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Shui On Land Announces 2013 Interim Results Deliver Results Build Confidence

(27 August 2013, Hong Kong)

For the first half of year 2013 ("1H 2013"), the Company recorded turnover of RMB3,623 million, an increase of 121% due to more properties being delivered and recognised as property sales during the reporting period. Rental and related income (including income from hotel operations) increased by 25% to RMB701 million for 1H 2013.

Contracted sales for 1H 2013 increased by 315% to RMB6,409 million. A total Gross Floor Area ("GFA") of 238,400 sq.m. was sold and presold with an Average Selling Price ("ASP") of RMB26,900 per sq.m.

As of 30 June 2013, total locked-in sales for delivery in the second half of year 2013 ("2H 2013") and beyond reached RMB9,114 million (including those of Dalian associates) with a GFA of 407,000 sq.m.

Gross profit margin was 39% in 1H 2013. In 1H 2013, operating profit increased by 120% to RMB998 million, compared to RMB454 million in the first half of year 2012 ("1H 2012").

Profit attributable to shareholders increased by 27% to RMB1,051 million in 1H 2013.Core earnings totalled RMB387 million in 1H 2013.

As of 30 June 2013, total cash and bank deposits of the Company amounted to RMB12,053 million.

Net gearing ratio dropped by 11% to 59% as of 30 June 2013.

The total carrying value of the completed investment properties and hotel properties was recorded at RMB27,694 million as of 30 June 2013. The properties located in Shanghai contributed 76% of the total carrying value.

Shui On Land Limited ("Shui On Land" or the"Company", Stock Code: 272) today announced the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Company") for the six months ended 30 June 2013.

The Company's turnover recorded a significant increase of 121% to RMB3,623 million in the first half of year 2013 ("1H 2013") due to more properties being delivered and on the back of a return of confidence to the Mainland property market and strong user demand.

Profit attributable to shareholders of the Company was RMB1,051 million, representing an increase of 27% compared to the corresponding period of 2012. Gross profit increased by 93% to RMB1,419 million in 1H 2013 compared to RMB737 million in the first half of year 2012 ("1H 2012"). Basic earnings per share increased to RMB0.15 or HK$0.19 (2012 restated: RMB0.14 or HK$0.17). The Board declared an interim dividend of HK$0.022 (2012: HK$0.025) per share to shareholders.

Recognised property sales increased by 174% to RMB2,913 million, amounting to a total Gross Floor Area ("GFA") of 176,700 sq.m.. The significant increase was mainly due to more properties were delivered and recognised as property sales. As of 30 June 2013,

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total locked-in sales for delivery in the second half of year 2013 ("2H 2013") and beyond reached RMB9,114 million (including those of Dalian associates) with a GFA of 407,000sq.m..

Rental and related income (including income from hotel operations) rose 25% to RMB701 million, with RMB568 million generated from the existing investment properties.

As of 30 June 2013, total cash and bank deposits of the Company amounted to RMB12,053 million and net gearing ratio dropped by 11% to 59%, putting the Company in a favourable position.

Expediting Sales and Delivering Results

The Company has been focusing on expediting sales with a view to delivering results. Property sales for 1H 2013 were ahead of sales targets with contracted sales of RMB6,409 million, an increase of 315% from RMB1,546 million in 1H 2012. A total GFA of 238,400 sq.m. was sold and pre-sold with the Average Selling Price ("ASP") increased by 32% to RMB26,900 per sq.m. compared to the same period in 2012. In addition to the contracted sales, a total GFA of 47,100 sq.m. was subscribed at a total value of RMB1,189 million as of 30 June 2013.

