



## Press Release

### **Shui On Land Announces 2014 Annual Results**

#### *Accelerating Asset Turnover and Increasing Profitability*

#### *Driving Medium to Long Term Growth*

**[18 March, 2015, 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 2014.

For the year under review, the Company achieved a turnover of RMB10,249 million, an increase of 4% compared to RMB9,828 million in 2013. Total property sales recognised as turnover was RMB8,543 million with a total gross floor area (“GFA”) of 313,500 square metre (“sq.m.”) sold at an average selling price (“ASP”) of RMB28,900 per sq.m.. The increase was mainly attributable to higher contribution of property sales delivered and recognised from Shanghai Rui Hong Xin Cheng (“RHXC”) Phase 5. Rental and related income from investment properties amounted to RMB1,578 million, an increase of 10%, and other income was RMB128 million.

Profit attributable to shareholders for the period decreased by 16% to RMB1,778 million in 2014, compared to RMB2,125 million in 2013, mainly due to a distribution of RMB224 million to the owners of Convertible Perpetual Securities of CXTD Holding.

Basic earnings per share decreased to RMB0.22 or HKD0.28, compared to RMB0.28 or HKD0.35 in 2013. The Board recommended a final dividend of HKD0.04 per share.

#### **Growing Saleable Resources in Shanghai from 2H 2015 onwards**

During the year under review, contracted property sales from general property sales and carparks (including those from Dalian associates) was RMB6,107 million, a drop of 38% from RMB9,901 million in 2013. The decrease was mainly due to a reduced contribution from Shanghai projects to RMB1,786 million in 2014, compared to RMB4,853 million in 2013, as there is an absence of saleable resources in Shanghai after The View, Residential Phase 5 (Lot 6) of Rui Hong Xin Cheng (“RHXC”) in Hongkou and Jiangwan Regency of Knowledge & Innovation Community (“KIC”) in Yangpu were sold out during the reporting year.

The relocation for Taipingqiao Lot 116, and RHXC Lots 2 and 9 in Shanghai, which will provide a total GFA of 283,000 sq.m. of residential properties for sale, was completed in mid-2014. Construction work started immediately afterwards and both projects are scheduled to be launched for pre-sale commencing the second half of 2015 (“2H 2015”). Accordingly, the Company’s saleable resources in Shanghai are

expected to substantially increase from 2H 2015.

The relocation for the remaining four Shanghai sites at RHXC (Lots 1, 7 & 10) and Taipingqiao (Lot 118) also made good progress. According to the latest schedule, the Company expects to bring to market a gradual supply of 348,000 sq.m. GFA of residential properties in Shanghai for sale and pre-sale from 2018.

### **Growing Commercial Properties and Enhancing Asset Returns**

Following the successful completion of the Initial Investment from Brookfield, CXTD Holding has been focusing on achieving completed commercial properties, including pre-leasing of office and retail spaces of THE HUB at Hongqiao and 3 Corporate Avenue at Shanghai Taipingqiao, completing the identified Asset Enhancement Initiatives at Shanghai Taipingqiao, as well as implementing a world-class asset management platform.

As of 31 December 2014, a total leasable GFA of 429,000 sq.m. was completed, representing 74% of the Initial Portfolio's total leasable area. The remaining properties under construction are on track to be completed in 2015. Pre-leasing of both office and retail spaces at THE HUB and 3 Corporate Avenue have gained solid progress and both properties are scheduled to commence operation and start contributing rental and related income in 2H 2015.

The management believes that the completion of these initiatives will lay a solid foundation for a successful IPO of the CXTD Holding which likely would take place in 2016.

### **Positioned for Stronger Medium to Long-term Growth**

Mr. Vincent H. S. Lo, Chairman of Shui On Land said, "2014 was a turbulent year for China's property market. The moderated economic growth and much softened property market conditions together with restriction on residential purchases which were only lifted for most cities towards the end of the year have created a difficult operating environment for property companies. Shui On Land unavoidably felt some negative impacts in its financial performance in 2014. However, it remained a year with meaningful progress following a change in management structure and a fine-tuning of our corporate strategy and business model."

Mr Lo said, "As of 31 December 2014, the investment in payment for relocation cost amounted to RMB19 billion in eight sites located in Shanghai; and our total asset value grew to RMB108 billion. With the much improved progress in relocation, we believe our substantial investment in projects of high saleable value in Shanghai is poised to pay off, and will provide meaningful returns in the next few years. To further accelerate our asset turnover and reduce the debt incurred from our investment, the Company will adjust its strategy to accelerate asset turnover so as to realise the value of its existing mature commercial properties when timing and price are right. The strategic adjustment will allow the Company to enhance its profitability, strengthen cashflow and reduce debt level to achieve a healthier and more sustainable development."

Mr. Daniel Y. K. Wan, Managing Director and Chief Financial Officer of Shui On Land said, “With a prudent financial plan, the total cash and bank deposits of the Company rose by 22% to RMB12,430 million and we have already fully settled three bonds due in first quarter of 2015. Following the launch of RHXC Lots 2 and 9 as well as Taipingqiao Lot 116 in Shanghai from 2H 2015 onwards, we believe significant cashflow will be provided to the Company, strengthening our operating capital.”

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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. The Company has eight projects in various stages of development in prime locations of major cities, with a landbank of 12.3 million sq.m. (9.9 million sq.m. of leasable and saleable GFA, and 2.4 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](http://www.shuionland.com)

For media enquiries, please contact:

Hong Kong  
Ms. Evan Hung  
Tel: (852) 2879 1866  
Email: [corpcomm@shuion.com.hk](mailto:corpcomm@shuion.com.hk)

Mainland  
Ms. Jessica Lu  
Tel: (86 21) 6386 1818  
Email: [cc-sh@shuion.com.cn](mailto:cc-sh@shuion.com.cn)