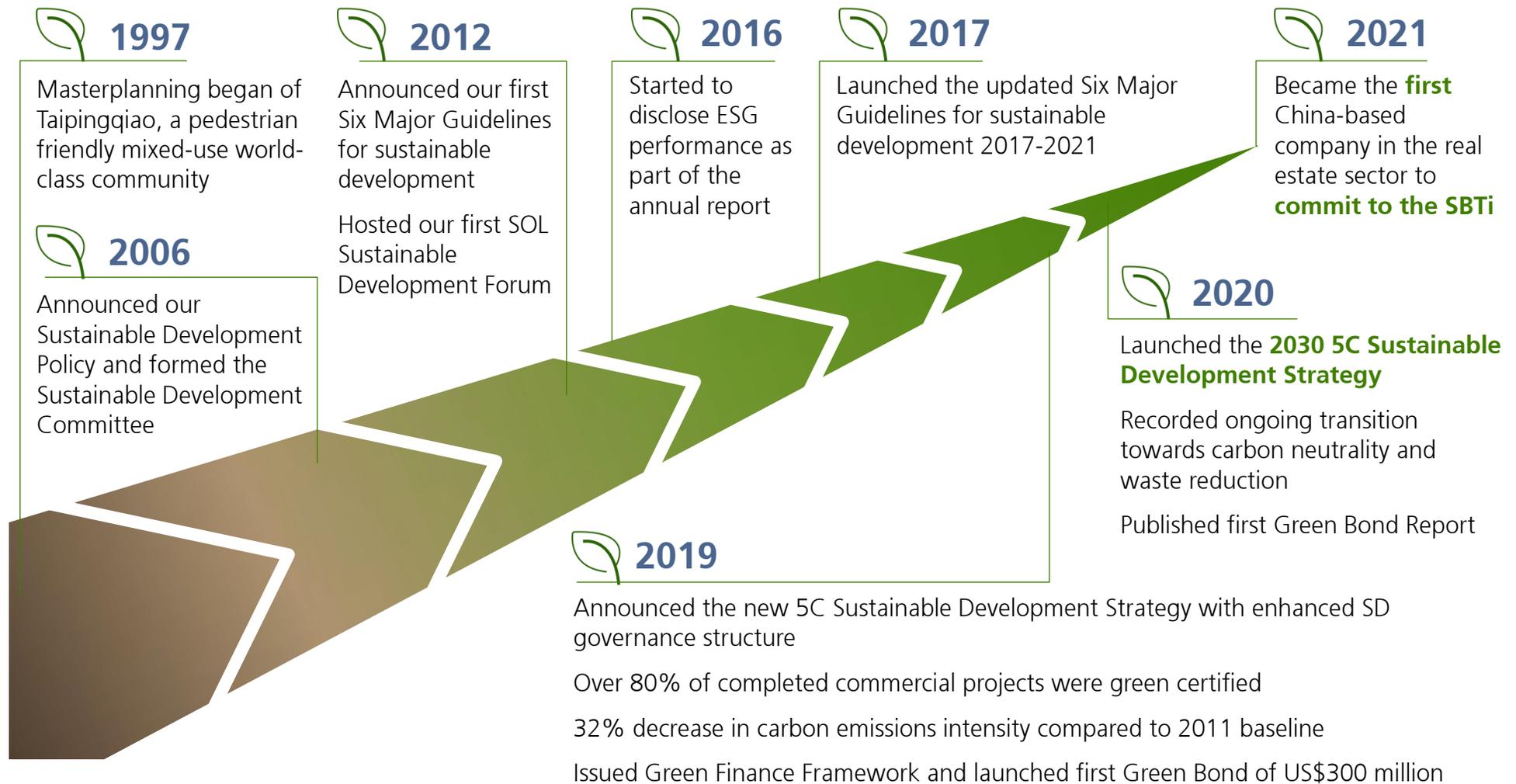
To become **a pioneer of sustainable premium urban communities**



SOL sustainable development history



Longstanding commitment to sustainability since our initial development days



The 5C Sustainable Development Strategy



Launched in 2020, our latest **10-year 5C Strategy** points the way for our sustainable future, with ambitions that are interconnected and collectively contribute to our corporate vision

CLEAN

Transition towards **carbon neutrality**, leading with climate change mitigation and adaptation practices and by increasing our capabilities to manage and reduce emissions across our entire portfolio



COMMUNITY

For all our communities to engage and enable **healthy, sustainable living** and to make our community sustainability practices among the best in China



CULTURE

Enhance the **vibrancy and authenticity** of our communities through urban regeneration, architectural heritage conservation, promotion of local creative talents and international culture exchange



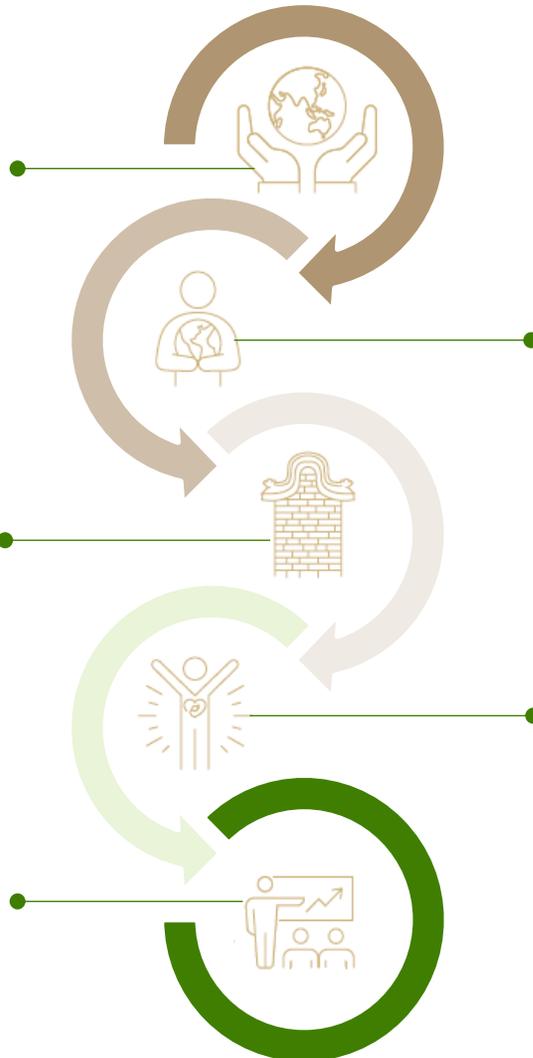
CARE

Provide all employees with equal opportunities for **holistic career development**, while maintaining the highest health and safety standards in the workplace and ensuring openness to diversity of thought and innovation – enabling them to be accountable members of society



CORPORATE GOVERNANCE

Become a trusted partner for all stakeholders by nurturing a corporate culture of **integrity, transparency and accountability**



The 5C Sustainable Development Strategy (cont'd)



Our 10-year strategy outlines our goals, with key targets set for **2030**

CLEAN

Ambition

Transition towards **carbon neutrality**, leading with climate change mitigation and adaptation practices and by increasing our capabilities to manage and reduce emissions across our entire portfolio

2030 targets

- Transition towards **carbon neutrality across our operations and developments** – Reduction targets for GHG emissions and energy usage intensity per the SBT initiatives are under assessment¹
- Develop and adopt a company climate change policy to mitigate and adapt to potential risks
- Increase the proportion of total electricity consumption from renewable sources to 15%²
- Be known for human centric-building designs that meet or exceed local and international standards – 100% new building achieve dual health and sustainability certifications

Priorities and signature initiatives

- Transition towards carbon neutrality
 - Signature initiative:** Adopt **Science Based targets** and commit to setting emissions reduction target in line with limiting global warming to well-below 2° C. Further pursue efforts to sign onto the Business Ambition for 1.5° C campaign in the future
- Build green and healthy communities
 - Signature initiative:** 1) Pursue **dual sustainability and health certifications** (WELL + LEED and/or Chinese equivalent) for our controlled operating commercial assets; 2) Pursue LEED ND certificate for all our master plan communities
- Reduce waste in our portfolio

COMMUNITY

Ambition

For all our communities to engage and enable **healthy, sustainable living** and to make our community sustainability practices among the best in China

2030 targets

- 100% of the indoor air quality in the common areas of our buildings to fulfil or exceed the IAQ mainland China standard
- Design and curate programmes for inclusive, human scale public spaces that improve the vibrancy and liveability of our communities
- 100% adoption of green pledge by all tenants to enable a healthy and sustainable community. Contents of the pledge to include the elimination of single use plastics as well as the reduction of water and electricity consumption
- Promote and/or incubate over 100 start-ups or local creative business within our community

Priorities and signature initiatives

- Embed health and sustainability into our online-merge-offline community experience
- Enhance partnerships and engagement for thriving sustainable communities
 - Signature initiative:** Encourage and enable consumers to make healthy and sustainable choices and to take on a **"green Monday-plant based diet"** initiative by engaging all F&B tenants to provide a vegetarian "green" menu
- Strengthen an innovative and entrepreneurial ecosystem

2030 5C Sustainable Development Strategy

To achieve this vision, we have crafted the 2030 5C SD Strategy, by which our strategic priorities, known as "the 5Cs": **Clean, Community, Culture, Care** and **Corporate Governance** will point the way for our sustainable future toward 2030 and beyond

