Press Release

Shui On Land Announces 2012 Annual Results

Consolidated and Repositioned for Future Growth

- As of 31 December 2012, total locked-in sales for delivery in 2013 and beyond reached RMB6,305 million (including those of Dalian associates) with a gross floor area (GFA) of 380,000 square meters (sq.m.).

- Rental and related income rose 47% to RMB1,249 million for 2012, from RMB849 million in the year 2011, as contributions strengthened from new and recurrent income streams.

- Gross profit margin remained stable at 43%.

- A total GFA of 264,900 sq.m. was sold and pre-sold with an average selling price (ASP) of RMB21,600 per sq.m..

- The Company recorded a fair value gain of RMB2,698 million in its investment property portfolio for 2012.

- The carrying value of completed investment properties was recorded at RMB22,089 million as of 31 December 2012. Properties located in Shanghai accounted for 87% of the carrying value.

- As of 31 December 2012, total cash and bank deposits of the Company amounted to RMB8,633 million while the net gearing ratio stayed at 70%.

- With the planning and development in the first Three-Year Plan, it is expected that approximately 606,900 sq.m. of residential GFA spanning six projects will be available for sale and pre-sale in 2013.

- In the first two months of 2013, the Company achieved RMB2,524 million in contracted sales that are planned for delivery to customers and will be recognised as turnover in 2013 and beyond.

[28 March 2013, Hong Kong] – Shui On Land Limited ("Shui On Land" or the "Company", (Stock Code: 272) today announced its audited consolidated results for the year ended 31 December 2012.

The Company recorded a turnover of RMB4,821 million in 2012, a decrease of 43% due to fewer properties being delivered and recognised as sales. Basic earnings per share was RMB0.35 or HK$0.43. Profit attributable to shareholders decreased by 41% to RMB2,029 million. The Board of Directors recommended a final dividend of HK$0.035 per share.

As of 31 December 2012, total locked-in sales for delivery in 2013 and beyond reached RMB6,305 million (including the contributions of Dalian associates) with a gross floor area (GFA) of 380,000 sq.m.. A total GFA of 260,300 sq.m. were contracted property sales and pre-sale in 2012, representing a growth of 18% compared to 221,100 sq.m. in 2011.

For the year 2012, rental and related income increased by 47% to RMB1,249 million as contributions strengthened from new and recurrent income streams. Gross profit margin remained stable at 43%. The Company also reported a fair value gain of RMB2,698 million in its investment property portfolio for 2012.

The Company's sales target for residential properties in 2013 would be approximately RMB9 billion. In the first two months of 2013, the Company achieved RMB2,524 million in strong contracted property sales for recognition as sales in 2013 and beyond.

Ready for delivery

Turnover of the Company dropped due to the fact that fewer properties were delivered and recognised as property sales. Recognised property sales decreased by 53% to RMB3,541 million. The contribution from property sales of Shanghai projects in 2012 decreased substantially by 84% to RMB489 million (including carparks and others), compared to RMB3,054 million in 2011. The Company was able to maintain a stable average selling price (ASP) trend in 2012. The ASP for Shanghai Taipingqiao rose by 6% to RMB158,100 per sq.m., the ASP of Shanghai Rui Hong Xin Cheng (RHXC), Chongqing Tiandi, Foshan Lingnan Tiandi and Dalian Tiandi remained stable in 2012.

In the first two months of 2013, the Company achieved RMB2,524 million in contracted sales that are planned for delivery to customers and will be recognised as turnover in 2013 and beyond. An approximate 606,900 sq.m. of residential GFA spanning six projects, namely Shanghai RHXC, Shanghai Knowledge and Innovation Community (KIC), Wuhan Tiandi, Chongqing Tiandi, Foshan Lingnan Tiandi and Dalian Tiandi is scheduled for sale and pre-sale in 2013.

Projects available for sale and pre-sale in 2013:

Project		**Available for sale and pre-sale in 2013**
		GFA in sq.m.
Shanghai RHXC	Phase 5 (High-rises)	117,700
Shanghai KIC	Jiangwan Regency (Lot 311 Mid-rises & townhouses)	11,900
Wuhan Tiandi	Wuhan Tiandi B9, B11 and B13 (Low/mid/high-rises)	113,600
Chongqing Tiandi	The Riviera Phases 2 - 5(Low/mid/high-rises)	135,600
Foshan Lingnan Tiandi	Regency Phases 1 - 3 (Low-rise & mid-rises)	71,200
	Legendary Phases 1 - 3 (Townhouses)	25,100
Dalian Tiandi	Huangnichuan (Mid/high-rises)	19,400
	Huangnichuan (Villas)	20,900
	Hekou Bay (Mid/high-rises)	91,500
Total		**606,900**

2012 saw the conclusion of the Company's first Three-Year Plan. Compared to the completed GFA of 409,000 sq.m. of properties from the three years prior to the Three-Year Plan, the Company completed a total GFA of 1,612,000 sq.m. of properties during the first Three-Year Plan, a nearly 3-fold increase, indicating the growing momentum and acceleration of the Company's production and improved productivity.

