



瑞安房地產  
SHUI ON LAND

# 2022 Interim Results

25 Aug 2022

# Agenda

**Opening Remarks**

**Vincent Lo**  
Chairman

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**Business Review and  
Outlook & Strategy**

**Stephanie Lo**  
Executive Director, Shui On Land  
Vice Chairman, Shui On Xintiandi

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**Key Financial Highlights**

**Douglas Sung**  
CFO & CIO, Shui On Land

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**Property Sales & Development**

**Jessica Wang**  
CEO, Shui On Land

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**Shui On Xintiandi**

**Allan Zhang**  
CEO, Shui On Xintiandi





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# Opening Remarks

# Market Overview

## Macro challenges and COVID outbreak



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### Heightened geopolitical risks

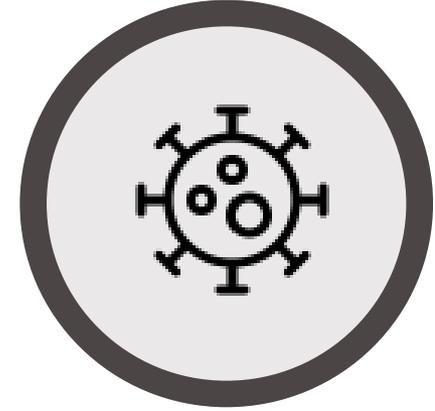
- Russia-Ukraine war
  - Recent development in US-China relations
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### Challenging economic environment

- Uncertainty in inflation and stagflation
  - Ongoing liquidity problem
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### Outbreak of COVID in China

- Lockdown in Shanghai and other major cities in China
  - Suspension of many business activities for 2.5 months in Shanghai
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# Business Review and Outlook & Strategy

# Results Overview

Impacted by COVID outbreak but overall performance remained solid as supported by capital strength



## Healthy balance sheet

- **Redemption of US\$600 million 6.4% senior perpetual capital securities**
- Net gearing ratio at 48% (redemption of Perp added 13% to gearing)
- Cash and bank deposits of RMB12,975 million



## Solid operational performance

- **Property sales and rental remained stable despite COVID**
- **Contracted property sales ↑ 55% yoy**
- Locked-in sales of RMB43.7 billion
- **Total rental and related income ↑ 8% yoy**



## Impact from COVID outbreak

- Foreign exchange translation loss due to a 5.3% depreciation of RMB vs USD
- Lower revenue and profit recognized from property sales due to delay in construction and handover
- Adverse impact to rental and related income



## Interim dividend and share buyback

- Having taking into consideration of the Group's financial position, the Board has resolved to declare an **interim dividend of HK\$0.036**
- **Share buyback plan of up to HK\$500m**



# Market Outlook

## Cautious outlook while seeing stimulus measures in place

### China macro economy

- GDP growth dragged to 0.4% in 2Q 2022
- **Central Government rolled out stimulus measures** including special purpose loans and fiscal spending of RMB12 trillion
- IMF projects China's economy to strengthen in 2H 2022, with GDP growth rising to 3.3% and 4.6% in 2022 and 2023, respectively

### Property industry

- COVID outbreak causing suspension in business activities for 2.5 months in Shanghai
- Ongoing liquidity problem with a number of developers failed to meet bond interest payments and entered selective defaults and **property sector will continue to deleverage**
- **PBOC cut 5-year Loan Prime Rate** by 15 b.p. to 4.45% in May 2022 to improve demand
- **Post-lockdown land auction charted strong performance in Shanghai**

### Residential sector

- Residential market suffered a sales contraction
- **Home purchase restrictions have been relaxed** in >100 cities to support residential sales

### Retail sector

- Retail sales severely impacted by lockdown in Shanghai for 2.5 months
- **Progressive resumption of foot traffic and sales**

### Office sector

- Uncertainty on economic outlook affected companies' confidence on expansion



# Our Strategic Focus

## Well-positioned to capture industry trends to deliver quality growth

### Industry megatrends

### Our strengths

### Our strategic focus

#### Unprecedented market correction in the industry

- **Healthy balance sheet and liquidity**
- Properties in **prime locations** that are best positioned to capture recovery from COVID
- Proven asset management capabilities
- Asset-light strategy to facilitate growth



**Uphold our disciplined financial management** to steer through the storm

#### Rising importance of high quality

- **Iconic brand known for quality**
- Strength in urban regeneration and building communities
- Best-in-class property management services
- Strong corporate governance **committed to transparency and accountability to all stakeholders**



**Leverage solid financials and asset management capabilities to capture attractive opportunities** in 1st-tier cities and other strategic locations in the YRD Area and GBA

#### Call for sustainability and carbon neutrality

- Track record in balancing historical preservation with urban regeneration and **sustainability criteria**
- Sustainability strategy with **clear targets**



**Adopt tailored strategies for the dual arms** of property development and investment / management



**Continue to introduce innovative and high quality products and services** to best position our communities to capture the changing consumer trends



**Remain steadfast to the goals in our 2030 5C Sustainable Development Strategy** and to be an industry leader in sustainability



# Sustainable Development

## Working towards our 2030 targets

**Our vision:**  
To become a pioneer of sustainable premium urban communities



### 1H 2022 Achievements

- **Strengthened corporate governance structure**, especially in segregation of duties with clearly defined executive roles and new CEO appointment
- Published **Sustainable Development Report 2021**, including climate-related disclosures in line with **TCFD's recommendations**
- Published **Climate Change Policy**
- July 2022: **Submitted 1.5°C aligned near-term science-based targets ("SBTs")** to reduce greenhouse gas ("GHG") emissions for the Science Based Targets initiative's ("SBTi") approval

### Global benchmark recognitions



1 of 3  
China companies  
included in the index



Rating A



G R E S B  
★★★★★ 2021  
Rating 5 Star



Rating B-  
2<sup>nd</sup> best scoring band



Hang Seng Corporate  
Sustainability Index  
Series Member 2020-2021

Constituent  
since 2018





# Key Financial Highlights

# Financial Performance

## Solid fundamentals despite COVID outbreak

Revenue  
(RMB)

**4,415m**

Profit attributable to  
shareholders (RMB)

**450m**

Property sales  
(RMB)

**2,449m**

Rental and related  
income (RMB)

**1,091m**

Net gearing ratio

**48%**

DPS

**HKD0.036**

- Revenue decrease of 63% mainly caused by lockdown in 2Q 2022:
  - Decrease in recognised property sales due to delay in construction and handover of residential units of TPQ Lot 118
  - Rental and related income negatively affected
- Exchange loss of RMB477m due to depreciation of RMB vs USD and HKD
- Offset by lower operating costs



# Property Sales and Investment Property Portfolio

## Delay in property sales recognition complemented by stable rental income

### Property Sales

Project	RMB'm
Shanghai Taipingqiao	1
Shanghai RHXC	3
Shanghai Panlong Tiandi	2,065
Wuhan Tiandi	340
Foshan Lingnan Tiandi	15
Chongqing Tiandi	25
<b>Total property sales recognised as revenue</b>	<b>2,449</b>
<b>Property sales recognised as:</b>	
	RMB'm
- Property sales in revenue of the Group	2,449
- Revenue of associates	84
- Revenue of joint ventures	85
<b>Total Property Sales</b>	<b>2,618</b>



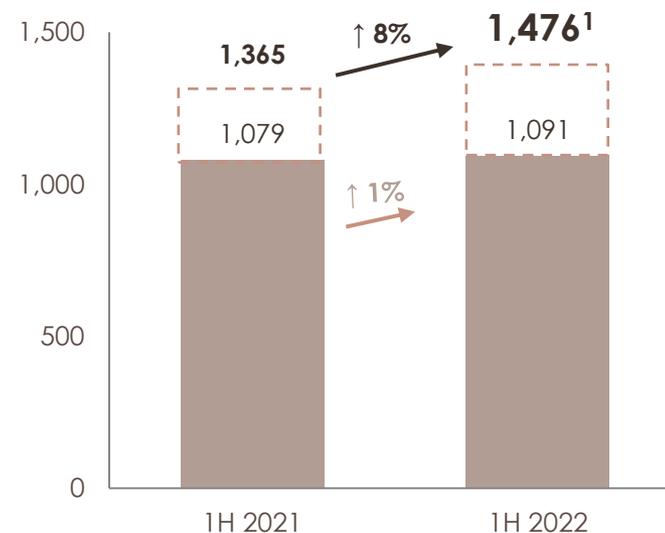
Wuhan Tiandi B10



PL Lot 11

### Rental and related income

(RMB million)



- Consolidated rental and related income
- Rental and related income from JVs and associates

Notes:

1. Including rental income from Shanghai RHXC Commercial Partnership Portfolio, Shanghai Taipingqiao 5 Corporate Avenue and Hubindao and Nanjing IFC, in which, the Group has 49.5%, 44.55% and 50% effective interest, respectively.



# Income Statement

RMB'm	1H 2022	1H 2021	Change
<b>Revenue of the Group</b>	<b>4,415</b>	<b>11,977</b>	<b>(63%)</b>
Property sales	2,449	10,214	(76%)
Rental & related income	1,091	1,079	1%
Property management income	251	244	3%
Hotels, construction and others	624	440	42%
Cost of sales	(1,594)	(7,033)	(77%)
<b>Gross profit</b>	<b>2,821</b>	<b>4,944</b>	<b>(43%)</b>
Gross profit margin	64%	41%	23ppt
Other income	127	108	18%
Selling & marketing expenses	(93)	(104)	(11%)
General & administrative expenses	(509)	(492)	3%
Increase in fair value of investment properties	64	10	540%
Other gains and losses	(134)	(132)	2%
Share of results of associates and joint ventures	(73)	200	(137%)
Finance costs, inclusive of exchange differences	(1,176)	(498)	136%
Net exchange (loss)/gain	(477) <sup>1</sup>	74	(745%)
Net interest costs and others	(699)	(572)	22%
<b>Profit before tax</b>	<b>1,027</b>	<b>4,036</b>	<b>(75%)</b>



Note:

(1) Due to the depreciation of the RMB against the USD and the HKD in 1H 2022

# Income Statement (Cont'd)

RMB'm	1H 2022	1H 2021	Change
<b>Profit before tax</b>	<b>1,027</b>	<b>4,036</b>	<b>(75%)</b>
Tax	(248)	(2,748)	(91%)
<b>Profit for the period</b>	<b>779</b>	<b>1,288</b>	<b>(40%)</b>
Attributable to:			
Non-controlling shareholders	213	80	166%
Owners of perpetual capital securities	116	126	(8%)
<b>Profit attributable to shareholders</b>	<b>450</b>	<b>1,082</b>	<b>(58%)</b>
Earnings per share – Basic	RMB 5.6 cents	RMB13.5 cents	(58%)
Interim dividend per share	HKD0.036	HKD0.036	