CULTURE

Ambition

Enhance the **vibrancy and authenticity of our communities** through urban regeneration, architectural heritage conservation, promotion of local creative talents and international culture exchange

2030 targets

- Be a pioneer in preservation and adaptive reuse of historical buildings and its urban fabric
- Enhance the vibrancy of the communities that we develop through the programming of cultural content and the design and management of city streetscapes
- Promote and celebrate local creative talent

Priorities and signature initiatives

- Rejuvenate urban, cultural heritage sites
 - Signature initiative:** Become a **thought leader in the urban planning and real estate sector on urban regeneration** through preservation and adaptive reuse of historic buildings and districts
- Engage, connect, and promote local creativity with future business opportunities
 - Signature initiative:** **Created in China** (featuring the **"Creators 100"** programme which promotes and spotlights local creators)
- Facilitate international cultural exchange
 - Signature initiative:** Enhance global cultural exchange in China through developing and operating **signature IP events** across our portfolio

CARE

Ambition

Provide all employees with equal opportunities for holistic career development, while maintaining the highest health and safety standards in the workplace and ensuring openness to **diversity of thought and innovation** – enabling them to be accountable members of society

2030 targets

- Develop a holistic training programme and individual career development plan for all employees of every level across all business units
 - Average training hours per employee per year: 40
- Provide a safe, healthy, and inclusive office environment for all staff
 - Maintain zero workplace fatalities for all employees and contracted partners in the supply chain
 - Achieve gender equality and diversity across the company and gender remuneration ratio 1:1 between female and male
- Encourage all employees to be socially responsible
 - Average volunteer service hours per employee per year: 8

Priorities and signature initiatives

- Provide equal opportunities in training and development
 - Signature initiative:** Develop **SOL Talent Development programme** and enhance our **employer branding** for talent attraction and retention
- Create a diverse and inclusive workplace
 - Signature initiative:** Target to be included in the **Bloomberg Gender-Equality Index (GEI) as an industry leader** in promoting gender equality
- Ensure health and safety for all
- Improve employee wellbeing

CORPORATE GOVERNANCE

Ambition

Become a **trusted partner** for all stakeholders by nurturing a corporate culture of integrity, transparency and accountability

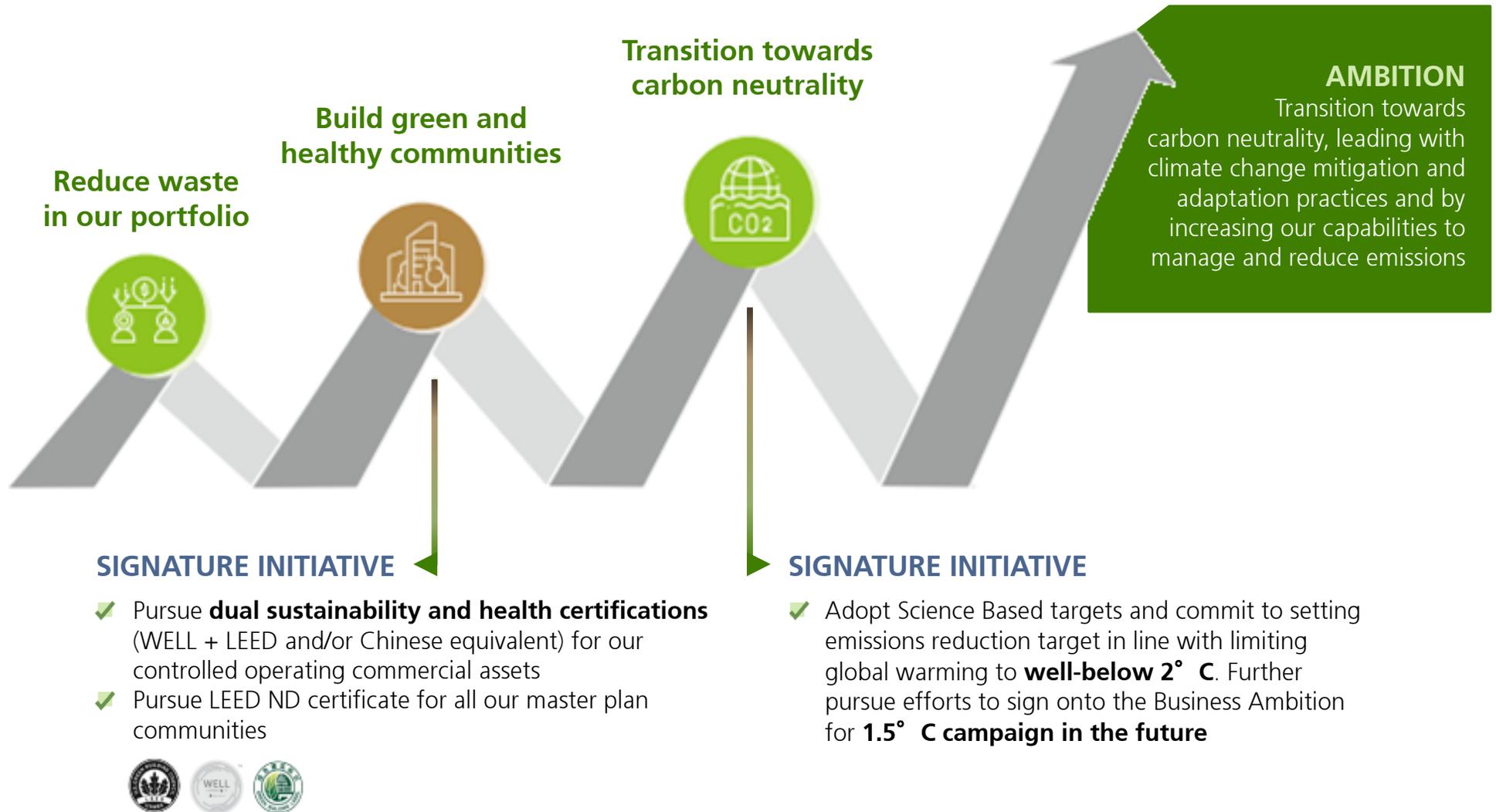
2030 targets

- Adhere to global practices for corporate governance and ESG reporting
- Achieve a minimum of 50% of bond and loan facilities from sustainable financing
- Maintain 100% implementation of the employee Code of Conduct across all business units

Notes: 1. The Company has committed to setting emissions reduction targets in line with limiting global warming to well below 2° C and will pursue efforts to sign the Business Ambition for 1.5° C campaign in the future; 2. Includes electricity we would purchase from those certified renewable sources by the government; 3. All items marked with the company seagull logo refer to signature initiatives that we plan to roll out in the future across our managed portfolio. These signature initiatives will evolve overtime, supporting us to achieve the 2030 Targets



Priority areas to achieve our ambition of **carbon neutrality**



Clean – Progress on sustainability certifications



SOL has the **greatest building area** awarded LEED-ND Stage 2 Gold level certification among developers in mainland China

- ✔ **LEED-ND Stage 2 Gold:**
 total GFA of 9,050,000 m²
- ✔ **LEED certified buildings:**
 total GFA of 2,483,560 m²
- ✔ **China Green Building Label certified buildings:** total GFA of 4,479,987 m²

COMMUNITY LEVEL SD CERTIFICATIONS

Master-planning projects:

Taipingqiao

Chongqing Tiandi

Ruihong Xincheng

Wuhan Tiandi

KIC

Foshan Lingnan Tiandi

GREEN BUILDING CERTIFICATIONS

Certificate achieved		Projects	Total
LEED-CS	Platinum	3	32
	Gold	27	
	Silver	2	
LEED-CI	Gold	2	2
China Green Building Label	3 star	7	36
	2 star	21	
	1 Star	8	
BREEAM	Good	1	1

Clean – Progress on health certifications



Healthy Community and Healthy Building certifications



WELL Community

Xintiandi Community (2019.11, Silver, First WELL certified community globally)

WELL building

SOL Headquarter (2020.09, Platinum)

Chinese Healthy Building Label:

RH Lot1 residential (2020.08, Two Star)

TPQ Lot118 residential (2020.12, Two Star)



