Press Release

Shui On Land Announces 2016 Interim Results

Robust Sales with RMB21.3 Billion Locked-in Sales to Drive Results from 2H 2016 & Beyond
Strengthening Financial Foundation Set for Future Growth

[24 August, 2016, 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 2016.

Robust Sales: The Company recorded robust property sales during the first half ended 30 June 2016 ("1H 2016"). Total sales value including contracted residential and commercial property sales and other assets disposal increased by 410% from RMB3,263 million in the first half of 2015 ("1H 2015") to RMB16,642 million, in which residential property sales accounted for 62% of the total. Average Selling Price ("ASP") increased by 38% to RMB22,500 per square metre ("sq.m."), from RMB16,300 per sq.m. in 1H 2015.

Continuous Implementation of Asset Light Strategy with Major Transactions Completed: The Company also completed RMB7,791 million of recognised property sales and other assets disposal, including the disposal of 3 Corporate Avenue in Shanghai Taipingqiao, Foshan Lingnan Tiandi Lot 4, and other sales. The Company will continue to dispose of assets at opportune times to unlock the value of the Company's property portfolio as well as to increase asset turnover and capital recycling.

Solid Operating Performance: For 1H 2016, the Company recorded turnover of RMB1,681 million, with property sales accounting for RMB728 million or 43% of the total, and rental and related income (including income from hotel operations) of RMB795 million, representing 47% of total turnover. RMB158 million was recorded as contribution from the construction business and other businesses. The decline in turnover was mainly due to fewer residential properties delivered during the period.

Nevertheless, the Company's operating performance is solid as shown by a higher gross and operating profits recorded. Gross profit increased by 32% year-on-year to RMB761 million, while operating profit increased by 89% year-on-year to RMB528 million. Compared with 1H 2015, the gross profit margin increased 16 percentage points to 45% in 1H 2016.

In 1H 2016, the Company recorded a net increase in fair value for its remaining investment property portfolio, totalling RMB519 million. Shanghai Rui Hong Xin Cheng ("RHXC") accounted for RMB420 million or 81% of the total increase, which was mainly contributed by the fair value gain of Hall of the Moon (RHXC Lot 3).

Net Profit Decline Mainly due to Lower Fair Value Gain, and Exchange Loss: Profit for the period was RMB1,128 million, compared to RMB1,535 million in 1H

2015. Profit attributable to shareholders was RMB768 million in 1H 2016, compared to RMB1,195 million in 1H 2015. The lower profit was mainly due to i) the decrease in fair value gain of investment properties by approximately 81% to RMB519 million in 1H 2016, as compared to RMB2,797 million in 1H 2015. The higher fair value gain in 1H 2015 was driven by realisation of the disposal value of 1 and 2 Corporate Avenue; ii) exchange loss (both realised and unrealised) of RMB350 million as a result of the depreciation of the RMB.

Basic earnings per share decreased to RMB0.10 or HKD0.12, compared to RMB0.15 or HKD0.19 in the same period in 2015. The Board declared an interim dividend of HKD0.011 per share.

Strengthening Balance Sheet: The Company's financial position continues to improve with net gearing ratio lowered to 75% at the end of June 2016, compared to 81% as of 31 December 2015, and 87% as of 30 June 2015.

RMB 21.3 Billion Locked-in Sales Scheduled for Delivery from 2H 2016

Despite a divided property market in the Chinese Mainland, the launch of the second batch of The Upper (Lot 9) and the first batch of The Gallery (Lot 2) at Shanghai RHXC, as well as the launch of the second and third batches of Lakeville Luxe at Shanghai Taipingqiao (Lot 116) received overwhelming response. This drove contracted sales in residential properties and car parks (including those from Dalian associates) to RMB10.3 billion, a significant increase of 308% from 1H 2015.

Contracted commercial property sales amounted to RMB4,615 million, an increase of 534%, compared with RMB728 million in 1H 2015.

Total contracted property sales and other assets disposal surged by 410% to RMB16,642 million, from RMB3,263 million in the report period, while the seven months total contracted property sales and subscribed property sales reached RMB20.3 billion.

