



Press Release

Shui On Land Wins Taipingqiao Land Bid with Strategic Partners

1.673 Million Sq.m. Commercial Asset in Four Core Business Areas in Shanghai

[5 July 2018, Shanghai] – Shui On Land Limited (“Shui On Land” or the “Company”, Stock Code: 272) announced today that the Company, in partnership with China Pacific Life Insurance Co., Ltd. (“CPIC Life”) and Shanghai YongYe Enterprise (Group) Co., Ltd. (“YongYe”), has won the bid for the development right of three land parcels in Huangpu district, Shanghai. The land will be developed into world class commercial and office spaces, completing an integrated hub of office, commercial and residential properties developed by the Company. The project will be a new chapter in Shui On Land’s sustained endeavours of over twenty years contributing to the Taipingqiao Development, and will add further vibrance to Shanghai’s continued urban renewal effort.

Shui On Development (Holding) Limited, the Company’s wholly-owned subsidiary, partnered with CPIC Life and YongYe, with 25%, 70% and 5% interests, respectively. Shui On Land will be the project development manager and asset manager upon completion of the project.

Covering a total land area of 34,824.5 square metres (sq.m.), the three land parcels numbered 123, 124 and 132 are located in the vicinity of Middle Huaihai Road, Huangpu, Shanghai, and to the east of the Taipingqiao Development. The site enjoys excellent connectivity: to the West, it is linked to Shanghai Xintiandi, the Corporate Avenue offices and the Taipingqiao Lake; to its South is the Lakeville residential developments; the Huaihai Park is to its North; and South Xizang Road is to its East. The site, with a planned total buildable floor area (above ground and underground) of 390,700 sq.m., will be developed into a commercial and office complex, with 197,100 sq.m. of office space, 105,600 sq.m. designated for retail and culture purposes and 88,000 sq.m. of car park. Upon completion, the project will greatly enhance and expand the current Taipingqiao footprint. It will also imbue new vigor to the community along Xizang Road and the Laoximen area, as well as help further transform the larger Huangpu district.

Shui On Land has been devoted to Shanghai’s urban development since the early 80s. The development of Taipingqiao commenced as early as in 1996. With a master-planned development approach, the Company aimed to rejuvenate the old downtown by creating a mixture of live, work, play and learn functions to form a comprehensive city centre community. Using innovative techniques and approaches, Shui On Land preserved the original historic Shikumen architectures and transformed the area from an old residential district to a Shanghai landmark that offers diverse business, cultural, lifestyle, and entertainment experiences. After more than two decades of dedicated efforts, the Taipingqiao Development project is now one of the preeminent urban redevelopment projects in the world.

Upon completion of this strategic investment, the distribution of the Company's assets in the four core areas in Shanghai will be even more optimal: Taipingqiao and Xintiandi in Huangpu District, Rui Hong Xin Cheng in Hongkou District, the Knowledge and Innovation Community in Yangpu District and THE HUB in Hongqiao Central Business District. We, together with our partners, own, develop and manage a total GFA of 1,673,000 sq.m. office and retail property assets, of which 885,000 sq.m. are completed mature investment properties, and 788,000 sq.m. are land parcels and sites under construction. At present, the total value of these assets is around RMB59 billion, with the attributable value to the Company amounting to RMB31.4 billion.

Mr. Vincent H. S. Lo, Chairman of Shui On Land, said, "Shui On Land is very honoured to be able to participate in the development of the three land parcels of the Taipingqiao project. In line with our Asset Light Strategy, Shui On Land entered into strategic cooperation with two very solid partners and successfully won in this unique investment opportunity. As the project development manager, and asset manager upon completion of the project, Shui On Land will utilise our profound experience in the development of city centre master-planned communities accumulated over the decades, as well as our expertise in commercial asset management to build a new landmark for Shanghai. We look forward to working closely with our partners to compose this new chapter of the Taipingqiao development. We believe this project will help support the economic growth of Huangpu, propelling Shanghai to become the most dynamic and attractive modern, international metropolis. It is also destined to emerge as the new role model of urban renewal development in China."

Mr. Lo further commented, "Shui On Land continues to maintain a positive view about Shanghai's property market. Our commercial projects are located in four core business areas in Shanghai. We expect 788,000 sq.m. of commercial properties to be completed progressively over the next four to five years, bringing stable growth in recurrent rental income and long-term asset appreciation for our shareholders and partners. With proven asset management expertise and brand advantage, the Company will accelerate efforts to further increase the yield of assets to generate better value for our shareholders."

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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 development communities. As of 31 December 2017, the Company has nine projects in various stages of development in prime locations of major cities, with a landbank of 11.5 million sq.m. (9.5 million sq.m. of leasable and saleable GFA, and 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 Hang Seng Composite Index, HSCI Composite Industry Index - Properties & Construction, Hang Seng Composite LargeCap & MidCap Index and Hang Seng Stock Connect Hong Kong Index.

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