Clean – Progress on carbon emissions reduction

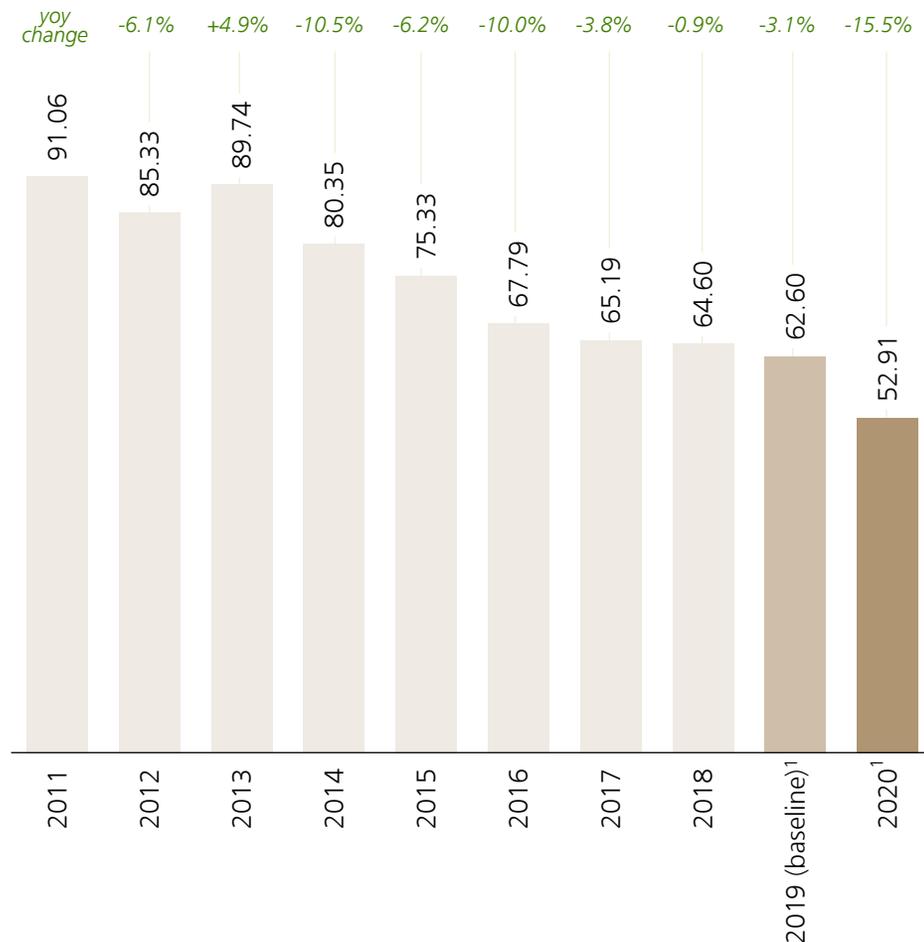


The **first** China-based company in the Real Estate sector to commit to **Science Based Targets initiative**



Carbon emissions historical data 2011-2020

SOL group average Scope 1 and 2 GHG emissions intensity (kg/m²)



- ✓ SOL has reduced its Scope 1 and 2 GHG emissions intensity by 41% since 2011
- ✓ In March 2021, Shui On Land became the first China based company in the Real Estate sector to commit to **Science Based Targets initiative**, in line with meeting the goals of the Paris Agreement – to limit global warming to **well-below 2° C** above pre-industrial levels, and we will further use our best endeavors to set goals that limit warming to 1.5° C in the future
- ✓ SOL intends to include Scope 3 GHG emissions for its 2030 SBTi targets and will also step up efforts to reduce embodied carbon as well as GHG emissions from its tenants

Note: 1. 2019 is set as the baseline for a more accurate reflection of normalised GHG emissions intensity from operations given 2020's emissions figures have been impacted by COVID-19

Community



Priority areas to achieve our ambition of **healthy and sustainable communities**



SIGNATURE INITIATIVE

- ✓ Encourage and enable consumers to make healthy and sustainable choices and to take on a "green Monday-plant based diet" initiative by engaging all F&B tenants to provide a vegetarian green menu

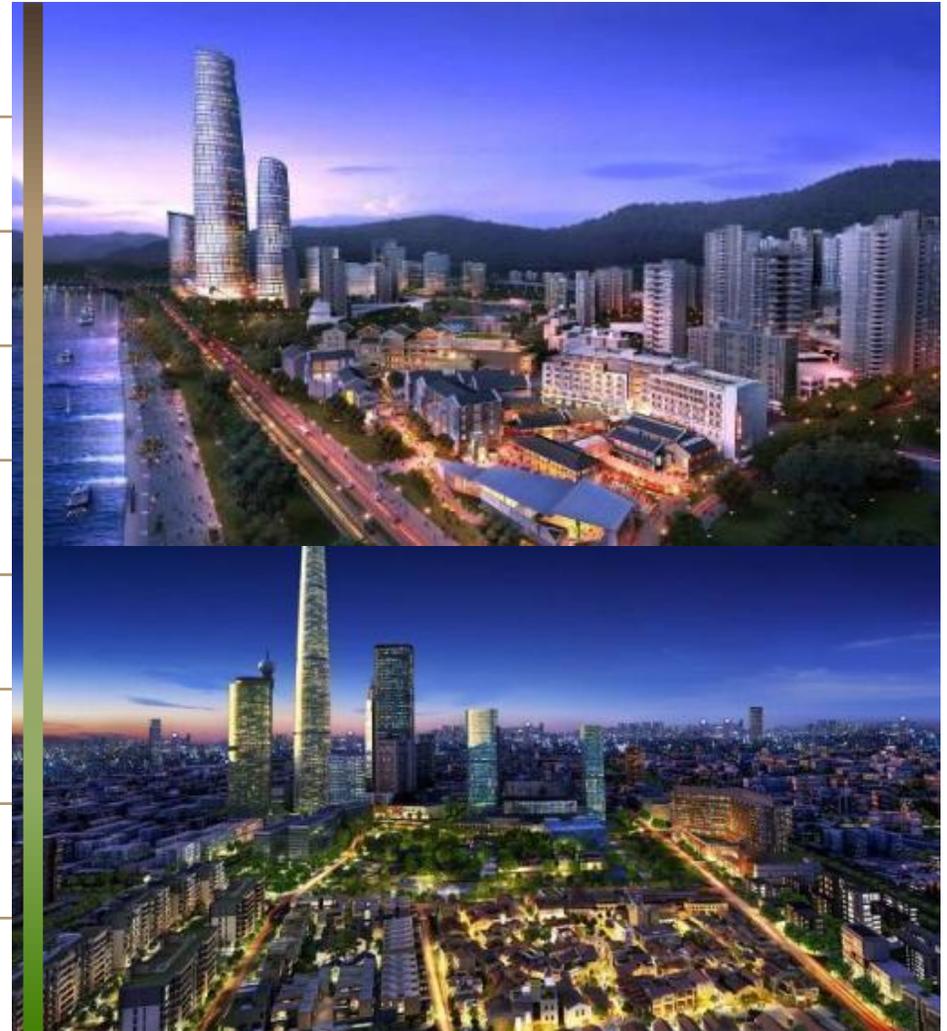


Community – Nine principles of SOL masterplan development



Renowned masterplan development approach that develops integrated and holistic communities while providing **sustainable urban regeneration solutions**

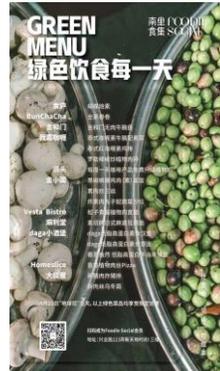
- ✓ Community-scaled urban development
- ✓ Mixed use communities
- ✓ Good linkage to transit
- ✓ Pedestrian friendly streets and blocks
- ✓ Create landmarks
- ✓ Respect for local culture
- ✓ Create memorable public spaces and places
- ✓ Sustainable development and healthy lifestyle
- ✓ Phased development



Community – Progress on plant-based initiative and Green Pledge



We are engaging tenants and customers in low carbon living and promoting healthy and sustainable lifestyles by rolling out a **plant-based foods initiative** starting from SH XTD and later across our portfolio



2C

- ✓ Sign MOU with GREEN MONDAY
- ✓ Launch green menu with Green Monday in Foodie Social
- ✓ Collaborate with Lululemon on green day

- ✓ Keep on developing sustainable and healthy eating experience in Foodie Social
- ✓ Launch green menu in Xintiandi (restaurant week)

2T

- ✓ Green Pledge items
 - reduce single use plastic
 - reduce food waste
 - green menu

- ✓ Communication with tenants about green menu and green pledge
- ✓ Start to sign up green pledge from Xintiandi F&B tenants by Jul.

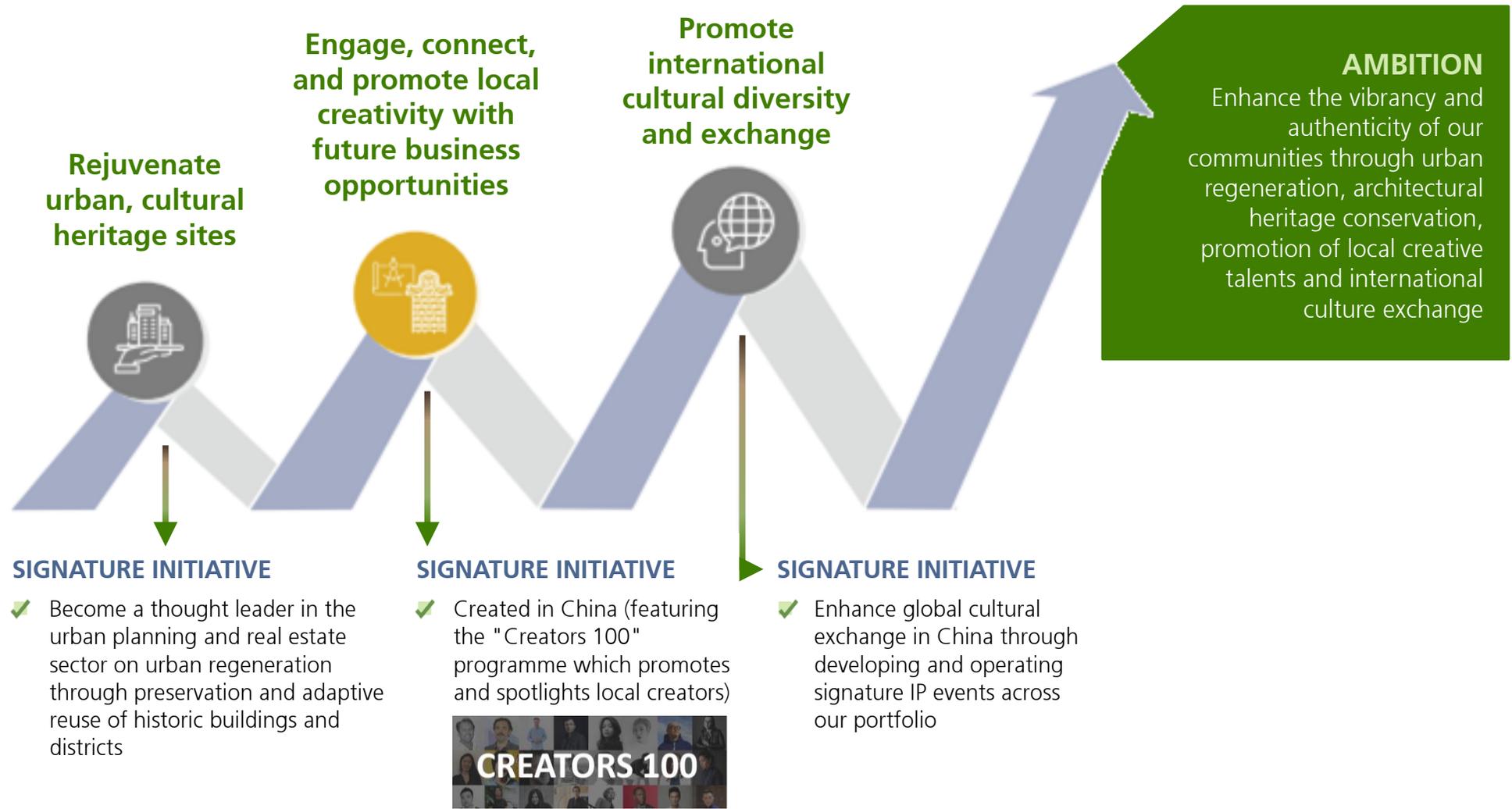
- ✓ F&B tenants negotiation & green pledge signed up in all CXTD projects