The Company has approximately 441,700 sq.m. of residential GFA spanning six projects, available for sale and pre-sale in 2H 2013:

Project		Available for sale and pre-sale in 2H 2013
		GFA in sq.m.
Shanghai RHXC	Jing Ting (High-rises)	42,900
Shanghai KIC	Jiangwan Regency (Lot 311 Mid-rises and townhouses)	4,100
Wuhan Tiandi	Wuhan Tiandi B9, B11 and B13 (Low/mid/high-rises)	71,400
Chongqing Tiandi	The Riviera Phases 2 - 5 (Low/mid/high-rises)	130,100
Foshan Lingnan Tiandi	The Regency Phases 1 - 3 (Low/mid/high-rises)	60,200
	The Legendary Phases 1 - 3 (Townhouses)	22,600
Dalian Tiandi	Huangnichuan (Mid/high-rises)	9,100
	Huangnichuan (Villas)	19,000
	Hekou Bay (Mid/high-rises)	82,300
Total		**441,700**

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Premium Investment Property Portfolio

As for investment properties, a total GFA of 207,000 sq.m. was completed in 1H 2013, with contribution mainly from two projects: the office and ancillary retail space of the first stage of the super-high-rise, namely 2 Corporate Avenue at Chongqing Tiandi, providing a GFA of 130,000 sq.m.; and Foshan Lingnan Tiandi Phase 2 with a GFA of 36,000 sq.m.. As of 30 June 2013, the carrying value of the completed investment properties (excluding hotel and self-use properties) at valuation with a total GFA of 708,000 sq.m., was RMB25,306 million and the carrying value of the hotels including Shanghai Langham Xintiandi Hotel, Shanghai 88 Xintiandi Hotel and Marco Polo Lingnan Tiandi Foshan Hotel was RMB2,388 million. The carrying value of the investment properties under development at valuation comprising a GFA of 891,000 sq.m. was RMB14,287 million.

At Taipingqiao, Shanghai, the Company has signed a number of solid anchor tenants for 5 Corporate Avenue, Phase II, scheduled for completion by the end of 2013. 3 Corporate Avenue, Phase II is also on track for completion by the end of 2014.
Also in Shanghai, we have signed our first major tenant for THE HUB, setting a new standard for office rent in the Hongqiao area, and are negotiating with a number of potential tenants, who should begin moving in during the first half of year 2014 ("1H 2014").

China Xintiandi ("CXTD"), an independently managed and wholly-owned subsidiary of Shui On Land, will assume the lead in commercial asset management and operation of existing completed commercial portfolio, and new developments following construction. As of 30 June 2013, CXTD had 362 staff in its expanding team. The Company envisages spinning off CXTD into a separately listed vehicle sometime next year, subject to favourable market conditions.

Mr. Freddy C. K. LEE, Managing Director and Chief Executive Officer of Shui On Land said: "In challenging and ever-changing market environments, a clear focus on execution is vital to success. During 1H 2013, the Company achieved strong residential property sales performance in particular for Rui Hong Xin Cheng ("RHXC") in Shanghai. With a total amount of RMB3.5 billion, RHXC Jing Ting (Lot 6) ranked Shanghai residential project sales No.1 in terms of sales amount in 1H 2013. This encouraging result ascertained our investment strategies in relocating sites in Shanghai have started to pay-off. We are confident of meeting our full year sales target of RMB11 billion including both residential property sales and en-bloc commercial property sales. Looking ahead, we will continue to focus on expediting project completion and sales with the overall aim of enhancing profitability and competitiveness. And with the new establishment of CXTD, we believe a better synergy can be achieved for our investment properties portfolio. We are looking forward to a period of continuous development and value creation for our shareholders."
Mr. Daniel Y. K. WAN, Managing Director and Chief Financial Officer of Shui On Land added: "With RMB12 billion cash and bank deposits, RMB8 billion committed undrawn bank loan facilities and over RMB5 billion anticipated property sales in 2H 2013, the Company has sufficient cash to cope with the debt repayment, capital expenditure and business development of the year. We will continue to implement prudent financial system and cost control policy to further enhance the Company's financial performance and maintain our gearing ratio at a healthy level."