Having taken into consideration that the Group's financial position, the Board has resolved to recommend the payment of a 2022 interim dividend of HKD0.036 per share (1H 2021: HKD0.036 per share)



# Financial Position

## Proactive and prudent capital management strategy with strong access to financing

### Prudent financial strategy with industry foresight

- **Proactive deleveraging since mid 2010s**, with net gearing decreased from 87% as of 30 Jun 2015 to 48% as of 30 Jun 2022
- **Well-managed debt maturity profile**
  - No bonds maturing in the next 12 months
  - US\$600m perpetual capital securities redeemed in Jun 2022

### Strong access to new financing

- **Sustainable financing** channels
  - During 1H 2022, the Group has repaid and/or refinanced over USD1,110 million of debt (excluding non-subsidiary level debts), including the USD600 million of perpetual capital securities fully redeemed in Jun 2022

### Track record of returning value to shareholders

- **HKD0.036 per share dividend declared** for the 1H 2022
- **Share buyback plan of up to HKD500m; bought back 2.4m shares up to date**

Total assets  
(RMB)

109,940m

Total cash and bank  
deposits (RMB)

12,975m

Total debt  
(RMB)

34,443m

Net debt  
(RMB)

21,468m

Shareholder's equity  
per share (RMB)

4.93

Average cost  
of debt

4.9%

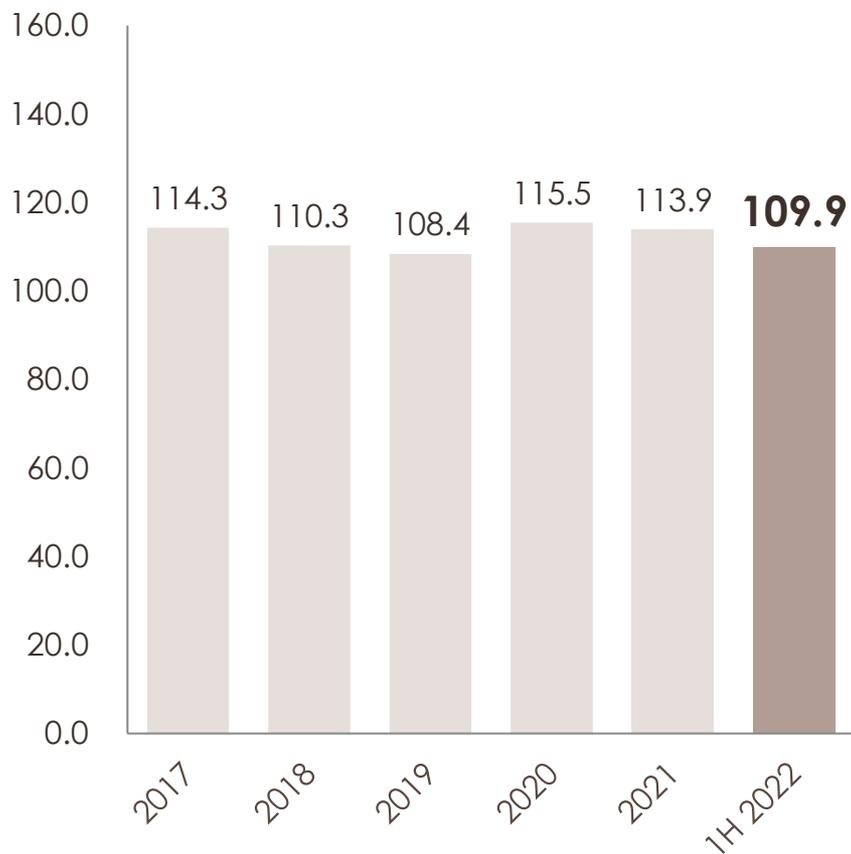


# Asset Base

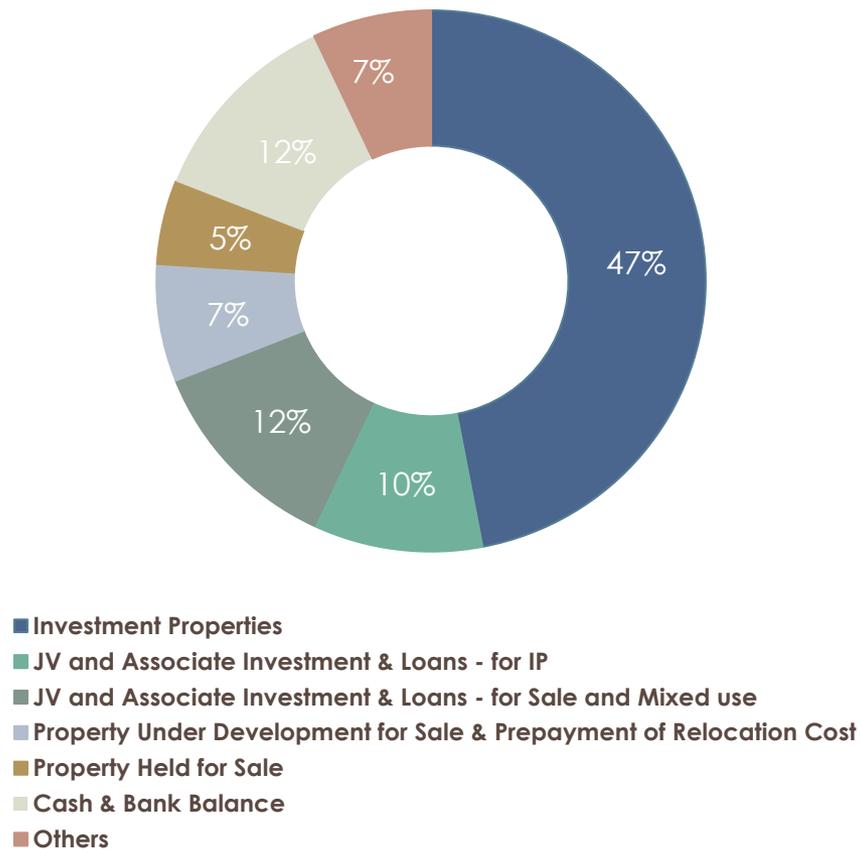
## Maintaining solid asset base

### Total assets

(RMB'bn)



### Breakdown of assets by nature



# Valuation of Investment Property Portfolio

Project	Product	Leasable GFA	Fair Value Gain/(Loss) in 1H 2022	Carrying Value as of 30 June 2022	Fair Value Gain/(Loss) to Carrying Value	Attributable Value
		sq.m.	RMB'mn	RMB'mn	%	RMB'mn
<b>SXTD Portfolio<sup>2</sup></b>						
<b>Completed Investment Properties</b>						
<b>Shanghai Taipingqiao Community</b>						
Shanghai Xintiandi and Xintiandi Style II	Office & Retail	61,000	(4)	6,762	(0.1%)	6,755
Shui On Plaza and Xintiandi Plaza	Office & Retail	52,200	(10)	4,107	(0.2%)	3,327
5 Corporate Avenue, Hubindao(associate)	Office & Retail	79,000	-	6,743	-	3,004
<b>The Hub</b>	Office & Retail	263,000	(34)	8,925	(0.4%)	8,925
<b>Shanghai KIC</b>	Office & Retail	248,000	34	8,415	0.4%	3,888
<b>INNO KIC</b>	Office & Retail	45,000	(2)	1,473	(0.1%)	1,473
<b>Wuhan Tiandi Community</b>	Retail	239,000	58	6,584	0.9%	6,584
<b>Foshan Lingnan Tiandi Community</b>	Office & Retail	142,000	27	4,148	0.7%	4,148
<b>Chongqing Tiandi Community</b>	Retail	128,000	(8)	1,485	(0.5%)	1,470
<b>Nanjing IFC (JV)</b>	Office & Retail	100,000	35	3,030	1.2%	1,515
<b>Subtotal</b>		<b>1,357,200</b>	<b>96</b>	<b>51,672</b>	<b>0.2%</b>	<b>41,089</b>
<b>Investment Properties under Development</b>						
<b>Xintiandi Style II (AEI)</b>	Retail	19,000	2	1,220	0.2%	1,208
<b>Investment Property - Sublease of Right-of-use Assets</b>						
<b>Nanjing INNO</b>	Office & Retail	17,000	(5)	88	(5.7%)	88
<b>SXTD Portfolio Total</b>		<b>1,393,200</b>	<b>93</b>	<b>52,980</b>	<b>0.2%</b>	<b>42,385</b>
<b>Other Investment Properties</b>						
<b>Shanghai RHXC</b>	Office	500	-	8	-	8
<b>1 Corporate Avenue, Wuhan</b>	Office	165,000	-	2,648	-	2,648
<b>Chongqing Street shops</b>	Retail	3,000	(6)	28	(21.4%)	28
<b>Shanghai Panlong Tiandi</b>	Retail	44,000	10	945	1.1%	756
<b>Shanghai Hong Shou Fang</b>	Office & Retail	62,000	2	2,459	0.1%	2,459
<b>Foshan Lot A</b>	Office & Retail	254,000	-	1,888	-	1,888
<b>Ruihong Tiandi Community (JV)</b>	Office & Retail	441,000	51	15,749	0.3%	7,796
<b>CPIC Xintiandi Commercial Center (JV)</b>	Office & Retail	276,000	(119)	19,375	(0.6%)	4,844
<b>Other Investment Properties Total</b>		<b>1,245,500</b>	<b>(62)</b>	<b>43,100</b>	<b>(0.1%)</b>	<b>20,427</b>
<b>Grand Total</b>		<b>2,638,700<sup>1</sup></b>	<b>31</b>	<b>96,080</b>	<b>-</b>	<b>62,812</b>
<b>Grand Total (excluding associates and JV)</b>		<b>1,742,700<sup>1</sup></b>	<b>64</b>	<b>51,183</b>	<b>0.1%</b>	<b>45,653</b>

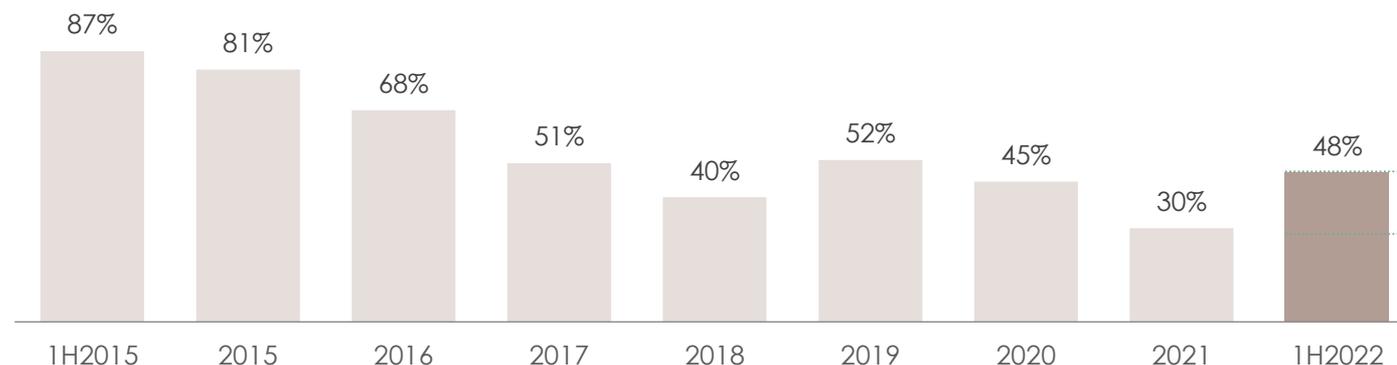
<sup>1</sup> Self-use property (total GFA 15,000 sq.m.) is classified as property and equipment in the consolidated statement of financial position, and the respective leasable GFA is excluded from this table. Carpark and other facilities spaces are also not included in this table.