Culture



Priority areas to achieve our ambition of **vibrancy and authenticity**



Culture – Progress on Creators 100 programme



Launching of the **Creators 100 programme** and other **special courses with Tongji CAUP**

CREATORS 100

In celebration of the 20th anniversary of Xintiandi, we are launching the Creators 100 programme to showcase Chinese creative talent with the core principles of respecting and celebrating local culture



Kick off & Prep

- Creators 100 proposal
- Public Communication



1st round launch

- @ Creative Shanghai Forum



Ongoing campaign

- CXTD all projects plan execution & communication



Creators 100 GALA

- Establish local creators internal policy

2021

JAN – MAR

APR – MAY

JUN – AUG

SEP – OCT

NOV – DEC

Special Course on Urban Regeneration at Tongji University

Kick off

- Proposal prep
- Partnership confirmation

Negotiation

- Final proposal & budget confirmation
- Memo signed
- Course structure, content & faculty prep

Launch

- Official launch
- Design studio of semester II prep

Following communication

- Design studio of semester II prep
- Publication&exhibitions prep
- Phase II course prep

Partnership with Tongji CAUP in special course to enhance recognition of Shui On urban regeneration leadership through knowledge built-in to students, staff and possible gov officials.



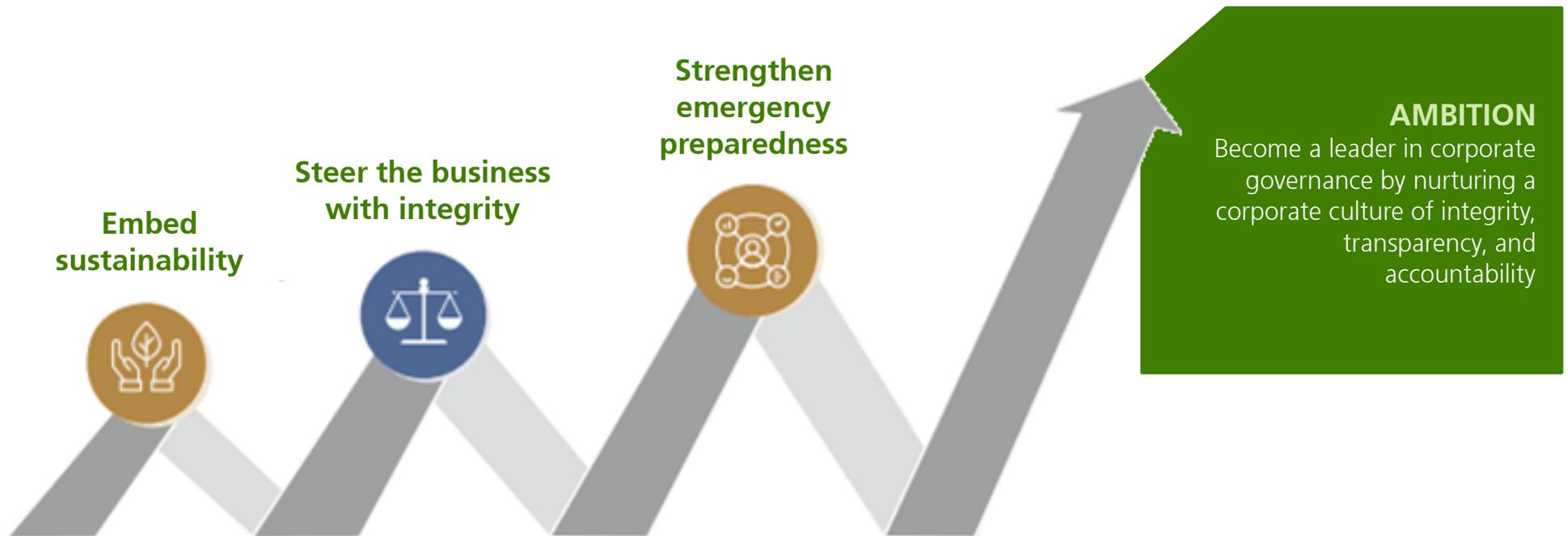
Priority areas to achieve our ambition of **equal opportunities and diversity of thought and innovation**



Corporate governance



Priority areas to achieve our ambition of **integrity, transparency and accountability**



Key achievements in 2020



Our efforts have resulted in **measurable impacts**, and have been recognised through various certifications and awards

15%

decrease in **Scope 1 & 2 emissions intensity** from 2019

41%

decrease in **Scope 1 & 2 emissions intensity** from 2011 baseline

30%

decrease in **water intensity**

24%

decrease in **construction waste** sent to landfill

3,764

tonnes of waste **diverted from landfill** and sent to recycling

RMB 10mn

donated to the **Wuhan Red Cross for COVID relief**

Achieved our objective **ahead of schedule** to decrease carbon emissions intensity by

33.3% by 2021

Hang Seng Corporate Sustainability Index Series:

Became a constituent of the index series in 2020

MSCI ESG Leaders Index Series:

Became a constituent of the index series in 2020

Bloomberg Businessweek/Chinese Edition:

ESG Leading Enterprise Award

The Asset ESG Corporate Awards 2020:

Platinum Award

International WELL Building Institute™ (IWBI™):

Building on Shanghai Xintiandi Community becoming the first WELL Community-Certified Project in 2019, our headquarters in Shanghai earned WELL CERTIFIED™ PLATINUM for its renovation

Urban Land Institute (ULI):

THE HUB won 2020 ULI Asia Pacific Awards for Excellence

China Real Estate Business, iGREEN ORG:

2020 Top 10 Most Competitive Green Developer in China

China Human Resources Management Research Institute:

Award of Workplace Health Achievement 2020

GoldenBee Think Tank, China Sustainability Tribune:

2020 GoldenBee CSR China Honor Roll

Shanghai Daily:

Excellence Award for Sustainability 2019

IAC, Green Ranking:

No.25 and Ranked A of 2020 China Real Estate Enterprise Green Credit Index TOP 50



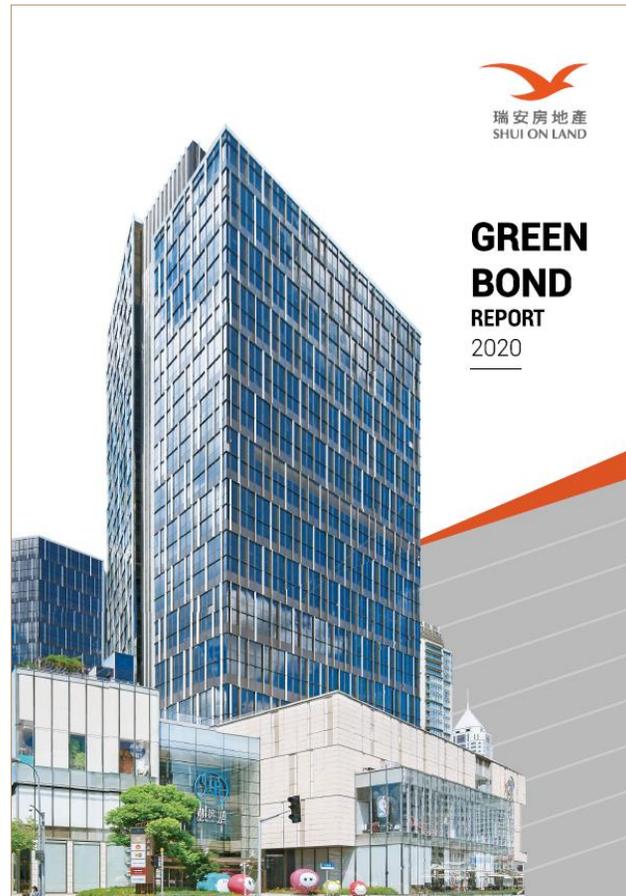
Key achievements in 2020 (cont'd)



