Press Release

Shui On Land Announces 2013 Annual Results

Change for Accelerated Growth

- Turnover increased to RMB9,828 million, a year-on-year increase of 104%
- Recognised property sales increased to RMB8,361 million, an increase of 136%
- Rental and related income rose to RMB1,440 million, an increase of 15%
- Profit attributable to shareholders was RMB2,125 million, an increase of 5%
- Core earnings increased by 438% to RMB1,183 million, due to the increase of properties being delivered and the realised fair value of the investment properties disposed during the year
- As of 31 December 2013, total cash and bank deposits of the Company amounted to RMB10,180 million; net gearing ratio decreased to 59%
- As of 31 December 2013, total assets grew by 10% to RMB98,602 million
- Contracted sales increased to RMB16,613 million, a significant increase of 190% year-on-year, and a total Gross Floor Area ("GFA") of 621,500 square metres ("sq.m.") was sold and pre-sold during the year. The average selling price ("ASP") was RMB26,700 per sq.m., an increase of 24%
- As of 31 December 2013, total locked-in sales for delivery in 2014 and beyond reached RMB8,903 million (including those of Dalian associates), with a GFA of 363,700 sq.m.

[19 March, 2014, 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 2013.

For the 12-month period ended 31 December 2013, the Company achieved turnover of RMB9,828 million, an increase of 104% compared to RMB4,821 recorded in the same period in 2012. The increase was due to more properties being delivered and recognised as property sales during the period. In addition to the property sales recognised as turnover, the Company has recognised RMB4,429 million in property sales as disposal of investment properties and disposal of equity in subsidiary holding investment properties in 2013.

Core earnings grew significantly to RMB1,183 million, an increase of 438%, partly driven by profits from the disposal of commercial properties during the year. Profit attributable to shareholders of the Company was RMB2,125 million, an increase of 5% compared to the corresponding period in 2012.

Basic earnings per share increased to RMB0.28 or HKD0.35, compared to RMB0.32 or HKD0.39 in 2012. The Board recommended a final dividend of HKD0.04 per share.

As of 31 December 2013, total cash and bank deposits of the Company amounted to RMB10,180 million and net gearing ratio dropped to 59%, compared to 70% as of 31 December 2012.

During the year under review, recognised property sales increased by 136% to RMB8,361 million, as more properties, amounting to a total GFA of 502,100 sq.m. were delivered and recognised, including contributions from *en-bloc* sales of 3,4,5,6,7 and 8 Corporate Avenue at Chongqing Tiandi.

Total contracted property sales from residential property sales and *en-bloc* sales of commercial properties were RMB16,613 million, representing an increase of 190% compared to RMB5,732 million recorded in 2012. A total GFA of 621,500 sq.m. was sold or pre-sold during 2013, an increase of 135% from 264,900 sq.m. in 2012. The ASP was RMB26,700 per sq.m., an increase of 24% due to a change in product mix.

Of the total contracted sales, RMB9,901 million was generated from general property sales, and RMB6,712 million from *en-bloc* sales of commercial properties, including the disposal of 5 Corporate Avenue, Phase II at Shanghai Taipingqiao, and 2 Corporate Avenue at Chongqing Tiandi.

Rental and related income (including income from hotel operations) increased by 15% to RMB1,440 million. The increase was mainly due to additional income contributed by the acquisition of Shanghai Shui On Plaza and Langham Xintiandi Hotel which was completed in March 2012, and rental growth from the existing completed investment property portfolio.

As of 31 December 2013, total locked-in sales for delivery in 2014 and beyond reached RMB8,903 million (including those of Dalian associates), with a GFA of 363,700 sq.m..

The Company aims for a full-year sales target of RMB13 billion in 2014, with RMB8 billion for general property sales and RMB5 billion for commercial property sales.

Land Resources Unlocked by Relocation Progress in Shanghai

Relocation for Rui Hong Xin Cheng has seen good progress under the new relocation policy adopted by the government:

- Relocation for Lot 3 – to be developed into part of "Ruihong Tiandi" – was successfully completed in October 2013.