<sup>2</sup> The completed investment properties will be transferred to SXTD upon completion of the restructuring.

# Our Debt Position

## Relatively low gearing maintained despite latest industry headwinds

### Net Gearing (%)

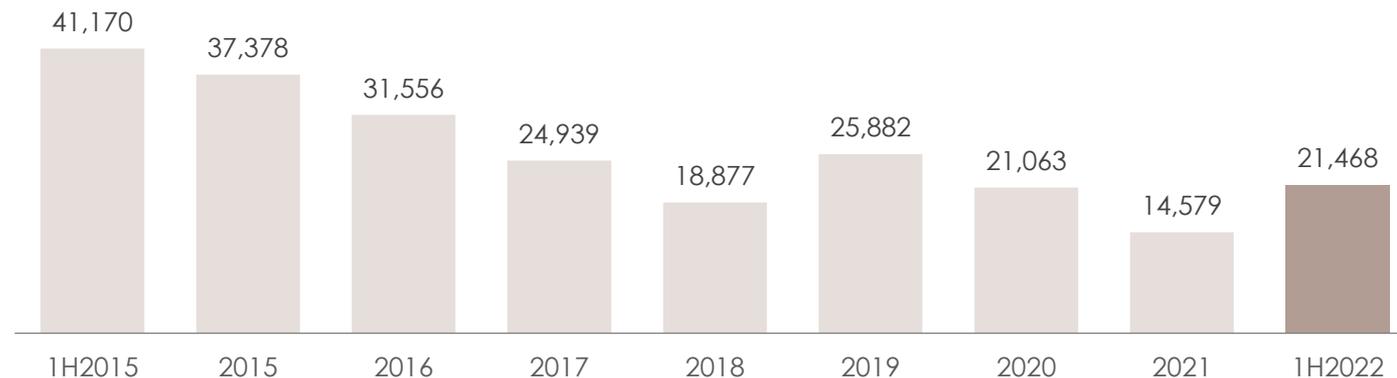


Consistently maintained a **low gearing ratio** in the past few years as compared against industry peers

18ppts increase in gearing is largely due to the reduction in equity from the **redemption of US\$600m senior perpetual capital securities by internal sources** in June 2022 (resulting in 13% increase in gearing)

Low net debt position supported by **RMB13.0bn cash on hand**, and has additional liquidity sources including undrawn credit lines

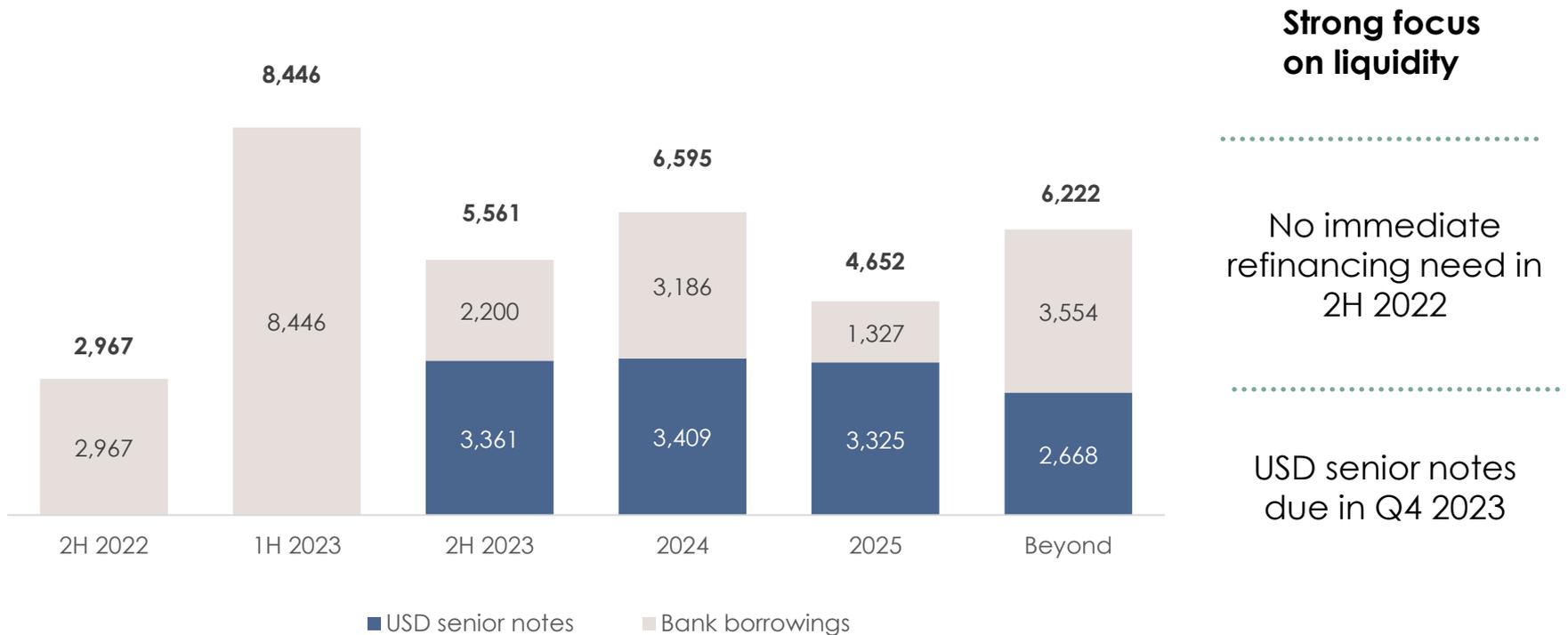
### Net Debt (RMB'm)



# Active Debt Management

## Diverse funding sources with spread out debt maturity

Debt maturity profile as at 30 June 2022  
(RMB'm)



# Senior Notes

Well-spread out maturity with increasing focus on sustainable financing

## Senior notes repaid in 1H 2022

Amount (Currency million)	Coupon Rate	Issue Date	First callable Date	Repaid Amount (million)	Repayment Date
USD600	6.400%	20-Jun-17	20-Jun-22	USD600	21-Jun-22

## Outstanding senior notes as at 30 June 2022

Amount (Currency million)	Coupon Rate	Issue Date	Maturity Date
USD300 Green Bond	5.750%	12-Nov-19	12-Nov-23
USD200 Green Bond			
USD500	6.150%	24-Aug-20	24-Aug-24
USD490	5.500%	03-Mar-20	03-Mar-25
USD400 Sustainability-Linked Bond	5.500%	29-Jun-21	29-Jun-26





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# Property Sales & Development

# Growth Strategy for Development

## Eyeing on longer-term opportunities

### Market Highlights under Current Economic Downturn and Property Sector Correction

- **Divergent sales performance among cities, companies and projects:** Tier-1 & leading Tier-2 cities, developers with prudent financial position, and quality products outperformed
- **Urban regeneration plays an increasingly important role in future development of top-tier cities** with a accelerated pace in Shanghai recently
- **Demands on mixed-use community based quality residential products with better service** becomes stronger post COVID lockdown

### Growth Strategy by Leveraging Our Brand, Core Competence and Favourable Position

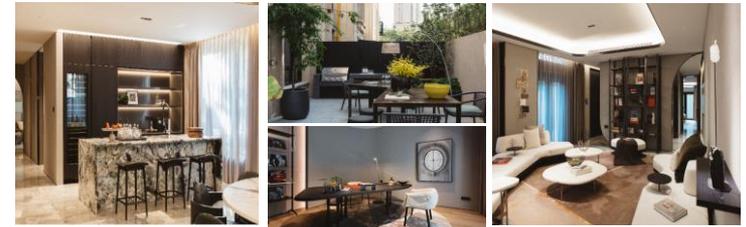
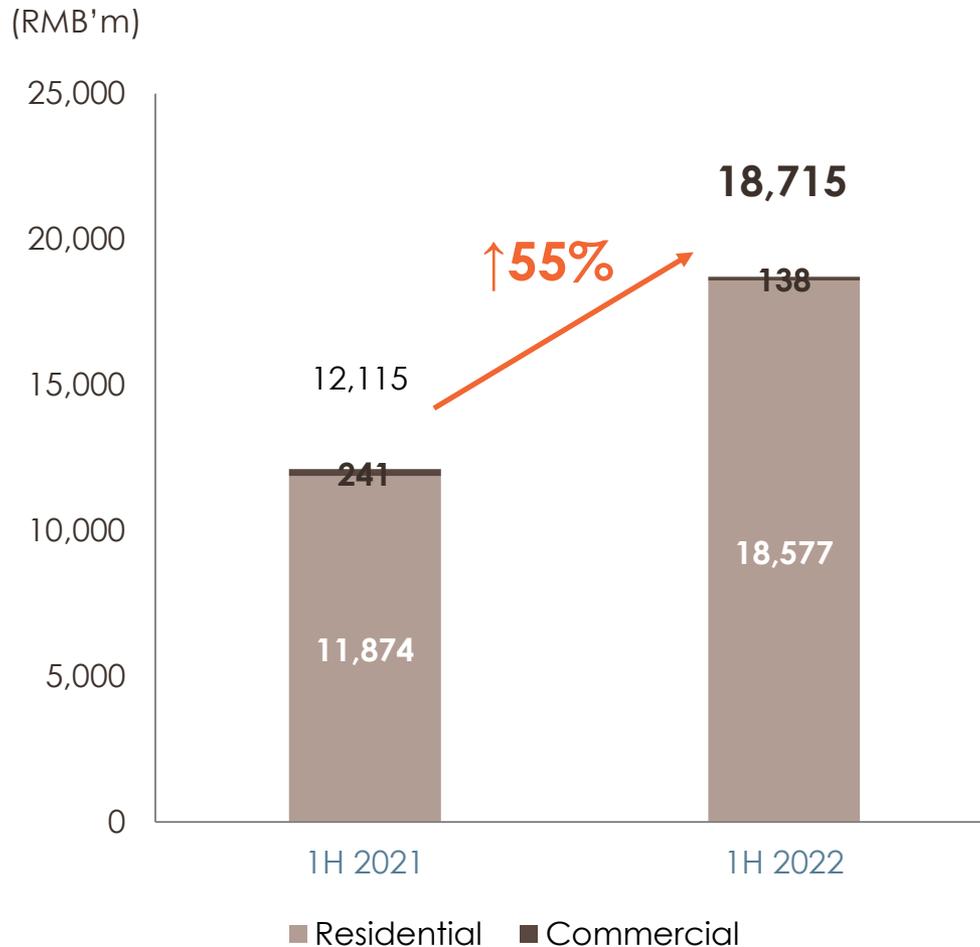
- Utilise our **strengths in urban redevelopment and strong presence in Shanghai** and key cities
- Look for opportunities in Tier-1 cities and other strategic locations in the YRD area and GBA
- Focus on **high quality mixed-use community** development and explore new product line(s)
- Actively **increase landbank** and look for opportunities for quicker turnover
- Explore attractive M&A opportunities