Market-oriented method to engage investors in our sustainable development efforts, with the re-opening of our inaugural senior green bond in 2020 and the publication of our first Green Bond Report

US\$300mn debut green bond in November 2019
and **subsequent US\$200mn tap** in November 2020

US\$300m raised in 2019 have been allocated and used in accordance to the **Green Finance Framework**



Net proceeds are used exclusively for funding, financing or refinancing the acquisition, development, renovation in whole or in part of "Eligible Projects"

Eligible Projects refer to projects that **promotes sustainable development** in the real estate industry

GREEN BUILDINGS

ENERGY EFFICIENCY

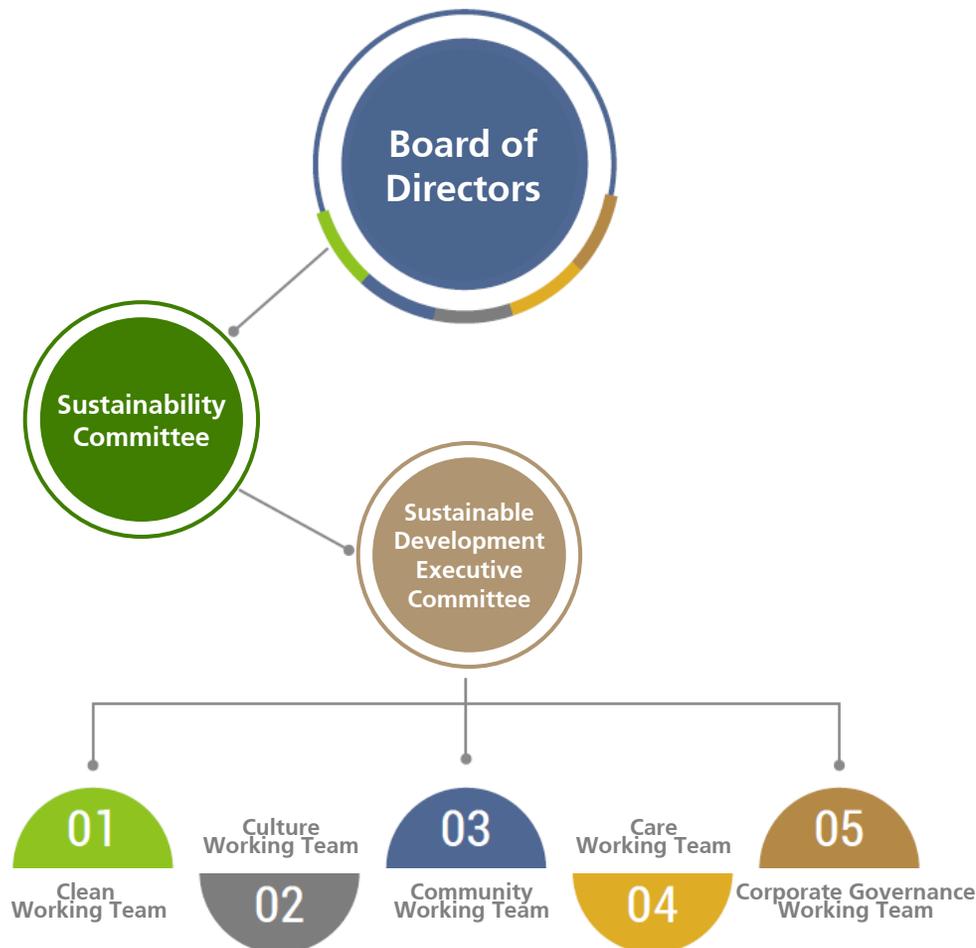
POLLUTION PREVENTION AND CONTROL



SOL SD governance



Board-level Sustainability Committee to ensure alignment of the 5C strategy



- The Group updated SD Governance structure in April 2021.
- The main adjustment was the addition of a **board-level Sustainability Committee** consisting of a select group of executive directors and INEDs.
- The Committee will provide direct support to the Board on how to ensure alignment between the 5C Strategy and our overall business objectives and will advise on ongoing insights into trends and market practices as well as provide directional support to the working level SD Executive Committee.
- The Sustainability Committee will meet at least once a year.
- Our Sustainable Development Report 2020 has been endorsed by the Sustainability Committee and approved by the Board in June 2021.



Section 3

Financial highlights and latest developments

FY 2020 financial highlights



- **A year of two halves:** 2020 can be characterized as a year of two halves. In the first half of 2020 (“1H 2020”), our businesses experienced significant impact from the COVID-19 outbreak, leading to a substantial decline in the fair value of the Group’s investment properties and other property assets. However, in the second half of the year, all our operations saw notable recovery and in turn, the Group recorded a net profit attributable to shareholders of RMB882 million. For the full year, the Group recorded a net loss attributable to shareholders of RMB740 million, as compared with a net loss of RMB1,622 million reported in 1H 2020.
- **Strong recovery in commercial portfolio:** For our commercial portfolio, the overall sales in our retail properties have significantly recovered since the third quarter of 2020 and in December 2020, overall sales reached 110% of 2019 level. The grand total rental & related income recorded RMB2,528 million, only 2% decline from 2019.
- **Robust residential sales:** Our residential business has also produced a robust performance during the year. 2020 contracted sales were RMB21.2 billion, representing 69% Y/Y increase, underpinned by the launches of Wuhan Tiandi La Riva II, Shanghai Taipingqiao Ville V (Lot 118), Qingpu Panlong and Shanghai Rui Hong Xin Cheng Parkview (Lot 1). A large portion of these contracted sales is expected to be delivered and contribute profit in 2021.
- **Maintaining a strong financial foundation at time of crisis:** Net gearing ratio stayed at a very healthy 45%, seven percentage points down from 52% as of 31 December 2019. Cash and bank deposits also increased by 33% to RMB15,796 million. We continued to take a prudent approach in our new investments. The strong financials shall help the Group to better withstand any uncertain macroeconomic conditions in the near future.
- **To be a Pioneer of Sustainable Premium Urban Communities:** Throughout our Group’s history, we have always been committed to caring for the environment, to preserving and rejuvenating cultural heritage, and to building and sustaining vibrant communities. In 2020, we developed our new 10-year Sustainable Development Strategy to be rolled out in 2021, with the core vision to becoming a pioneer of sustainable premium urban communities.

FY 2020 financial highlights (cont'd)



- The Group's revenue for 2020 totaled RMB4,597 million, compared to RMB10,392 million in 2019. Net loss attributable to shareholders was RMB740 million. The decline was driven mainly: i) an approximately 4% downward revaluation of the Group's investment properties and other property assets; and ii) lower revenue and profit recognized from property sales, partly due to the delay in construction and handover of residential units to buyers during the COVID-19 outbreak in the first half of 2020.
- Total rental and related income (including JV and Associates) from investment properties decreased only 2% to RMB2,528 million (2019: RMB2,573 million), reflecting only moderate impact from rent concessions and other reliefs offered to in response to the COVID-19 outbreak.
- As mentioned, in the second half of the year, all our operations have seen notable recovery and in turn, the Group recorded a net profit attributable to shareholders of RMB882 million.
- We had robust residential pre-sales in 2020, with contracted and subscribed sales totaling RMB26,098 million. Virtually all our projects launched during the year were sold out within 1-2 days. The strong sales have enhanced our cashflow and helped further reduce our net gearing ratio to only 45% at the end of 2020.
- We note that the net loss in 2020 is due mainly to the revaluation losses in our investment properties and other property assets during the 1H 2020, which is non-cash related. Based on our current operational performance and barring unforeseen circumstances, we are hopeful that the revaluation losses in its properties, and the overall net loss, will be largely limited to 2020.

Financial summary: 1H vs. 2H 2020



	1H 2020	2H 2020	% Variance	2020
Grand total rental and related income (RMB'mn)	1,192 ¹	1,336 ¹	12%	2,528¹
Contracted sales (RMB'mn)	6,222	14,962	140%	21,184
Subscribed sales (RMB'mn)	9,201	4,914	(47%)	4,914
Selected Financial Information (RMB'mn)				
Revenue	1,450	3,147	117%	4,597
Property sales recognised as revenue	161	1,287	699%	1,448
Consolidated rental and related income	987	1,097	11%	2,084
Gross profit	964	1,386	44%	2,350
Revaluation of IP	(1,510)	(276)	(82%)	(1,786)
Other property assets impairment loss	(452)	-	(100%)	(452)
(Loss)/profit for the year	(1,286)	1,053	(182%)	(233)
(Loss)/profit attributable to shareholders of the Company	(1,622)	882	(154%)	(740)
Core earnings	117	1,329	1036%	1,446

Note: 1. Including rental income from Shanghai Rui Hong Xin Cheng Commercial Partnership Portfolio and Shanghai Taipingqiao 5 Corporate Avenue, in which, the Group has 49.5% and 44.55% effective interests, respectively.