Restructure to Unleashing Potential Value: China Xintiandi (CXTD)

To unlock the underlying asset value of the Company's investment property portfolios, CXTD began operations as a separately managed, wholly-owned subsidiary of the Company on 1 March 2013, as it prepared for separate listing on The Stock Exchange of Hong Kong. Shui On Land, from an operational point of view, will become a developer focusing on production, leaving the asset management role to CXTD. This arrangement will ensure clearer focus for the two distinctive businesses.

As of 31 December 2012, a portfolio of completed investment properties with approximately 550,000 sq.m. in GFA (excluding hotel and self-use properties) was held by subsidiaries of the Company. The carrying value of the completed investment properties (excluding hotel and self-use properties) with a total GFA of 550,000 sq.m., was RMB22,089 million. The carrying value of the investment properties under development at valuation for a total GFA of 1,041,000 sq.m. was RMB14,746 million. The carrying value of Shanghai Langham Xintiandi Hotel, Shanghai 88 Xintiandi Hotel as well as the newly completed Marco Polo Lingnan Tiandi Foshan Hotel was RMB2,435 million. The carrying value of the remaining commercial-use landbank acquired on or before 2007, was stated at cost of RMB9,789 million.

The major investment projects include Corporate Avenue Phase II, No. 3 & 5 in the Taipingqiao project, THE HUB connecting to Shanghai Hongqiao airport, various office buildings and retail shopping centres in Chongqing, the retail and entertainment area in Foshan Lingnan Tiandi and the retail podium at Wuhan Tiandi Lots A1/A2/A3. With the exception of the super-high-rise office buildings in Chongqing, the rest of the portfolio was planned for progressive completion from 2013 to 2015. The Company estimates that the total GFA of 1,041,000 sq.m. of investment properties under development at valuation should yield a gross development value of RMB40 billion upon completion, thereby contributing significant growth to the new investment property portfolio in the years ahead.

Consolidated and Repositioned for Future Growth

Mr Freddy C.K. LEE, Managing Director and Chief Executive Officer of Shui On Land remarked, "The implementation of our first Three-Year Plan had laid the groundwork for the Company's pursuit of sustainable long-term growth. Although we have fallen short of the overall target of the first Three-Year Plan, the Company remains on a long term growth track with significant progress in terms of project completion, growth in investment properties and expansion of our landbank. Our second Three-Year Plan, which will progressively unfold from 2013 to 2015, as its main target, is the acceleration of the development of the cleared sites in Shanghai and other cities so as to realise the value of our investment property portfolio for sustainable earnings growth and to deleverage the balance sheet."

The Company has set up three cross-function and project task forces including "Cost Control and Development Schedule", "Standardised Product Line" and "Customisation and One-Stop Service" to achieve the goals set for the second Three-Year Plan as well as to reinforce performance management.

"Looking forward, the establishment of China Xintiandi is undoubtedly a milestone for Shui On Land. We are confident that it will not only benefit the Company by unleashing the potential value of our commercial properties but also allowing Shui On Land to leverage our expertise on the single and clear focus of property development. We shall also looking for and will participate in small-to-medium-sized residential projects, which, in turn, will expedite delivery and returns to investors." said Mr Lee.

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About Shui On Land

Headquartered in Shanghai, Shui On Land (Stock Code: 272) is the flagship property development company of the Shui On Group in the Chinese Mainland with a proven track record in developing large-scale, mixed-use city-core redevelopment projects. The Company has eight projects in various stages of development in prime locations of major cities, with a landbank of 13.2 million sq.m.. (11 million sq.m. of leasable and saleable GFA, and 2.2 million sq.m. of clubhouses, car parking spaces and other facilities) The Company was listed on the Hong Kong Stock Exchange on October 4, 2006, the largest Chinese real estate enterprise listed that year. Shui On Land was included in the 200-Stock Hang Seng Composite Index Series and Hang Seng Freefloat Index Series in March 2007.

For further information about Shui On Land, please visit our website www.shuionland.com

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