# Property Sales

Strong demand demonstrating buyers' confidence in our projects

## Contracted sales



LAKEVILLE V (TPQ Lot 118)



OCEAN ONE (RHXC Lot 7)



PARK VERA (RHXC Lot 167A)

- **RMB 1.8 billion** subscribed sales for contract in 2H 2022 and beyond



# Residential Available for Sale and Pre-sale in 2H 2022

Project	Product	GFA in sq.m.	Group's Interests %	Attributable GFA in sq.m.
Shanghai Taipingqiao Lot 118	High-rises	5,100	99%	5,000
Shanghai RHXC Lot 7 <sup>1</sup>	High-rises	3,800	49.50%	1,900
Shanghai RHXC Lot 167A <sup>2</sup>	High-rises	5,300	49%	2,600
Shanghai Panlong Tiandi	High-rises	71,900	80%	57,500
Wuhan Tiandi	High-rises	20,400	100%	20,400
Wuhan Optics Valley Innovation Tiandi	High-rises	38,700	50%	19,400
Chongqing Tiandi	High-rises	2,100	19.80%	400
<b>Total</b>		<b>147,300</b>		<b>107,200</b>

Notes:

(1) Shanghai RHXC Lot 7 was launched in Jan 2022, all units were subscribed at the launch day.

(2) Shanghai RHXC Lot 167A was launched in Jun 2022, all units were subscribed at the launch day.



# 1H 2022 Pre-Sale Highlight: RHXC Park Vera (Lot 167A)

## All units sold on launch day



<b>Property</b>	Lot 167A, Hongkou District, Shanghai
<b>Transportation network</b>	Metro lines 4,8 and 10
<b>Land Area</b>	25,716 sq.m.
<b>Residential GFA</b>	86,000 sq.m.

### Sales performance highlights

- **Total No. of Units: 609 / Average Selling Price: RMB 119,800/sq.m.**
- **Duration of Subscription:** March 1~7, 2022
- **Significantly over-subscribed and total deposit payers: 1,940**
- **Deposit of each potential customer: RMB 3.3m**
- **Sales launch review:**
  - **Launch day deferred to June 8** from late of March due to lockdown
  - **1<sup>st</sup> residential project in downtown area and the 2<sup>nd</sup> one in Shanghai city** that were permitted to launch sales after the lockdown
- **Buyers' sentiment remained strong for our project**
- **RMB10.3bn contracted/subscribed sales in 1H 2022**



# New Launch in 2H 2022: Shanghai Panlong Tiandi

## 3.5x subscription reflecting strong demand



Panlong Tiandi Masterplan with Urban Retreat Concept



LEED ND Gold for PLTD



Awards and Recognitions



Low-rise Residential Products

- One of the 1<sup>st</sup> batch of 'village-in-city' regeneration project in Shanghai
- Upholding the core philosophy of "Culture, Nature and Future," SOL's masterplan concept and quality development has received **great recognitions from the public and the government**
- Received **over 2000 subscriptions for the 571 units** to be launched; according to government policy, 1062 customers entered into the final lucky draw process with **record high entry score at 91.22 in Shanghai.**
- With the successful launch, we are **confident in achieving the full year contracted sales target**



# Residential Development Saleable Resources

## RMB76 billion saleable resources from current landbank as of 30 Jun 2022

Project Name	Approximate Saleable Residential GFA sq.m.	Estimated Gross Saleable Resource RMB' bn	The Group's interests %	Estimated Attributable Sales RMB' bn
Shanghai Taipingqiao Lot 118	5,100	0.9	99%	0.9
Shanghai Taipingqiao Lot 122	80,900	19.4	50%	9.7
Rui Hong Xin Cheng Lot 7	3,800	0.4	49.5%	0.2
Rui Hong Xin Cheng Lot 167A	5,300	0.6	49%	0.3
Panlong Tiandi	71,900	5.0	80%	4.0
<b>Shanghai Sub-total</b>	<b>167,000</b>	<b>26.3</b>		<b>15.1</b>
Wuhan Shipyard	752,000 <sup>2</sup>	38.2 <sup>3</sup>	50%	19.1 <sup>3</sup>
Wuhan Tiandi	109,000	6.1	100%	6.1
Wuhan Optics Valley Innovation Tiandi	174,800	4.4	50%	2.2
Chongqing Tiandi	30,000	0.6	19.8%	0.1
<b>Other Cities Sub-total</b>	<b>1,065,800</b>	<b>49.3</b>		<b>27.5</b>
<b>Grand Total</b>	<b>1,232,800</b>	<b>75.6</b>		<b>42.6</b>

Notes:

(1) This represents saleable resources not yet recorded as contracted sales as of 30 Jun 2022, excluding sites yet to commence relocation.

(2) Excluded total residential GFA of 33,200 sq.m. for lease.

(3) Figures are preliminary estimates that are subject to further revision of the project plan.



# Commercial Development

Strong pipeline of commercial properties in Shanghai and other cities for rental growth and capital recycling

## List of Commercial Properties Under Development and for Future Development as of 30 Jun 2022 (Excluding sites yet to commence relocation)

Project Name	Office GFA sq.m.	Retail GFA sq.m.	Total GFA sq.m.	The Group's Interests %	Attributable GFA sq.m.
CPIC Xintiandi Commercial Center	192,000	84,000	276,000	25.00%	69,000
Shanghai TPQ Lot 122	-	21,000	21,000	50.00%	10,500
Shanghai RHXC Lot 167B	107,000	12,000	119,000	49.00%	58,300
Shanghai Hong Shou Fang	48,000	14,000	62,000	100.00%	62,000
Shanghai Panlong Tiandi	-	44,000+4,000 <sup>1</sup>	48,000	80%	38,400
<b>Shanghai Sub-total</b>	<b>347,000</b>	<b>179,000</b>	<b>526,000</b>		<b>238,200</b>
Wuhan Tiandi	70,000	3,000	73,000	100.00%	73,000
Wuhan Optics Valley Innovation Tiandi	484,000	356,000	840,000	50.00%	420,000
Wuhan Shipyard	55,000	231,000 <sup>2</sup> +30,000 <sup>1</sup>	316,000	50.00%	158,000
Foshan Lingnan Tiandi	450,000	107,000+ 80,000 <sup>1</sup>	637,000	100.00%	637,000
Chongqing Tiandi	357,000	164,000+ 25,000 <sup>1</sup>	546,000	19.80%	108,100
<b>Other Cities Sub-total</b>	<b>1,416,000</b>	<b>996,000</b>	<b>2,412,000</b>		<b>1,396,100</b>
<b>Grand Total</b>	<b>1,763,000</b>	<b>1,175,000</b>	<b>2,938,000</b>		<b>1,634,300</b>

Notes:

(1) Hotel use.

(2) Figures are preliminary estimates that are subject to further revision of the project plan.





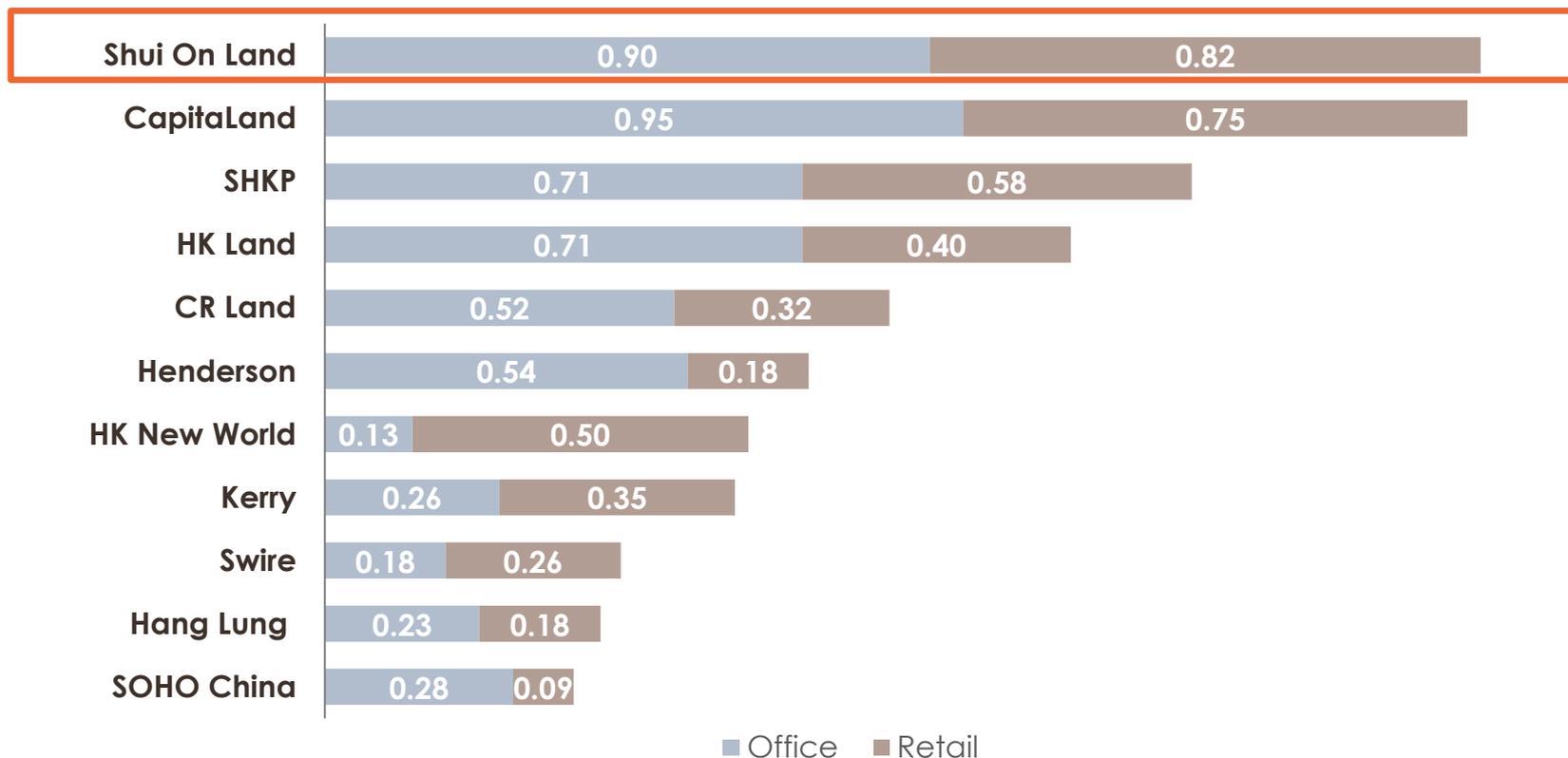
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# Shui On Xintiandi

# Leading Player in Shanghai Commercial Real Estates

## Owning GFA of 1.72 million sq.m. commercial properties

Commercial GFA Owned or Under Management in Shanghai<sup>1</sup> (in mn sq.m. GFA)



Source: Latest available company presentations and filings.