Income statement



RMB'mn	2020	2019	Change %
Revenue of the Group	4,597	10,392	(56%)
Property sales	1,448	7,176	(80%)
Rental & related income	2,084	2,251	(7%)
Hotels, construction and others	1,065	965	10%
Cost of sales	(2,247)	(5,079)	(56%)
Gross profit	2,350	5,313	(56%)
Gross profit margin	51%	51%	-
Other income	311	536	(42%)
Selling & marketing expenses	(166)	(148)	12%
General & administrative expenses	(804)	(829)	(3%)
(Decrease)/increase in fair value of investment properties	(1,786)	256	(798%)
Other gains and losses	(454)	(150)	203%
Reversal of impairment losses under expected credit loss model	21	179	(88%)
Share of results of associates and joint ventures	328	195	68%
Finance costs, inclusive of exchange differences	(215)	(1,497)	(86%)
Net exchange gain/(loss)	863	(205)	(521%)
Net interest costs and others	(1,078)	(1,292)	(17%)

Income statement (cont'd)



RMB'mn	2020	2019	Change%
(Loss)/profit before tax	(415)	3,855	(111%)
Tax	182	(1,310)	(114%)
(Loss)/profit for the year	(233)	2,545	(109%)
Attributable to:			
Non-controlling shareholders of subsidiaries	189	228	(17%)
Owners of perpetual capital securities	269	269	-
Owners of convertible perpetual capital securities	49	116	(58%)
(Loss)/profit attributable to shareholders	(740)	1,932	(138%)
(Loss)/earnings per share – Basic	RMB(9.2) cents	RMB24.0 cents	(138%)
Full Year dividend (per share)	HKD0.00	HKD0.12	(100%)

Having taken into consideration of the Group's financial performance during the year and the ongoing uncertainties regarding COVID-19, the Board does not recommend the payment of a final dividend for the year ended 31 December 2020 (2019: HKD0.084).

Total recognised property sales¹



RMB'mn	2020	2019	Change %
Shanghai Taipingqiao	-	3,326	(100%)
Shanghai RHXC	331	703	(53%)
Foshan Lingnan Tiandi	1,006	1,456	(31%)
Chongqing Tiandi	35	116	(70%)
Car Parks	76	305	(75%)
Shanghai RHXC - Residential Inventories (Lots 1 & 7)	-	1,270	(100%)
Total property sales recognised as revenue	1,448	7,176	(80%)
Property sales recognised as:	2020	2019	Change %
- Property sales in revenue of the Group	1,448	7,176	(80%)
- Disposal of investment properties	-	13	(100%)
- Revenue of associates	8,694	3,501	148%
- Revenue of joint ventures	261	1,319	(80%)
Total property sales	10,403	12,009	(13%)

Note: 1. Inclusive property sales in revenue of the Group, disposal of investment properties, revenue of associates and revenue of joint ventures.

YTD 2021 contracted and subscribed sales



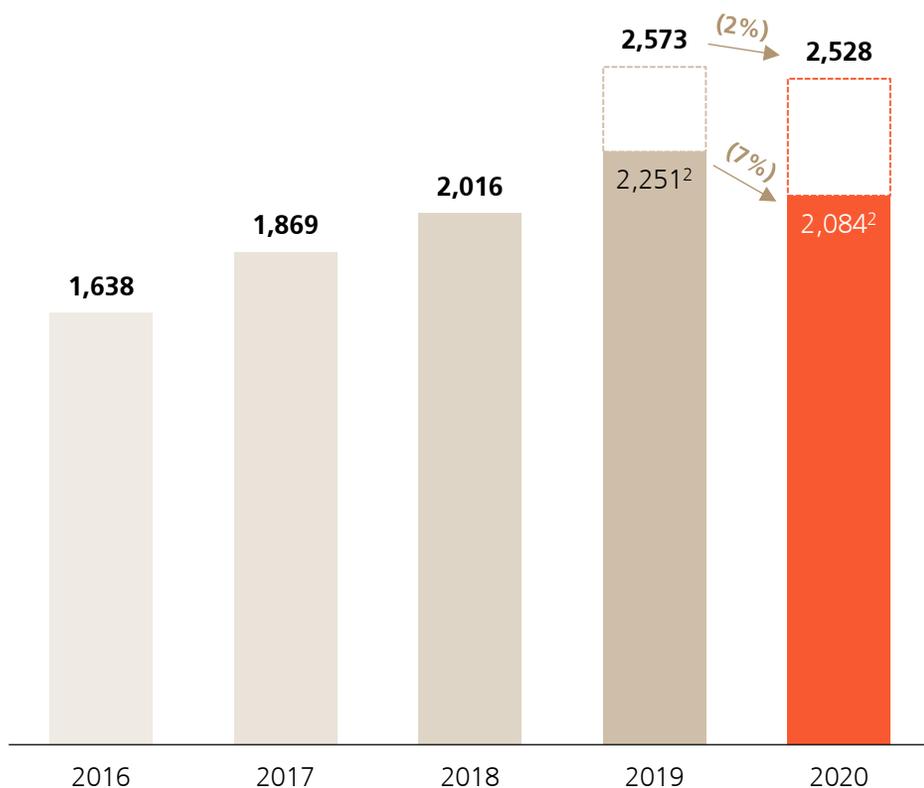
	Contracted Sales Jan to May			Subscribed Sales	Total
	Contracted Sales	GFA Sold	ASP	As of 31 May 2021	
	RMB million	sq.m.	RMB/sq.m.	RMB million	RMB million
TPQ	968	5,734	168,699	-	968
RHXC Lot 2	-	-	-	1	1
RHXC Lot 1	482	4,407	109,366	117	599
Panlong	2,834	46,163	61,408	8	2,842
Chongqing	4	282	14,853	-	4
Wuhan	-	-	-	35	35
Foshan	62	2,444	25,749	9	71
WH Optics Valley	307	14,392	21,323	576	883
Carpark	19	97 units	193,054	-	19
Sub Total	4,676	73,422	63,696	746	5,422
RHXC Lot 7	3,684	32,138	114,613	1,971	5,655
CQ associate	1,793	75,085	28,998	470	2,263
Total	10,153	180,645	56,200	3,187	13,340

Moderate rental income decline due to COVID-19 impact

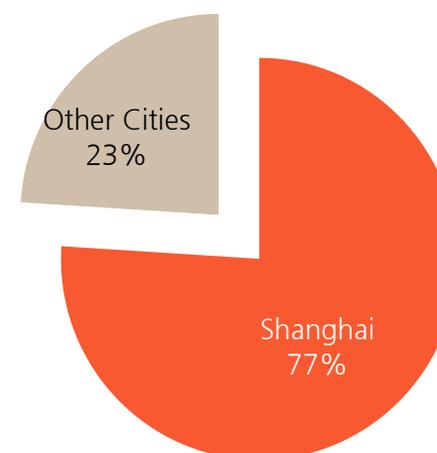


Consolidated rental and related income¹

(RMB'mn)



Total rental and related income contribution



- Including joint ventures and associates, the total rental & related income down 2% in 2020
- Shanghai portfolio up 2% to RMB1,935 million
- Other cities' portfolio down 12% to RMB593 million
- In December 2020, overall sales and shopper traffic reached 110% of 2019 level.

Notes:

1. Excluding income from hotel operations.

2. Excluding two properties held under joint ventures and associates with a combined rental and related income of RMB444 million (attributable income: RMB207 million) in 2020.

Valuation of investment property portfolio



Project	Product	GFA	Fair value gain/(loss) in 2020	Carrying value as at 31 Dec 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 I & II	Office & Retail	80,000	158	7,883	2.0%	7,864
Shui On Plaza and XINTIANDI PLAZA	Office & Retail	53,000	(166)	4,173	(4.0%)	3,379
THE HUB	Office & Retail	263,000	(66)	8,911	(0.7%)	8,911
Shanghai KIC	Office & Retail	247,000	36	8,270	0.4%	3,822
INNO KIC	Office & Retail	45,000	29	1,460	2.0%	1,460
Shanghai RHXC	Office	500	-	8	-	8
Wuhan Tiandi	Retail	238,000	(771)	6,414	(12.0%)	6,414
Foshan Lingnan Tiandi	Office & Retail	142,000	(103)	4,122	(2.5%)	4,122
Chongqing Tiandi	Retail	131,000	(245)	1,546	(15.9%)	1,530
Subtotal		1,199,500	(1,128)	42,787	(2.6%)	37,510
Investment properties under development at valuation						
Shanghai Panlong Tiandi	Retail	44,000	1	458	0.2%	366
Shanghai Hong Shou Fang	Office & Retail	62,000	(64)	1,998	(3.2%)	1,998
Foshan Lot A	Office & Retail	254,000	(219)	1,879	(11.7%)	1,879
Foshan Lots B/C	Office & Retail	374,000	(366)	2,450	(14.9%)	2,450
Subtotal		734,000	(648)	6,785	(9.6%)	6,693
Investment property – sublease of right-of-use assets						
Nanjing INNO Zhujiang Lu	Office & Retail	16,000	(10)	103	(9.7%)	103
Total investment property portfolio		1,949,500¹	(1,786)	49,675	(3.6%)	44,306

Note: 1. Hotels for operation and self-use properties are classified as property and equipment in the consolidated statement of financial position, and leasable GFA of which is excluded from this table.

