



瑞安房地產  
SHUI ON LAND

# 2023 Annual Results Presentation

Shui On Land Limited

21 March 2024

📍 Shanghai Panlong Tiandi

# Agenda

<b>Opening Remarks</b>	<b>Vincent Lo</b> Chairman
<b>Business Review and Outlook &amp; Strategy</b>	<b>Stephanie Lo</b> Executive Director, Shui On Land Vice Chairman, Shui On Xintiandi
<b>Key Financial Highlights</b>	<b>Douglas Sung</b> CFO & CIO, Shui On Land
<b>Property Sales &amp; Development</b>	<b>Jessica Wang</b> CEO, Shui On Land
<b>Shui On Xintiandi</b>	<b>Allan Zhang</b> CEO, Shui On Xintiandi



# Opening Remarks

# Challenging Macroenvironment



# Stable Fundamentals

## 2023: Resilient performance

- Profitability maintained
- Prudent capital management strategy
- Met all financial obligations and upheld stable balance sheet
- Selective and cautious on new investments
- Continued with Asset Light Strategy

## Looking ahead: Extra caution

- Economic challenges and corrections will likely continue
- Slow market recovery
- Further consolidation/adjustment in China property market
- Shanghai remains attractive with stable demand and market opportunities
- Financing for property developers remains challenging



# Business Review and Outlook & Strategy

# 2023 Highlights

## Resilience amidst severe industry downturn

### Maintained profitability

RMB9,752m Revenue

RMB1,397m Net profit

RMB810m Profit attributable to shareholders



### Rising rental income due to successful openings of new commercial assets



Apr 2023

Shanghai  
Panlong Tiandi

Sep 2023

Shanghai  
Hong Shou Fang

### Prudent and multi-prong capital management

52% Net gearing ratio

RMB8,917m Cash and bank deposits

RMB4,401m CMBS at 3.9% coupon rate



### Dividend declared



Final dividend per share

HKD0.058

Full-year dividend per share  
(including interim and final dividends)

HKD0.09





# Continuing Market Challenges

## Residential

- Recovery slower than anticipated due to weak market confidence
- Despite policy easing, residential market downturn persists
- National housing inventory reaches record high, forcing developers to offer price cuts

## Retail

- Consumers shifting towards experience-led and value-driven spending
- Shanghai prime retail properties' vacancy rate lowered to 9%\* in 2023
- Rental rate in Shanghai was stable, with a slight 0.2%\* year-on-year drop in prime rents

## Office

- Companies are controlling operating costs due to uncertain business outlook and challenging market environment
- New supply gives tenants additional bargaining power, resulting in downward pressure on rents
- Shanghai Grade A office net absorption down 27%\* resulting in higher vacancy rate and lower rents