Notes:

(1) Mainly includes portfolios that are officially disclosed on companies' latest annual reports available with necessary updates. Includes projects under construction and assets under management.



# Commercial Portfolio in Shanghai

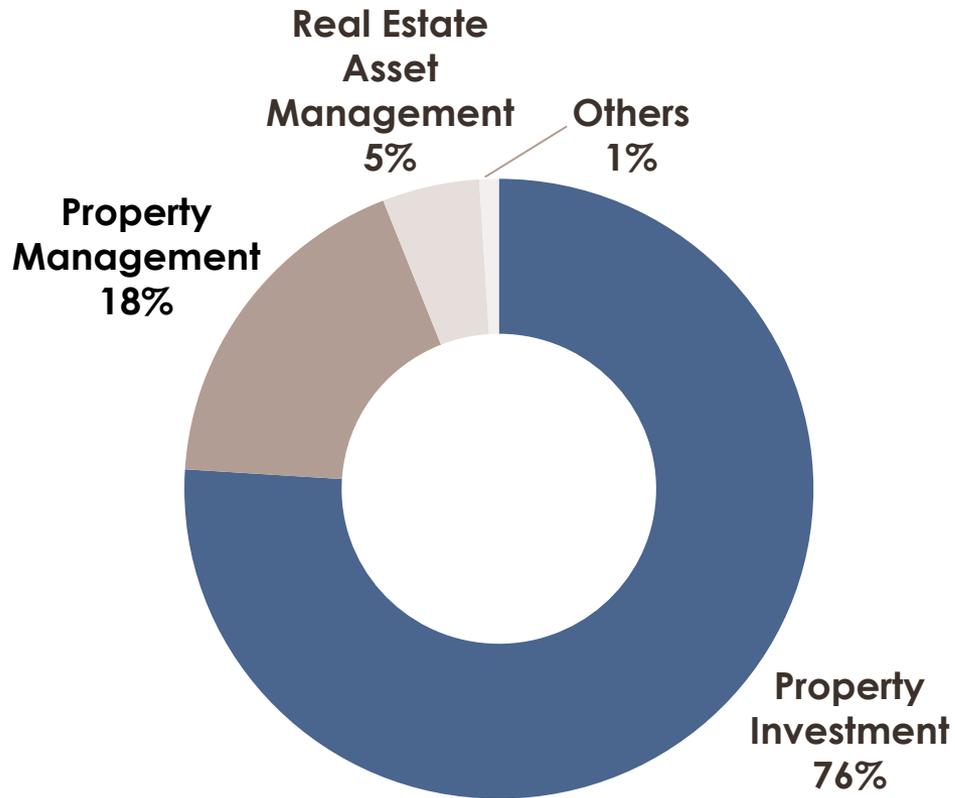
RMB81 billion of commercial assets located in prime locations



# Major Business Segments under SXTD

## Leading owner of premium and sustainable commercial properties

### Revenue breakdown by business segments



### Property Investment

- Investment, ownership and operation of commercial properties and provision of other rental-related services

### Property Management

- Commercial and residential property management services

### Real Estate Asset Management

- Commercial asset management services

Note:

(1) Figures are unaudited and prepared on a pro-forma basis.



# Pro-forma Financial Indicators

Resilient portfolio yielding stable performance

**Revenue**  
(RMB)

**1,421m**

↑ 3% yoy

**Operating profit**  
(RMB)

**801m**

(1%) yoy

**Net assets**  
(RMB)

**33,742m**

↑ 1% yoy

**Gross profit**  
(RMB)

**1,057m**

↑ 2% yoy

**Underlying profit<sup>(2)</sup>**  
(RMB)

**399m**

↑ 23% yoy

**Net gearing ratio**

**15%**

Notes:

(1) Figures are unaudited and prepared on a pro-forma basis.

(2) Underlying profit is a non-IFRS financial measure and represents the net profit attributable to shareholders that excludes fair value changes and effect of foreign exchange.

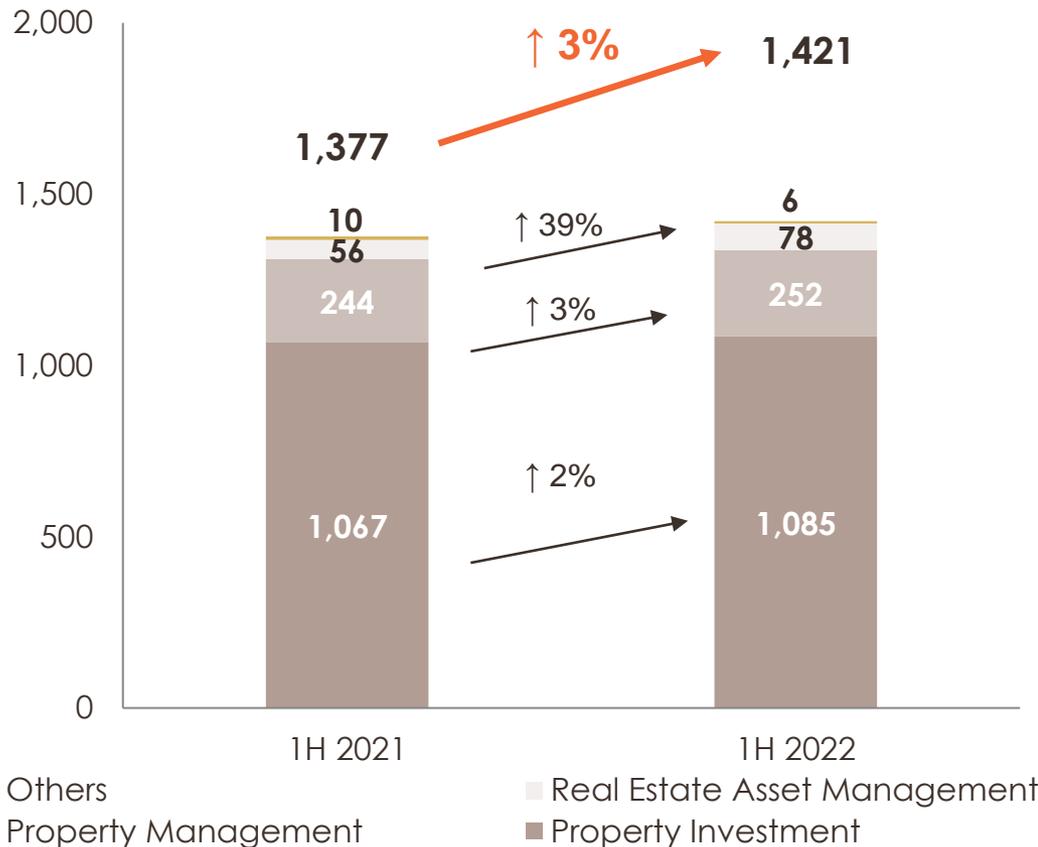


# Performance by Business Segment (Pro-forma financial information)

## Modest growth in revenue despite challenging environment

### Revenue

(RMB'm)



- Lockdown in Shanghai impacted property investment performance but offset by outperformance in properties in Wuhan and Chongqing
- Improvement in Real Estate Asset Management as **AUM** grew from RMB25.6 billion as of 30 June 2021 to **RMB26.5 billion** as of 30 June 2022

Note:

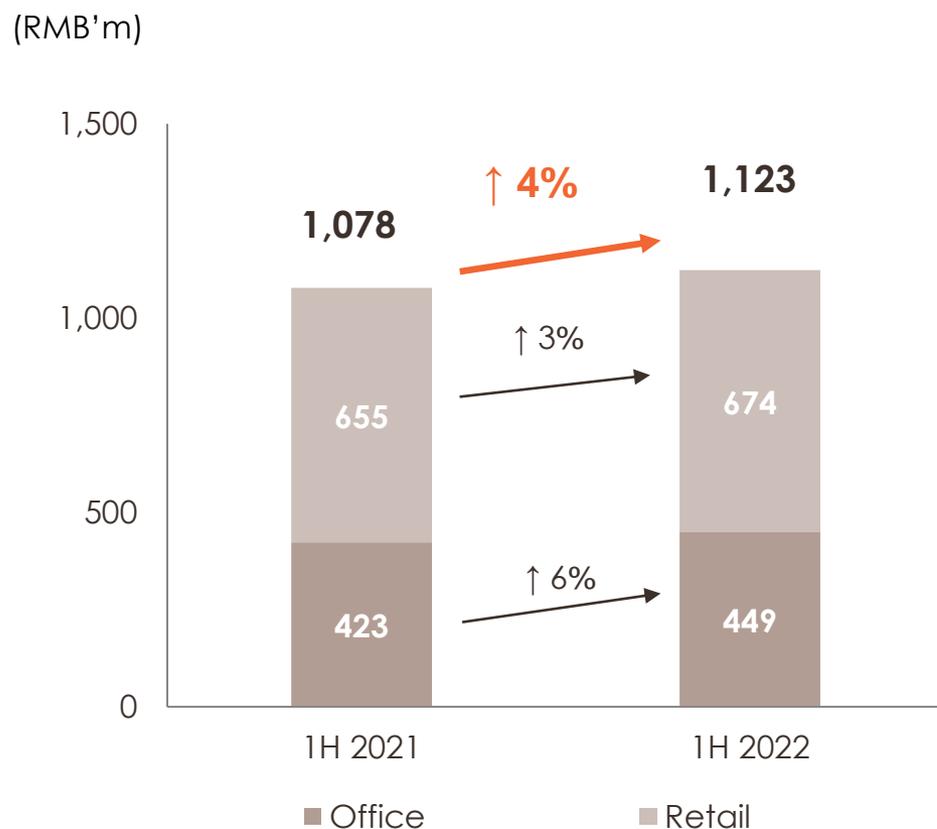
(1) Figures are unaudited and prepared on a pro-forma basis.