Financial position as of 31 December 2020



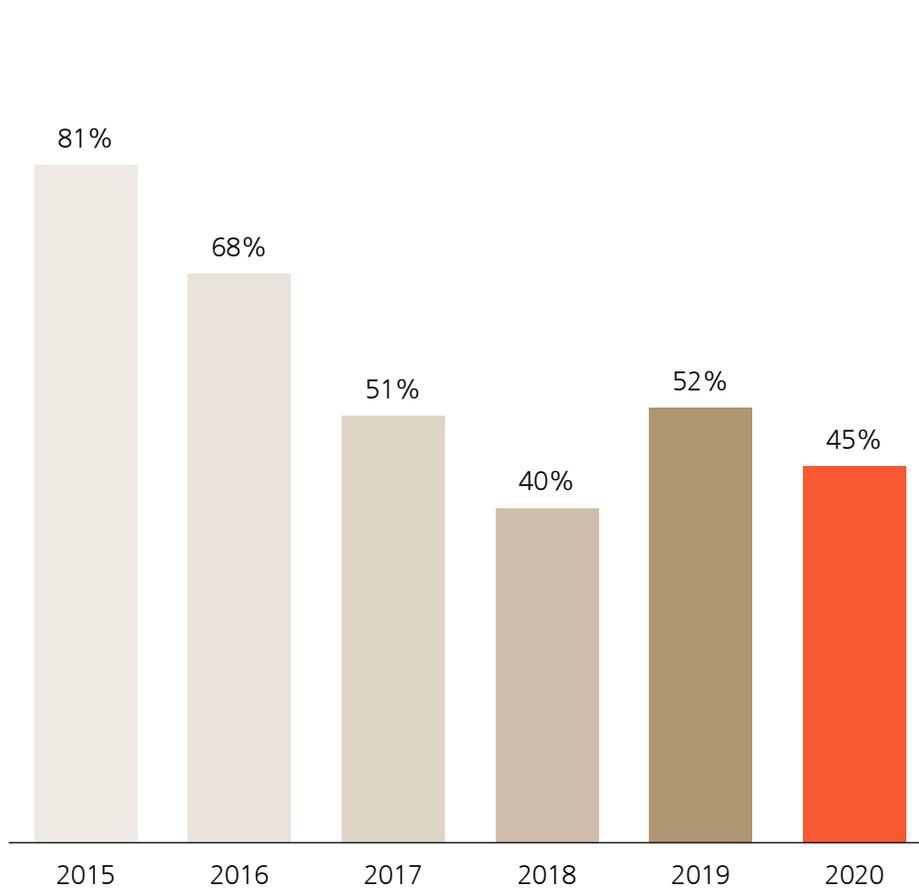
RMB'mn	31 Dec 2020	31 Dec 2019	Change %	31 Dec 2018	Change %
Total cash and bank deposits	15,796	11,859	33%	15,392	3%
Total assets	115,475	108,416	7%	110,250	5%
Total debt	36,859	37,741	(2%)	34,269	8%
Bank borrowings	20,283	25,823	(21%)	26,321	(23%)
Senior notes	16,063	11,399	41%	7,424	116%
Receipts under securitisation arrangements	513	519	(1%)	524	(2%)
Net debt	21,063	25,882	(19%)	18,877	12%
Total equity	46,733	49,307	(5%)	47,219	(1%)
Net gearing	45%	52%	(7ppt)	40%	5ppt
Shareholders' equity per share	RMB4.79	RMB4.97	(4%)	RMB4.84	(1%)

- A total of **RMB15.8 billion** cash and bank deposits
- Average cost of debt as at the end of year: **2020: 4.8%** vs. 2019: 5.4%
(The average cost of debt herein only includes interest cost, excluding arrangement fees and other fees.)

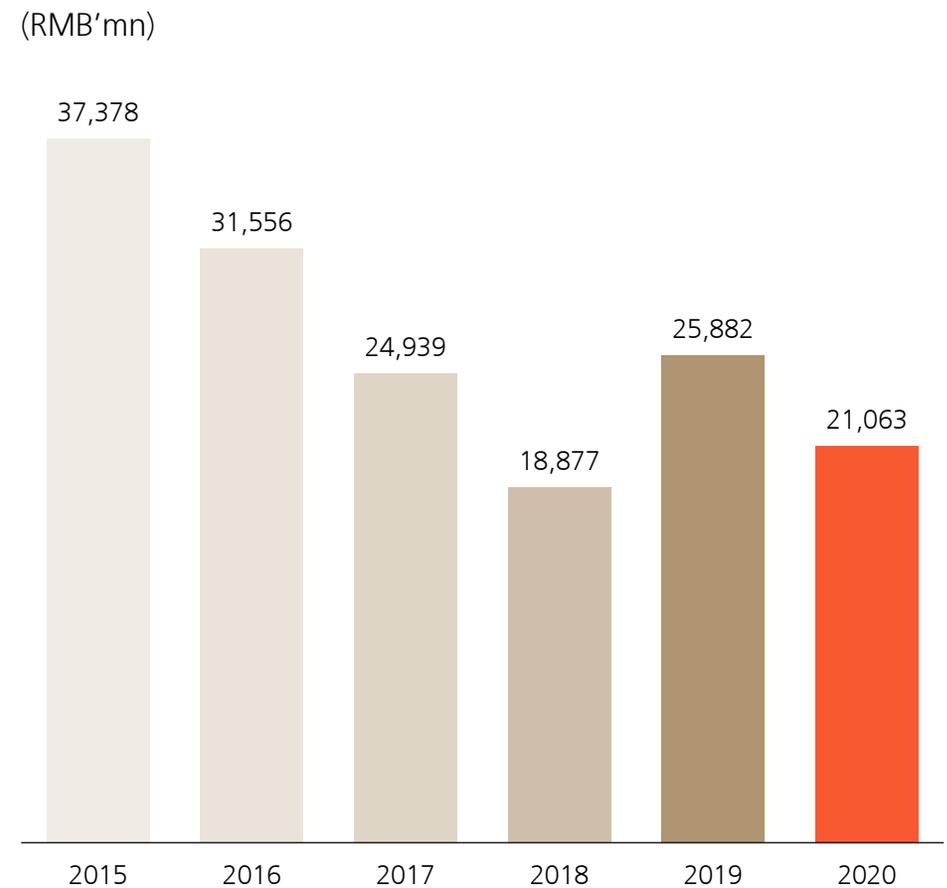
Net gearing at 45% as at 31 December 2020



Net Gearing



Net Debt



Debt profile



Debt Profile – Nature & Maturity Breakdown

RMB'mn	<1 year	>1 to <2 years	>2 to <5 years	>5 years	Total
RMB Senior Notes	2,241	-	-	-	2,241
USD Senior Notes	4,032	-	9,790	-	13,822
HKD Bank Borrowings	2,105	2,418	311	-	4,834
USD Bank Borrowings	3,019	1,842	1,300	-	6,161
RMB Bank Borrowings	1,852	2,244	2,549	2,643	9,288
CMBS	11	13	60	429	513
Total	13,260¹	6,517	14,010	3,072	36,859²

Not included in the above:

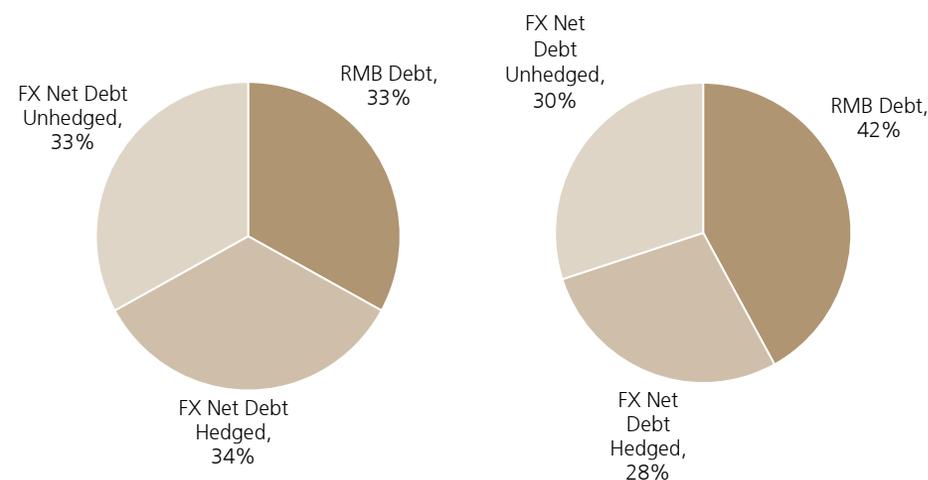
- USD600 million 6.40% of perpetual capital securities

1. As of 21 March 2021, RMB6,467 million had been repaid (unaudited)
2. Average cost of debt as at the end of year: 2020: 4.8% vs. 2019: 5.4%
(The average cost of debt herein only includes interest cost, excluding arrangement fees and other fees.)

31 Dec 2020

vs.