Total locked-in sales (including disposal of commercial properties and contributions from Dalian associates) from a total GFA of 717,000 sq.m., on the other hand, amounted to RMB21,325 million as of 30 June 2016, and are scheduled for delivery in 2H 2016 and beyond. This has set a good financial foundation for the Company's growth.

The Company has approximately 362,600 sq.m. of residential GFA spanning six projects available for sale and pre-sale in 2H 2016. A total GFA of approximately 156,100 sq.m. are expected from Lakeville Luxe at Shanghai Taipingqiao, as well as The Upper and The Gallery at Shanghai RHXC.

Growing Recurring Rental Income from Premium Investment Property Portfolio

The Company saw continued leasing progress at newly completed properties which commenced operations in stages, as well as rental growth from the existing investment property portfolio. Rental and related income, excluding the income from hotel operations, totaled RMB759 million during 1H 2016, representing a 3% year-on-year increase. Excluding the effect of 1, 2 & 3 Corporate Avenue which were disposed in 2H 2015 and 1H 2016, rental and related income rose by 25% year-on-year.

There was also noticeable improvement in the occupancy levels of the Company's office and retail properties, which increased to 83% and 93%, respectively. The rise was driven by robust leasing activities at the office properties of THE HUB and KIC in Shanghai following their completion, and the opening of THE HOUSE of Shanghai Taipingqiao and NOVA at Foshan Lingnan Tiandi.

As of 30 June 2016, there is a total leasable GFA of 1,058,000 sq.m. in the Company's investment property portfolio.

Hall of the Moon at Shanghai RHXC and HORIZON, a shopping mall at Wuhan Tiandi, are planned for opening in 2H 2016. These two retail properties with a total leasable GFA of 178,000 sq.m. are expected to make rental contributions from 2H 2016.

Steadfast Efforts Ensure Positive Outlook despite Macro Uncertainties

Mr. Vincent H. S. Lo, Chairman of Shui On Land, remarked, "With global uncertainties and a divided property market in the Chinese Mainland, the first half of 2016 was not one without challenges for the Company. Against this backdrop, I am pleased that we managed to deliver a set of solid operating results, highlighted by an exceptional property sales performance, thanks to our strategy to focus investing in Shanghai in the last few years. Boosted by a sturdy Shanghai market and our long-term commitment to the Company's premium brand and quality, we achieved RMB20.3 billion total contracted property sales and subscribed sales as of the end of July, representing 85% of our full year sales target. In regard to our asset-light strategy, we took another step forward by divesting and unlocking the value of two Wuhan properties and a Foshan land parcel."

"Looking forward, while we remain vigilant about the rapidly evolving property market and the intricate global economy, the strong sales so far will place us well to attain the RMB24 billion full year sales target. Total locked-in sales, which amounted to RMB21.3 billion as of the end of June, will further drive results from the second half and beyond. Supported by the sound fundamentals of the Shanghai market, our sizable saleable resources there and smoother relocation in Shanghai projects, we are optimistic about the Chinese economy and the Company's long-term prospects. Our efforts in executing the refined strategy will be well rewarded and, on this solid footing, we shall continue implementing our strategy to capture growth opportunities in the future."

Mr. Douglas H. H. Sung, Executive Director and Chief Financial Officer of Shui On Land said, "Improving Shui On Land's financial position has been Management's top priority. We are pleased that our net debt level has been reduced by over RMB 6,500 million in the past 12 months. We have also lowered our US dollars and Hong Kong dollars debt exposure to 38% from 46% as of 31 December, 2015. Notwithstanding our deleveraging initiatives, we are able to grow our presence in China, with our total asset base increasing to RMB118.9 billion as of the end of June 2016. Going forward we strive to further enhance our financial competitiveness as we look for new investment opportunities."

– End –

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 2016, the Company has eight projects in various stages of development in prime locations of major cities, with a landbank of 11.3 million sq.m. (9.0 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 Hang Seng Composite Index, HSCI Composite Industry Index - Properties & Construction, Hang Seng Composite Midcap & SmallCap Index and SH-HK Stock Connect list.

For further information please visit website www.shuionland.com

For media enquiries, please contact:

Ms. Joyce Zhou/Ms. Jessica Lu
Tel: (86 21) 6386 1818
Email: cc-sh@shuion.com.cn