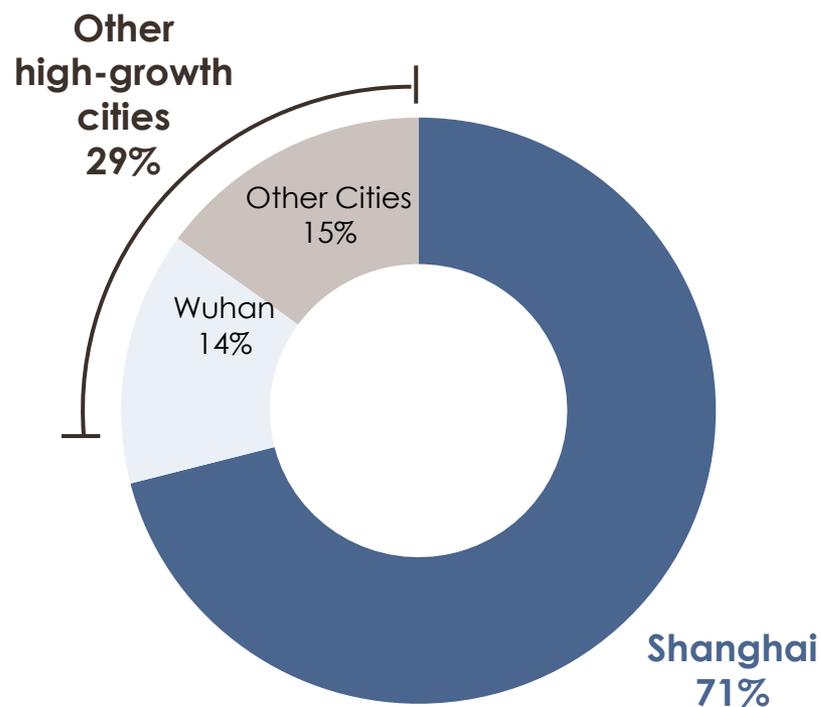
# Property Investment (Pro-forma financial information)

## Well-balanced portfolio mix

Rental income<sup>1</sup> breakdown by asset type



Revenue breakdown by geography



1. Including rental income from 5 Corporate Avenue and Hubindao and Nanjing IFC, and excluding income from carparks and others.



# Lockdown Causing Disruption in Shanghai Business

## Occupancy upholds and focus on helping tenants' business recovery



Donated RMB 5M to support COVID-19 Screening  
Prepared emergency packages to Employees and Tenants

- Re-opened since June 2022 in Shanghai
- Strong foot traffic on day of re-opening
- Performance affected when isolated cases found
- Overall seeing progressive recovery of traffic and sales



- ◆ Provide effective tenant support and innovative promotional events to drive tenant sales recovery
- ◆ Occupancy rates of retail and office as of 30 June 2022 were maintained above **90%**



# Property Investment (Pro-forma financial information)

## Performance by project

Project/ property	Product	Leasable GFA sq.m.	Rental & Related Income <sup>6</sup> RMB' million		Change %	Occupancy Rate		Change ppt
			1H 2022	1H 2021		30 Jun 2022	31 Dec 2021	
<b>Shanghai Taipingqiao Community</b>								
Shanghai Xintiandi	Office / Retail	54,000	208	218	(5%)	91%	100%	(9)
Xintiandi Style II	Retail	7,000 <sup>1</sup>	10	32	(69%)	62% <sup>2</sup>	79%	(17)
Shui On Plaza & Xintiandi Plaza	Office / Retail	56,000	85	88	(3%)	98%	99%	(1)
<b>The Hub</b>	Office / Retail	263,000	206	205	0.5%	92%	95%	(3)
<b>Shanghai KIC</b>	Office / Retail	248,000	236	228	4%	95%	97%	(2)
<b>INNO KIC</b>	Office / Retail	45,000	30	29	3%	86%	97%	(11)
<b>Wuhan Tiandi Community</b>	Retail	239,000	178	148	20%	92%	93%	(1)
<b>Foshan Lingnan Tiandi Community</b>	Office / Retail	144,000	97	93	4%	96%	96%	-
<b>Chongqing Tiandi Community</b>	Retail	128,000	35	26	35%	97%	94%	3
<b>Total rental and related income</b>		<b>1,184,000</b>	<b>1,085<sup>7</sup></b>	<b>1,067</b>	<b>2%</b>			
<b>Shanghai Taipingqiao Community</b>								
Shanghai 5 Corporate Avenue, Hubindao <sup>3</sup>	Office/Retail	79,000	124	155	(20%)	95%	96%	(1)
<b>Nanjing IFC<sup>4</sup></b>	Office/Retail	100,000	59	51	16%	58%	60%	(2)
<b>Grand Total</b>		<b>1,363,000<sup>5</sup></b>	<b>1,268</b>	<b>1,273</b>	<b>-</b>			

1. Excluded a total leasable GFA of 19,000 sq.m. which was under AEI since October 2021.

2. Drop in occupancy rate in 1H 2022 was due to AEI works, and tenants were vacated since 2021.

3. The Group held 44.55% effective interest in the property. Rental and related income attributable to SXTD was RMB55 million in 1H 2022 and RMB69 million in 1H 2021.

4. The acquisition of Nanjing IFC was completed in February 2021. The Group held 50% effective interest in the property. Rental and related income attributable to SXTD was RMB30 million in 1H 2022 and RMB26 million in 1H 2021.

5. A total GFA of 9,000 sq.m. located at Shanghai Shui On Plaza and Shanghai KIC were occupied by SXTD and were excluded from the above table.

6. Excluding property management income from commercial properties which is included in the Property Management segment.

7. The difference between revenue from property investment of SXTD and the consolidated rental and related income of the group was mainly due to the income from the temp shop in Foshan Lingnan Tiandi.



# Property Management & Real Estate Asset Management

## Fueling growth trajectory with diverse income source

### Property Management

- Customers include property owners, property owners' committee and tenants
- Managing a portfolio of 4.3m sq.m. commercial GFA and 5.1m sq.m. residential GFA
- Total valuation of the projects under management amounted to RMB26.5 billion, with a total GFA of 680,000 sq.m.
- Supported by established partners

### Real Estate Asset Management



5 Corporate Avenue,  
Hubindao

**GFA**  
79,000 sqm

**Manulife & China Life**



Shanghai KIC

**GFA**  
253,000 sqm

**China Life**



Ruihong Tiandi Community

**GFA**  
441,000 sqm

**China Life**



CPIC Xintiandi Commercial Center

**GFA**  
276,000 sqm

**CPIC & Yongye Group**



Nanjing IFC

**GFA**  
100,000 sqm

**Grosvenor**



# Growth Strategy as an Asset Manager

## Well-equipped to face short-term challenges and further excel

### Near-term priorities

- **Stay resilient and agile** as we face challenges caused by pandemic and market volatility
  - Safeguard our tenants and customers
  - Improve and optimize cost efficiency
- **Flexible Leasing strategy**
  - Maintain occupancy rates
  - Long term tenant relationship
  - Provide tenants with diversified and effective support
- **Supporting tenants' sales recovery**
  - Proactive marketing activities
  - Explore new sales channels utilising strong tenant engagement



### Long term strategy

- **Create thriving communities** to help shape the future of cities
  - Continue to reposition and optimize trade mix and brand mix
  - Review the launching plan of new pipelines
- **Look for new emerging opportunities post-pandemic**
  - Explore opportunities from high-growth technology industries
  - Capture evolving consumer demand of emerging sustainable lifestyle
- **Leverage on asset-light model** to unlock long-term investment potential during market correction
  - Identify strategic locations for future community
  - Explore potential strategic partnership with local government and SOEs





瑞安房地產  
SHUI ON LAND

# Q&A



瑞安房地產  
SHUI ON LAND

# Appendix

# Asset Value of Commercial Portfolio

Completed Properties Key Projects	Office GFA sq.m.	Retail GFA sq.m.	Total GFA sq.m.	Attributable GFA sq.m.	Asset Value as of 30 June 2022 RMB' bn	% of ownership
<b>Shanghai Taipingqiao Community</b>						
Shanghai Xintiandi, Xintiandi Style II, Xintiandi Plaza, Shui On Plaza	36,000	85,000	121,000	109,000	11.52	100%/99%/80%/80%
5 Corporate Avenue, Hubindao	52,000	27,000	79,000	35,200	6.74	44.55%
<b>The Hub</b>	90,000	173,000	263,000	263,000	8.93	100%
<b>Ruihong Tiandi Community</b>						
Hall of the Moon, Hall of the Stars, The Palette 3,	-	111,000	111,000	55,000	4.01	49.5%
Hall of the Sun, Ruihong Corporate Avenue	145,000	185,000	330,000	163,400	11.74	49.5%
<b>Shanghai KIC</b>	186,000	67,000	253,000	117,300	8.56	44.27%/50.49%
<b>INNO KIC</b>	41,000	4,000	45,000	45,000	1.47	100%
<b>Nanjing IFC</b>	72,000	28,000	100,000	50,000	3.03	50%
<b>Wuhan Tiandi Community</b>	165,000	239,000	404,000	404,000	9.23	100%
<b>Foshan Lingnan Tiandi Community</b>	16,000	143,000	159,000	159,000	4.40	100%
<b>Chongqing Tiandi Community</b>	-	131,000	131,000	130,000	1.51	99%
<b>Subtotal</b>	<b>803,000</b>	<b>1,193,000</b>	<b>1,996,000</b>	<b>1,530,900</b>	<b>71.14</b>	
Land & Properties under development Key Projects	Office GFA sq.m.	Retail GFA sq.m.	Total GFA sq.m.	Attributable GFA sq.m.	Asset Value as of 30 June 2022 RMB' bn	% of ownership
<b>Shanghai Taipingqiao Community</b>						
Xintiandi Style II (AEI)	-	19,000	19,000	18,800	1.22	99%
CPIC Xintiandi Commercial Center	192,000	84,000	276,000	69,000	19.38	25%
<b>Shanghai RHXC</b>						
Shanghai Ruihong Tiandi Lot 167B	107,000	12,000	119,000	58,300	4.33	49%
<b>Shanghai Hong Shou Fang</b>	48,000	14,000	62,000	62,000	2.46	100%
<b>Shanghai Panlong Tiandi</b>	-	44,000	44,000	35,200	0.95	80%
<b>Foshan Lot A</b>	19,000	64,000	254,000	254,000	1.89	100%
<b>Subtotal</b>	<b>537,000</b>	<b>237,000</b>	<b>774,000</b>	<b>497,300</b>	<b>30.23</b>	
<b>Grand Total</b>	<b>1,340,000</b>	<b>1,430,000</b>	<b>2,770,000</b>	<b>2,028,200</b>	<b>101.37</b>	