31 Dec 2019

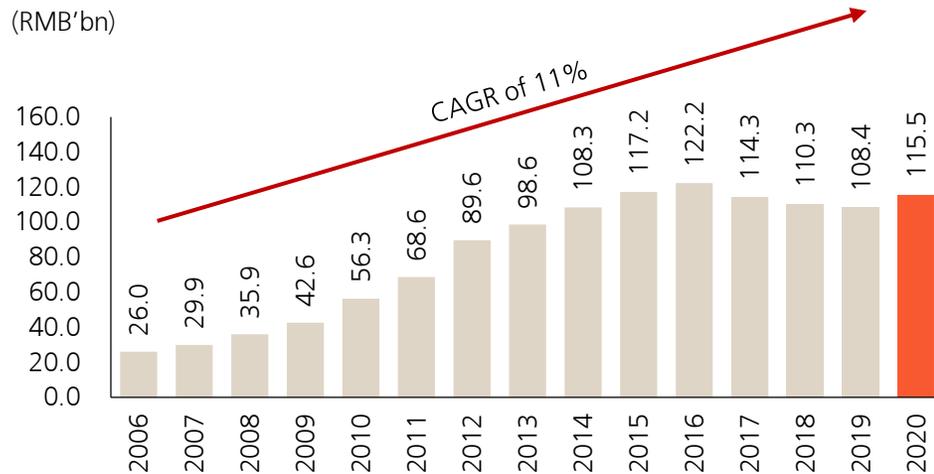


After 31 Dec 2020, the company entered USD700 million forward contracts.

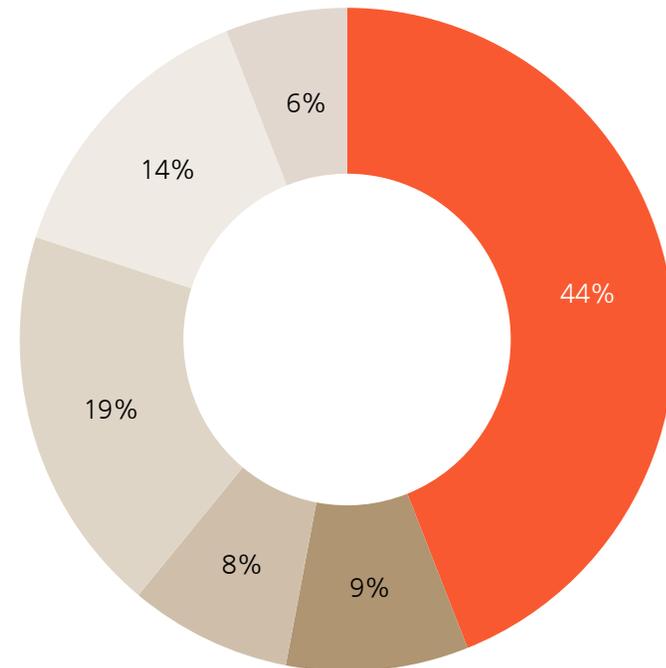
Balance sheet remains substantively stable



Strong Asset Base



Asset Value – by Nature



31 Dec 2020

Total assets	RMB115.5 bn
Net debt	RMB21.1 bn
Net gearing	45%
Total equity	RMB46.7 bn
Shareholders' equity per share	RMB4.79

- Investment Properties
- 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
- Cash & Bank Balance
- Others

■ Total assets remain stable at **RMB115.5 billion**



Appendix

Other information

Key performance summary – Environmental^{1,2}



Description	Unit	2020	2019
A1.1 Emissions from vehicles			
NOx	kg	289.63 ³	– ⁴
SOx		0.95	1.42
A1.2 Greenhouse gas emissions			
Scope 1 GHG emissions from stationary combustion	kgco ₂ , equivalent	15,983,770	10,482,469
Scope 2 GHC emissions from purchased electricity		90,328,178	91,483,559
Scope 1 & Scope 2 combined		106,311,948	101,966,028
Scope 1 & Scope 2 per square meter of floor area	kgco ₂ , equivalent/m ²	52.91	62.60
A1.3 Hazardous waste produced			
Hazardous waste produced	tonnes	– ⁵	
Discharge density of hazardous waste	tonnes/1,000m ²		
A1.4 Non-hazardous waste produced			
Total discharge of construction waste	tonnes	29,711	39,125
Dry garbage		41,764	– ⁶
Wet garbage		21,933	– ⁷
Total discharge of household garbage		63,697	80,144
Total discharge of non-hazardous waste		93,407	119,270
Recycled materials		3,764	– ⁸
Discharge density of non-hazardous waste	tonne/1,000m ²	13.42	17.18

Notes:

- The Environmental and Social data tables in Key Performance Summary provide a balanced representation of our ESG performance and complied with all “comply or explain” provisions and has reported on all materially relevant recommended disclosures outlined in the Environmental, Social and Governance Reporting Guide issued by HKEX.
- The Environmental and Social data tables in Key Performance Summary cover the reporting period of 1 January to 31 December 2020 of Shui On Land Limited and our four subsidiaries: China Xintiandi Co. Ltd., Shanghai Feng Cheng Property Management Limited, Shui On Construction Co. Ltd. and Shui On Investment Management Limited.
- Data is an estimative figure.
- Relevant figures are disclosed from 2020 onwards.
- Data for hazardous waste has not been collected for 2020 nor in previous years.
- Data for dry garbage was not collected in previous years.
- Data for wet garbage was not collected in previous years.
- Data for recycled materials was not collected in previous years.

Key performance summary – Environmental (cont'd)



KPI	Description	UNIT	2020	2019
A2.1	Energy consumption and intensity			
	Diesel		536	112
	Gasoline		1,849	733
	Electricity purchased from grid	MWh	106,156	104,196
	Natural gas		16,349	18,171
	Total energy consumption		124,889	123,212
	Intensity of energy consumption	MWh/1000m ²	62.16	75.65
A2.2	Water consumption and intensity			
	Total water consumption	m ³	1,156,125	1,330,098
	Water consumption intensity	m ³ /1000m ²	575.39	816.64
	Sewage discharge	m ³	1,040,512	1,197,088

Key performance summary – Social



KPI	Description	UNIT	2020	2019
B1.1	Employment by gender			
	Male		1,662	1,705
	Female	# employees	1,479	1,532
	Total		3,141	3,237
B1.1	Employment by contract type			
	Permanent contract		871	⁹
	Temporary contract	# employees	2,265	¹⁰
B1.1	Employment by employment type			
	Full time		3,141	¹¹
	Part time	# employees	37	¹²
B1.1	Employment by age group			
	Under 30 years		570	629
	30–50 years	# employees	2,206	2,251
	50 year and above		365	357
B1.1	Employment by geographical region			
	Hong Kong		8	7
	Mainland China	# employees	3,133	3,230
B1.1	Employment by employee category			
	Senior Management		122	126
	Middle Management		289	271
	Staff	# employees	2,550	2,676
	Operational staff		180	164

Note:

9-12 Relevant figures are disclosed from 2020 onward

Key performance summary – Social (cont'd)



KPI	Description	UNIT	2020	2019
B1.1	Employee turnover rate by gender			
	Male	%	21%	23%
	Female		17%	20%
B1.1	Employee turnover rate by age group			
	Under 30 years		24%	27%
	30–50 years	%	17%	21%
	50 year and above		26%	17%
B1.1	Employee turnover rate by geographical region			
	Hong Kong	%	13%	¹³
	Mainland China		19%	22%
B1.1	Number and rate of workplace facilities			
	Number of workplace facilities	# employees	1 ¹⁴	0
	Rate	%	0.03	0
B1.1	Lost days due to work injury			
	Number of lost days due to work injury	# days	483	493

Notes:

- 13. Relevant figures are disclosed from 2020 onward
- 14. Fatality of a work of SOL's contractor

Key performance summary – Social (cont'd)



KPI	Description	UNIT	2020	2019
B3.1	Percentage of employees trained by gender			
	Male	%	94.5%	91.4%
	Female		88.8%	81.3%
B3.1	Percentage of employees trained by employee category			
	Senior management	%	95.9%	78.7%
	Middle management		96.9%	90.1%
	Staff		90.5%	86.5%
	Operational staff		100%	_ ¹⁵
B3.2	Average training hours complicated by gender			
	Male	Hours	26.7	20.6
	Female		16.4 ¹⁶	12.9
B3.2	Average training hours completed by employee category			
	Senior management	Hours	16.9	12.1
	Middle management		23.9	18.2
	Staff		21.8	16.8
	Operational staff		22.2	_ ¹⁷

Notes:

15. Relevant figures are disclosed from 2020 onward
16. This disparity is because more men in the company selected to attend online training than their female counterparts – which was the main format for training provided in 2020 due to COVID-19 related restrictions
17. Relevant figures are disclosed from 2020 onward

Key performance summary – Social (cont'd)



KPI	Description	UNIT	2020	2019
B5.1	Number of suppliers by geographical region			
	Number of increased Chinese Mainland suppliers		297	405
	Number of increased Chinese Mainland contractors		248	189
	Suppliers from Hong Kong	#	52	¹⁸
	Suppliers from China		4,627	4,149
	Suppliers from elsewhere		67	64
B6.2	Number of products and service related complaints received and how they are dealt with			
	Total services related complaints received	#	285	352
	Complaint handling rate	%	100%	100%
	Overall customer satisfaction of the properties		94.7	94.1
	Residential customer satisfaction		95.1	94.8
	Office building customer satisfaction	Score	93.8	94.7
	Shopping mall customer satisfaction		95.2	92.8
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases			
	Number of concluded legal cases regarding corrupt practices brought against the company	#	0	0
	Number of concluded legal cases regarding corrupt practices brought against any company employees		0	0
B8.2	Resources contributed (e.g., money or time) to the focus area			
	Total charitable donations by employees		66.228	23,800
	Total charitable donations by company	RMB	13,353,671	3,750,000
	Total charitable donations (in cash)		13,419,899	3,773,800
	Total hours of employee volunteering contributed	Hours	2,192	360

Note:

18. Relevant figures are disclosed from 2020 onward



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