



Press Release

Shui On Land Announces 2015 Interim Results

Realisation of Asset Value and Progressive Return from Investment

Moving On Track to Drive Future Development

[26 August, 2015, Hong Kong] – Shui On Land Limited (“Shui On Land” or the “Company”, Stock Code: 272) today announced its unaudited consolidated results for the six months ended 30 June 2015.

During the period under review, the Company recorded a turnover of RMB2,027 million, a decrease of 61% compared to RMB5,236 million in the same period in 2014. The decline was primarily due to fewer properties delivered during the period.

Rental and related income from investment property portfolio (excluding hotel income) increased by 20% to RMB736 million from RMB614 million in the same period in 2014. The newly acquired construction business in China contributed RMB273 million during the period.

The Company recorded an increase in fair value in investment portfolio amounting to RMB2,797 million, compared to RMB1,262 million in the same period in 2014. The increase was mainly contributed by the increase in fair value of Xintiandi and Xintiandi Style, 1, 2 & 3 Corporate Avenue and Shui On Plaza in Shanghai.

Profit attributable to shareholders increased by 50% to RMB1,195 million.

Basic earnings per share increased to RMB0.15 or HKD0.19, compared to RMB0.10 or HKD0.13 in the same period in 2014. The Board declared an interim dividend of HKD0.022 per share.

Subsequent to the end of the first half year of 2015 (“1H 2015”), on 23 July 2015, the Company entered into an agreement to divest 1 and 2 Corporate Avenue in Shanghai at a property value of RMB6,601 million. The disposal is expected to generate a net profit of approximately RMB2,155 million for 2015 upon transaction completion.

Launch of Two Landmark Projects in Shanghai from Second Half of 2015 (“2H 2015”)

During the reporting period, and against a revival in the China Mainland property market, contracted property sales (including residential and commercial properties) saw a 16% increase to RMB3,263 million. A total gross floor area (“GFA”) of 200,720 square metres (“sq.m.”) was sold and pre-sold.

As of 30 June 2015, a total of RMB5,495 million in locked-in sales (including those of Dalian associates), comprising a total GFA of 340,400 sq.m., is planned for delivery in 2H 2015 and beyond.

The Company has approximately 546,000 sq.m. of residential GFA spanning six projects scheduled for sale and pre-sale in 2H 2015. The properties will be coming from Shanghai Taipingqiao Lakeville, Shanghai Rui Hong Xin Cheng (“RHXC”), Wuhan Tiandi, Chongqing Tiandi, Foshan Lingnan Tiandi and Dalian Tiandi. Residential Phase 6 of Shanghai RHXC, a large scale, city-core redevelopment project within the city’s inner ring, will be launching a total GFA of 86,000 sq.m. or 328 residential units in 2H 2015. LakevilleLuxe, Phase 4 development of Lakeville in Shanghai Taipingqiao providing luxurious residential apartments, on the other hand, plans to launch a total GFA of 46,700 sq.m from late 2015.

Growing Investment Property Portfolio and Rising Rental Income

During the period, our existing investment property portfolio maintained high levels of occupancy and new leases signed recorded healthy growth in rental reversion.

Rental and related income from the China Xintiandi property portfolio increased by 26% to RMB475 million, mainly contributed by additional income from Tower 1, Xintiandi, the Mall in THE HUB and 3 Corporate Avenue in Shanghai Taipingqiao.

Rental and related income generated by Shui On Land Investment Property Portfolio increased by 10% to RMB261 million. The growth was mainly attributable to additional rental and related income contributed by new completions and increase in occupancy of office and retail space located in Shanghai Knowledge and Innovation Community (KIC), Wuhan Tiandi and Foshan Lingnan Tiandi.

In 2H 2015, a total GFA of 21,000 sq.m. from THE HOUSE and THU HUB will be completed. THE HOUSE (retail property converted from the formally 88 Xintiandi Hotel), a new addition to the Shanghai Taipingqiao retail portfolio scheduling to provide 7,000 sq.m. of leasable GFA in completion is already fully pre-leased. The office property portfolio of THE HUB comprises a total leasable GFA of 91,000 sq.m., namely Towers 1, 2, 3 and 5. The completed retail portfolio of THE HUB has a total leasable GFA of 124,000 sq.m., comprising Xintiandi, the Mall and the ancillary retail space at Towers 1, 2, 3 and 5. Many tenants of Xintiandi at THE HUB commenced operations in July 2015, and the Mall is scheduled for a soft opening in September 2015.

In Wuhan Tiandi, HORIZON (Lots A1/A2/A3 shopping mall) with a total leasable GFA of 111,000 sq.m. is scheduled to have its soft opening in 2H 2016. 47% of the total leasable area received tenant commitment. Meanwhile, pre-leasing of NOVA (Lot E shopping mall) of Foshan Lingnan Tiandi has seen tenant commitment reaching 37% of the total leasable area.

Well-Positioned to Capture Future Momentum

Mr. Vincent H. S. Lo, Chairman of Shui On Land remarked, “I am pleased to see steady implementation in our revised business strategy. Along with the recovery in China’s property market, we began to see gradual improvement in sales momentum, which we expect will be further enhanced during the second half of the year, primarily driven by the pre-sale of RHXC and Lakeville projects in Shanghai. The launch of the two Shanghai projects will mark the beginning of the realisation of returns from our significant relocation investment for the Shanghai projects in the past years. We will continue to implement our revised strategy by accelerating asset turnover and optimising market opportunities to realise the full asset value of our portfolio and deliver return to shareholders.”

Mr. Frankie Y. L. Wong, Executive Director and Acting Chief Financial Officer of Shui On Land said, “The successful divestment of 1 and 2 Corporate Avenue at a property value of RMB6,601 million will not only bring us a net profit of approximately RMB2,155 million, the net proceeds of approximately RMB4,284 million will also help lower our net gearing and improve our financial position in the medium to long term.”

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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 mixed-use, sustainable communities. As of 30 June 2015, the Company has eight projects in various stages of development in prime locations of major cities, with a landbank of 12.1 million sq.m. (9.8 million sq.m. of leasable and saleable GFA, and 2.3 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.

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