# Financial Position

RMB'm	30 Jun 2022	31 Dec 2021	Change %
<b>Total cash and bank deposits</b>	12,975	17,284	(25%)
<b>Total assets</b>	109,940	113,896	(3%)
<b>Total debt</b>	34,443	31,863	8%
Bank borrowings	21,680	19,747	10%
Senior notes	12,763	12,116	5%
<b>Net debt</b>	21,468	14,579	47%
<b>Total equity</b>	45,073	49,178	(8%)
<b>Net gearing</b>	48%	30%	18 ppt
<b>Shareholders' equity per share</b>	RMB4.93	RMB4.95	(0.4%)

Note:

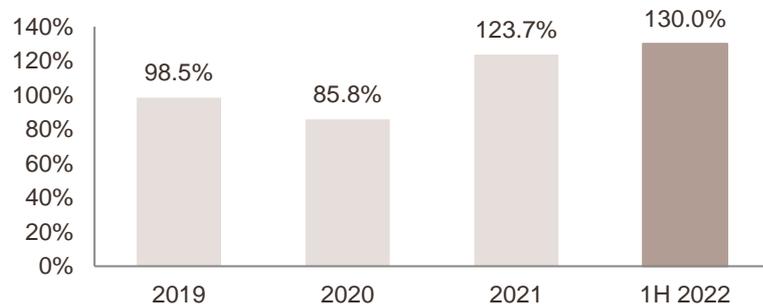
(1) Average cost of debt as at the end of year: 1H 2022: **4.9%** vs. 1H 2021: **4.7%**

*(The average cost of debt herein only includes interest cost, excluding arrangement fees and other fees.)*

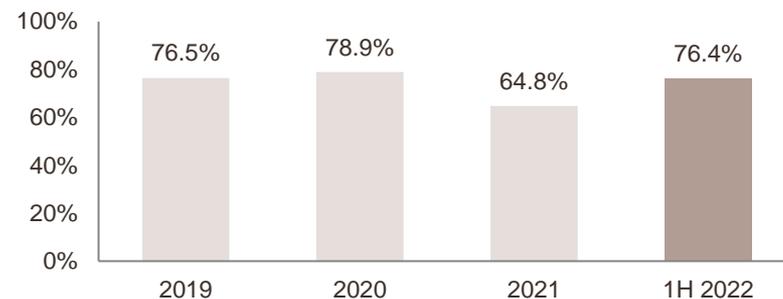


# Credit Profile

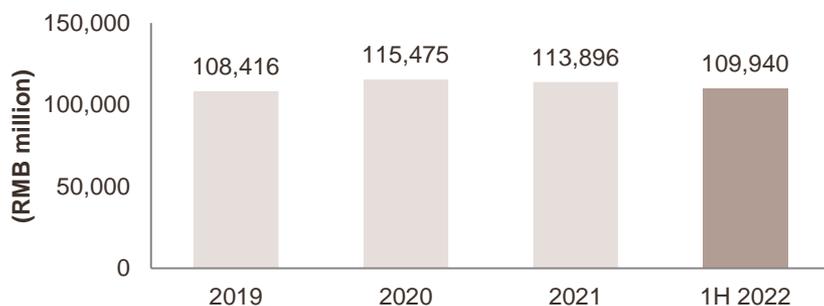
## Rental and related income / total interest costs<sup>1</sup>



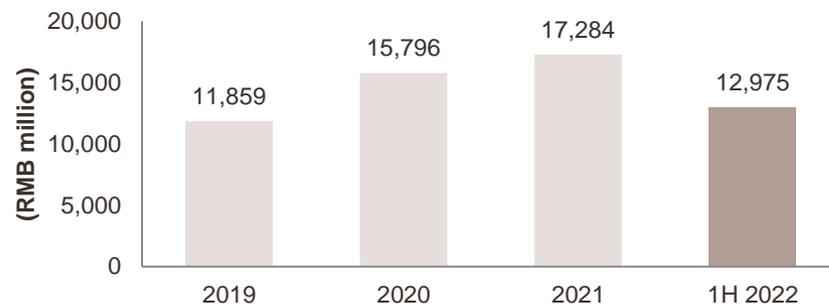
## Total debt<sup>2</sup> / Total equity<sup>3</sup>



## Total assets



## Total cash<sup>4</sup>

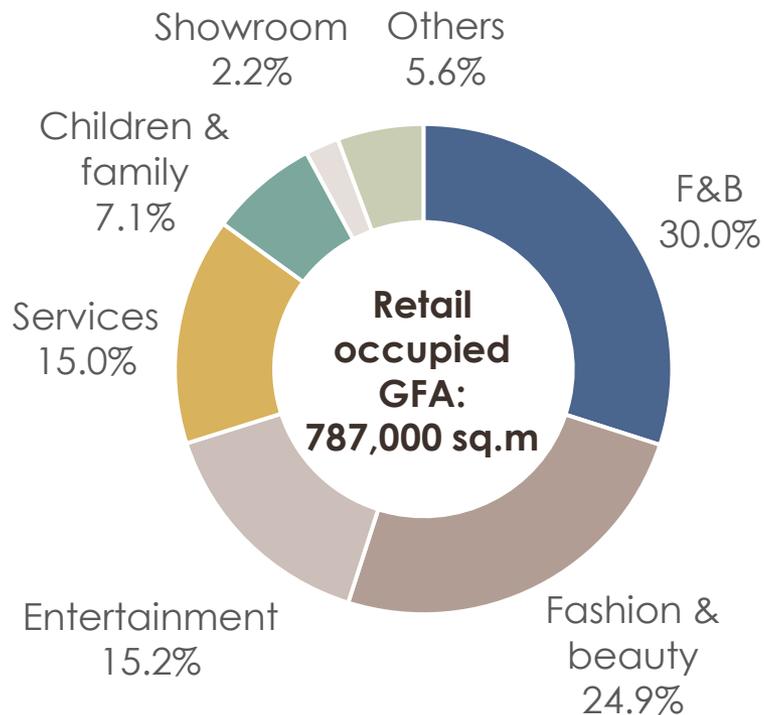


1. Total interest costs are calculated by adding interest on bank borrowings, interest on senior notes, interest expense from lease liabilities and interest on loans from an associate.
2. Total debt is calculated by adding all bank borrowings (due within or after 1 year), senior notes and receipts under securitization arrangements.
3. Total equity includes convertible perpetual capital securities, perpetual capital securities and non-controlling shareholders of subsidiaries.
4. Cash includes bank balances and cash, and pledged bank deposits.

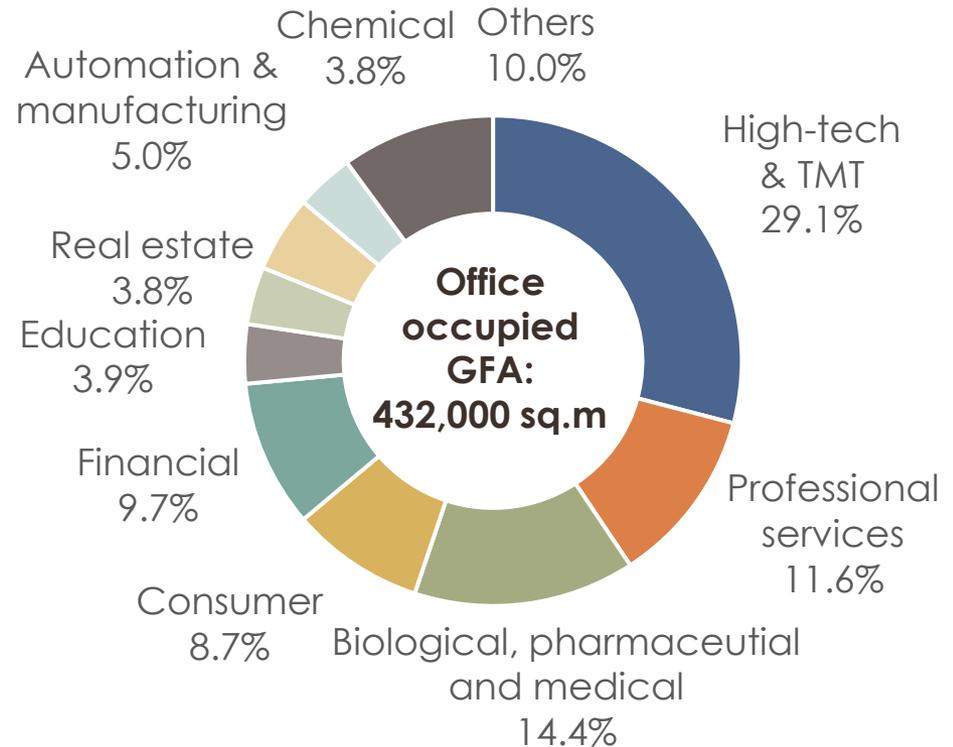


# Completed Investment Property Portfolio Tenant Mix

## Retail tenant mix



## Office tenant mix



# The 5C Sustainability Development Strategy



## Clean

### Ambition

Transition towards carbon neutrality, leading with climate change mitigation and adaptation practices and by increasing our capabilities to manage and reduce emissions across our entire portfolio

### 2030 Targets

- Transition towards carbon neutrality across our operations and developments
  - Reduction targets for GHG emissions and energy usage intensity per the SBT initiatives are under assessment<sup>1</sup>
- Develop and adopt a company climate change policy to mitigate and adapt to potential risks
- Increase the proportion of total electricity consumption from renewable sources to 15%<sup>2</sup>
- Be known for human-centric building designs that meet or exceed local and international sustainability and health standards
  - 100% new building achieve dual health and sustainability certifications

### Priorities and Signature Initiatives

- Transition towards carbon neutrality
  - Signature initiative:** Adopt **Science Based targets** and commit to setting emissions reduction target in line with limiting global warming to well below 2°C. Further pursue efforts to sign onto the Business Ambition for 1.5°C campaign in the future
- Build green and healthy communities
  - Signature initiative<sup>1</sup>:** Pursue **dual sustainability and health certifications** (WELL+ LEED and/or Chinese equivalent) for our controlled operating commercial assets; 2) Pursue LEED ND certificate for all our master plan communities
- Reduce waste in our portfolio



## Community

### Ambition

For all our communities to encourage and enable healthy, sustainable living and to make our community sustainability practices among the best in China

### 2030 Targets

- 100% of the indoor air quality in the common areas of our buildings to fulfil or exceed the IAQ mainland China standard
- Design and curate programmes for inclusive, human scale public spaces that improve the vibrancy and liveability of our communities
- 100% adoption of Green Pledge by all tenants by 2025 to enable a healthy and sustainable community. Contents of the pledge to include the elimination of single use plastics as well as the reduction of water and electricity consumption
- Promote and/ or incubate over 100 start-ups or local creative business within our community

### Priorities and Signature Initiatives

- Embed health and sustainability into our online-offline community experience
- Enhance partnerships and engagement for thriving sustainable communities:
  - Signature initiative:** Engage tenants to sign **Green Pledge** to adopt sustainable practices during fit out and throughout tenancy including reduction of waste, electricity and water consumption.
  - Signature initiative:** Encourage and enable consumers to make healthy and sustainable choices and to take on a **"green Monday-plant based diet"** initiative by engaging all F&B tenants to provide a vegetarian "green" menu
- Strengthen an innovative and entrepreneurial ecosystem



To achieve this vision, we have crafted the 2030 5C SD Strategy, by which our strategic priorities, known as the "the 5Cs": Clean, Community, Culture, Care and Corporate Governance will point the way for the Group's sustainable future toward 2030 and beyond.