The key milestones expected in 2014 include:

- Residential sites: Relocation of Taipingqiao Lot 116, and Rui Hong Xin Cheng Lots 2 and 9, with a total GFA of 279,000 sq.m., is scheduled to be completed in mid-2014 for the development of the Company.

- Commercial sites: Relocation of Rui Hong Xin Cheng Lot 10, with a total GFA of 308,000 sq.m., is expected to be completed and handed over to the Company for development in mid-2014.

In view of the above progress, the Company has agreed to start relocation for Lot 1 and Lot 7 of Rui Hong Xin Cheng. More than 94% of residential relocation agreements for Lot 1 and Lot 7, with a total GFA of 270,000 sq.m. of land for residential use, have been signed as of 31 December 2013.

Although relocation in our two projects in Shanghai, Taipingqiao and Rui Hong Xin Cheng, has accelerated in the past year, for new projects in the future, the Company is implementing a new strategic decision to refrain from involvement in the relocation aspects. Instead, the Company will undertake master-planning together with the municipal government concerned and commit investment only in the later stages of land acquisition after the plots are cleared and ready for development.

Landbank

As of 31 December 2013, the Company's landbank, including the contribution of its Dalian associates, stood at a total leasable and saleable GFA of 10.3 million sq.m. spreading across eight development projects located in the prime areas of major mainland cities.

The Company has completed construction of a total GFA of 769,000 sq.m., an increase of 18% compared to 2012. While our existing landbank will continue to provide a sustainable foundation for our medium-term development, with substantial saleable resources in Shanghai available starting in 2015, the Company will also actively monitor the land market with an eye for potentially suitable sites.

Change for Accelerated Growth

Mr. Vincent H. S. Lo, Chairman of Shui On Land remarked, "In order to renew focus on delivering results, we have introduced a package of structural reorganisation since the beginning of 2014. The changes aim to strengthen management capabilities, streamline strategies and better align Headquarters-Project relationships, which will enable us to capitalise on market opportunities and create new prospects."

Mr. Lo said, "After China Xintiandi started operating as a separately managed company focusing on asset management and commercial property investment, Shui On Land is purely a developer. With a sharpened focus on results delivery, I am confident that we will be able to enhance efficiency, expedite turnover and improve profitability, and to sustain long-term growth and value creation. Going forward, the Company under its fine-tuned business model will focus on three categories of development, namely City Centre Master-planned Communities, Transportation Hubs, and Knowledge Communities. On the other hand, China Xintiandi, working closely with our strategic partner, Brookfield Property Partners, will focus on enhancement of commercial property assets and building up management expertise."

Mr. Daniel Y. K. Wan, Managing Director and Chief Financial Officer of Shui On Land said, "Our total asset reached RMB98.6 billion. As a part of the long-term strategy and with a view to reflecting the significant portion of commercial properties in our portfolio, the disposal of investment properties and *en-bloc* sales of non-core commercial properties will continue. The disposal of commercial properties has driven the increase of our core earnings and helped recycle the capital of the Company in 2013."

Mr. Wan added, "The Company adopted multi-capital structure strategies in 2013 by completion of the Rights Issue, China Xintiandi Pre-IPO agreement as well as disposal of certain investment properties with a view to increasing asset turnover and recycling capital for repayment of the maturity. We redeemed and repaid a total of RMB12 billion of Convertible Bond, bond and bank loan of the Company in 2013. The net gearing ratio of the Company has been reduced by 11% to 59%, with RMB10 billion cash and bank deposits by the end of 2013. The Company is actively planning for the repayment of the maturity in 2015. In February 2014, we have completed the transaction with Brookfield with USD500 million of Pre-IPO investment in China Xintiandi and we have successfully raised RMB2.5 billion by issuing the Company's RMB Senior Notes to diversify the fund source and enlarge the investor base of the Company. As of 31 December 2013, the Company had a total of RMB14 billion of committed bank loan facilities for funding the Company's capital expenditure of construction and relocation."

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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 communities and integrated residential development projects. The Company has eight projects in various stages of development in prime locations of major cities, with a landbank of 12.5 million sq.m. (10.3 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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