## Corporate Governance

### Ambition



Become a trusted partner for all stakeholders by nurturing a corporate culture of integrity, transparency, and accountability

### 2030 Targets

- Adhere to global best practices for corporate governance and ESG reporting
- Achieve a minimum of 50% of bond and loan facilities from sustainable financing
- Maintain 100% implementation of the employee Code of Conduct across all business units



## Culture

### Ambition

Enhance the vibrancy and authenticity of our communities through urban regeneration, architectural heritage conservation, promotion of local creative talents and international cultural exchange

### 2030 Targets

- Be a pioneer in preservation and adaptive reuse of historical buildings and its urban fabric
- Enhance the vibrancy of the communities that we develop through the programming of cultural content and the design and management of city streetscapes
- Promote and celebrate local creative talent

### Priorities and Signature Initiatives

- Rejuvenate urban, cultural heritage sites
  - Signature initiative:** Become a **thought leader in the urban planning and real estate sector on urban regeneration** through preservation and adaptive reuse of historic buildings and districts
- Engage, connect, and promote local creativity with future business opportunities
  - Signature initiative:** **Created in China** (featuring the 'Creators 100' programme which promotes and spotlights local creators)
- Promote international cultural diversity and exchange
  - Signature initiative:** Enhance global cultural exchange in China through developing and operating **signature IP events** across our portfolio



## Care

### Ambition

Provide all employees with equal opportunities for holistic career development, while maintaining the highest health and safety standards in the workplace and ensuring openness to diversity of thought and innovation - enabling them to be accountable members of society

### 2030 Targets

- Develop a holistic training programme and individual career development plan for all employees of every level across all business units
  - Average training hours per employee per year: 40
- Provide a safe, healthy, and inclusive office environment for all staff
  - Maintain zero workplace fatalities for all employees and contracted partners in the supply chain
  - Achieve gender equality and diversity across the company and gender remuneration ratio 1:1 between female and male
- Encourage all employees to be socially responsible
  - Average volunteer service hours per employee per year: 8

### Priorities and Signature Initiatives

- Provide equal opportunities in training & development
  - Signature initiative:** Develop **SOL Talent Development program** and enhance our **employer branding** for talent attraction and retention
- Create a diverse and inclusive workplace
  - Signature initiative:** Target to be included in the **Bloomberg Gender-Equality Index (GEI)** as an **industry leader** in promoting gender equality;
- Ensure health and safety for all
- Improve employee wellbeing

Note: 1. The Company has committed to setting emissions reduction targets in line with limiting global warming to well below 2°C and will further pursue efforts to sign the Business Ambition for 1.5°C campaign in the future. 2. This includes the electricity we would purchase from those certified renewable sources by the government. 3. All items marked with the company logo seagull refer to the signature initiatives that we plan to roll out in future across our managed portfolio. These signature initiatives will evolve overtime, supporting us to achieve 2030 Targets.



# Quality Resources in Top-tier and High-growth Cities

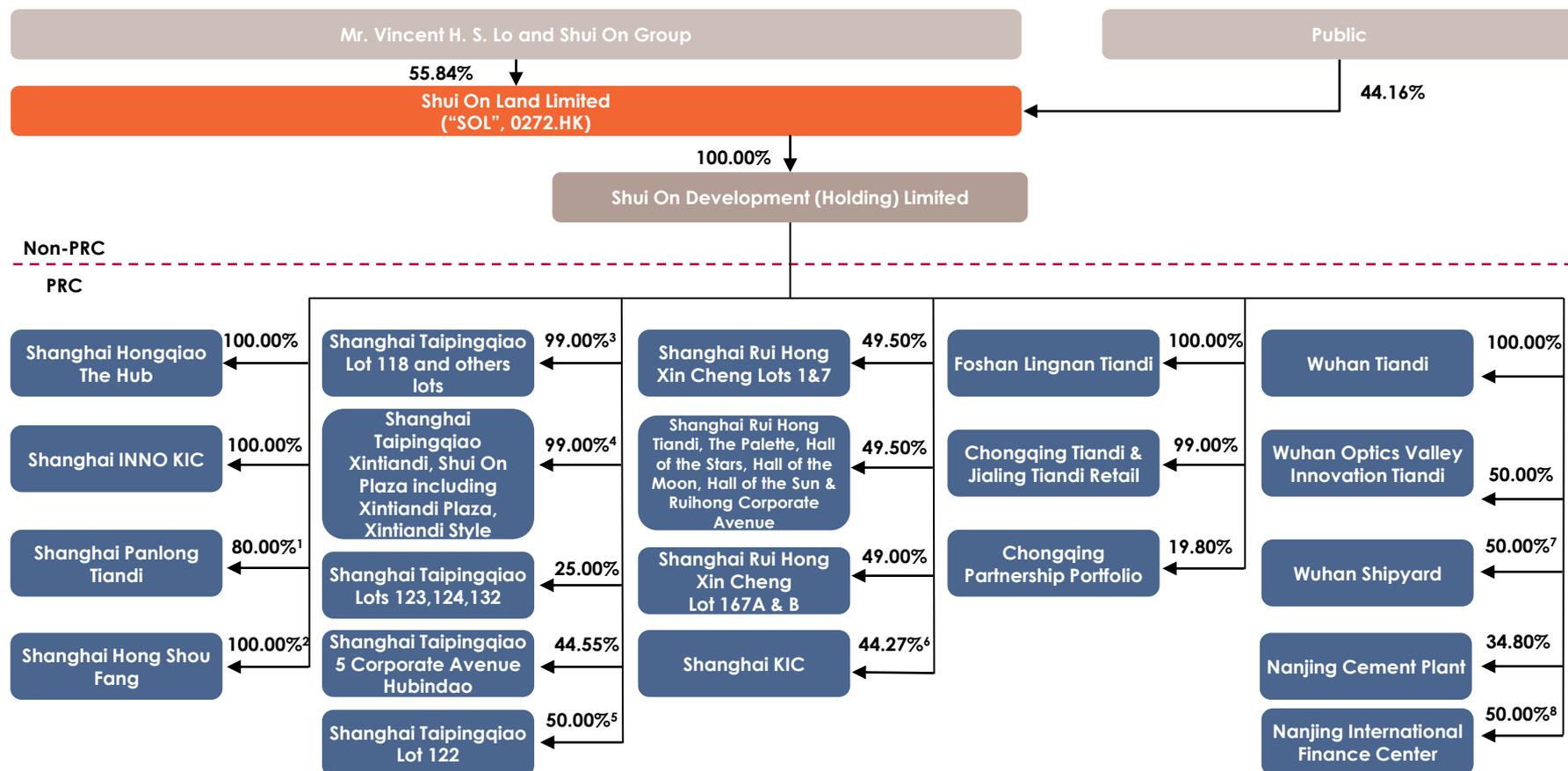
Project	Residential	Commercial	Total GFA (sq.m.)
Shanghai Taipingqiao	120,000	516,000	636,000
Shanghai Rui Hong Xin Cheng	247,000	565,000	812,000
Shanghai KIC	-	253,000	253,000
Shanghai INNO KIC	-	45,000	45,000
Shanghai The Hub	-	263,000	263,000
Shanghai Panlong Tiandi	165,000	48,000	213,000
Shanghai Hong Shou Fang	-	62,000	62,000
Wuhan Tiandi	113,000	478,000	591,000
Wuhan Optics Valley Innovation Tiandi	207,000	843,000	1,050,000
Wuhan Shipyard	785,000	316,000	1,101,000
Foshan Lingnan Tiandi	28,000	853,000	881,000
Chongqing Tiandi	237,000	685,000	922,000
Nanjing International Finance Center	-	100,000	100,000
<b>Total</b>	<b>1,902,000</b>	<b>5,027,000</b>	<b>6,929,000</b>
Completed Properties	56,000	2,058,000	2,114,000
Under Development and for Future Development Properties	1,846,000	2,969,000	4,815,000



1. As of 30 June 2022, total leasable and saleable landbank excludes 2.5 million sq.m. of clubhouse, carpark and other facilities.



# Simplified Corporate Structure Overview as of 30 Jun 2022



Source: Company Information as of 30 Jun 2022 unless otherwise stated; Stock Exchange Announcements

- On 31 October 2019, we acquired 4 parcels of residential sites located in Panlong area in Qingpu District in Shanghai. In May 2020, we acquired 2 parcels of residential sites and 2 parcels of commercial sites in Qingpu District in Shanghai. We have 80% effective interests in the sites.
- On 1 November 2019, we acquired a commercial site located in Hong Shou Fang in Putuo District of Shanghai. We have 100% effective interests in the site.
- We have an effective interests of 99.00% in Lot 118 and the remaining lots except for Lot 116, in which we have an effective interests of 98.00%.
- We have 100.00%, 80.00%, 100.00% and 99.00% in Shanghai Xintiandi, Shui On Plaza (including Xintiandi Plaza), 15<sup>th</sup> Floor of Shui On Plaza and Xintiandi Style, respectively.
- In June 2021, we established a joint venture for project Taipingqiao Lot 122 in which we have an effective interests of 50%.
- We have a 44.27% effective interests in all the remaining lots, except for KIC Lot 311, in which we have an effective interests of 50.49%.
- In December 2021, we established a joint venture to acquire the land use rights of certain lands located in Wu Chang District, Wuhan, in which we have an effective interests of 50%.
- In February 2021, we completed the acquisition of Nanjing IFC in which we have an effective interests of 50%.