\* Source: JLL Report



# Strategic Focus to Continue a Sustainable Business

## Changing operating environment



### Economy

- Different pace of growth



### Property market

- K-shape market recovery
- Reduction in capital and liquidity



### People/ Communities

- Change in lifestyle
- Promotion of urban regeneration



### Sustainability

- Sustainable living and development

## Near-term strategic focus

**Financial safety & discipline**

**Customer focus**

**“Best-in-class” products/services**

**Asset Light Strategy to grow footprint in tier-1 cities in YRD & GBA**

**Strive for a leadership position in Shanghai**

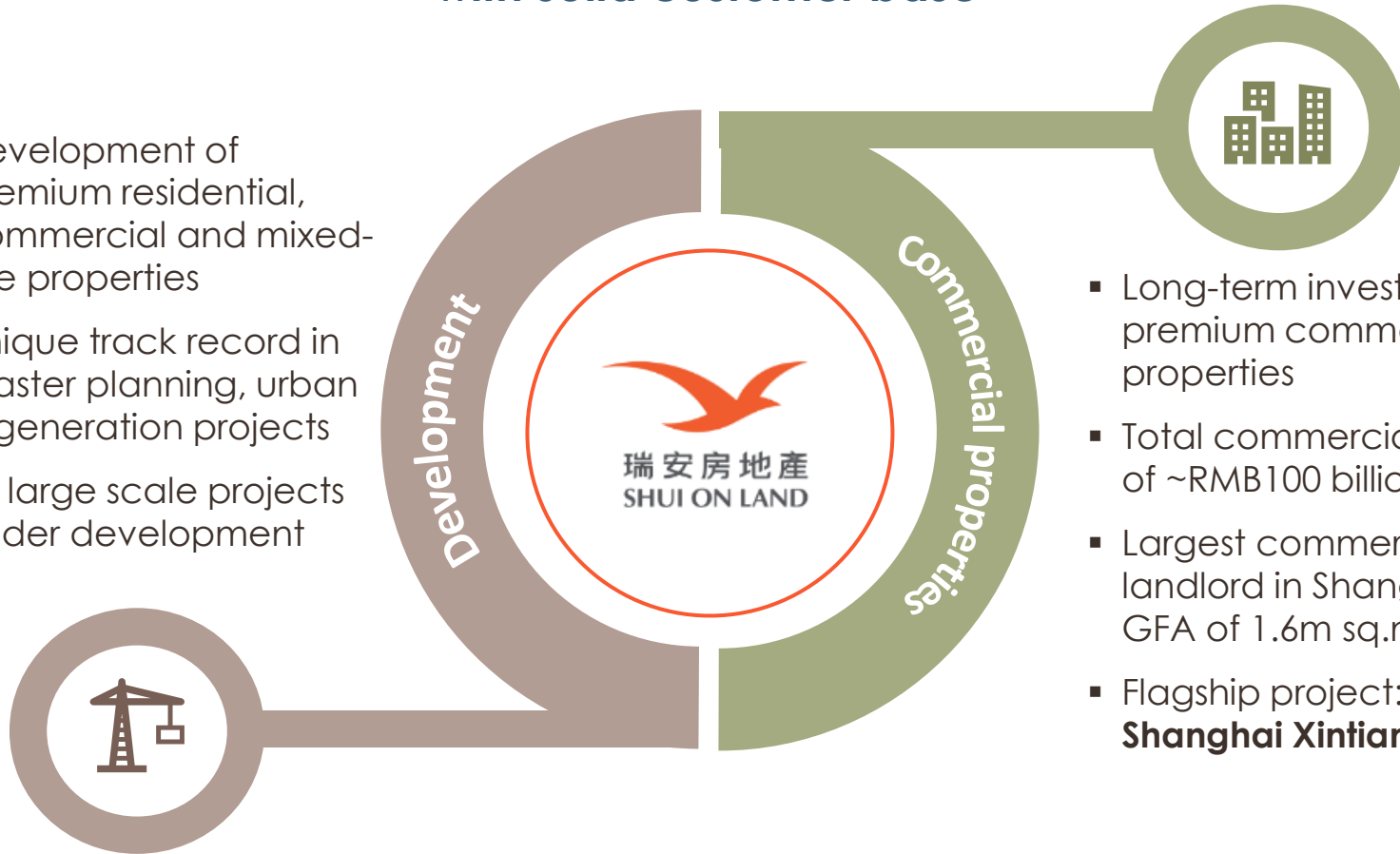
**Build and maintain a top-tier team**



# Integrated Business Model to Develop and Operate Sustainable Premium Urban Communities

Strong brand known for quality  
with solid customer base

- Development of premium residential, commercial and mixed-use properties
- Unique track record in master planning, urban regeneration projects
- 14 large scale projects under development



- Long-term investor of premium commercial properties
- Total commercial properties of ~RMB100 billion
- Largest commercial landlord in Shanghai with GFA of 1.6m sq.m.
- Flagship project: **Shanghai Xintiandi**



# Remarkable Progress in Sustainability

## 2023 Achievements

- ✓ **1.5 °C Science-Based Targets (“SBT”)** for greenhouse gases (“GHG”) reduction has been approved by Science-Based Targets initiative (“SBTi”)
- ✓ **MSCI ESG rating improved to AA, CDP rating improved to A- and GRESB rating improved to 5 Star**
- ✓ **Green Pledge covered 97% F&B tenants, 89% retail tenants and 83% office tenants**
- ✓ Over **96%** of existing assets by GFA **obtained either green or healthy building certifications**
- ✓ **Enhanced board diversity** with the appointment of a female and updating the Board Diversity Policy
- ✓ Updated the **Climate Change Policy** stating the Group has established a **2050 net-zero emissions target**
- ✓ **Shui On Plaza received ULI Asia Pacific Awards for Excellence**
- ✓ **Deep Green Lease** Program won the **RICS China Sustainability Award**

## Global benchmark recognitions



# Key Financial Highlights

# Financial Performance Aligning with Expectations

**Revenue  
(RMB)**

**9,752m**

**Property sales  
(RMB)**

**5,898m**

**Net Profit  
(RMB)**

**1,397m**

**Profit attributable  
to shareholders  
(RMB)**

**810m**

**Consolidated Rental  
and related income  
(RMB)**

**2,398m**

**DPS**

**HKD0.09<sup>1</sup>**

- Revenue dropped by 37% mainly due to more sales were recognised as revenue of JV/Asso this year
- New contributions from Shanghai Panlong Tiandi and Shanghai Hong Shou Fang resulted in 16% increase in rental and related income



Note:

(1) Includes interim dividend of HKD0.032 per share and final dividend of HKD0.058 per share.

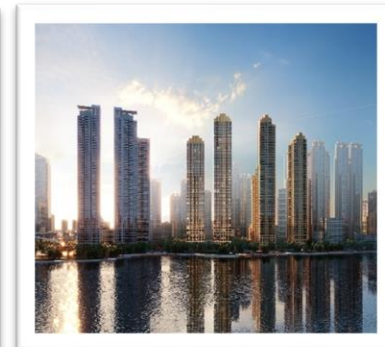
# Property Sales

Property Sales	
Project	RMB'm
Shanghai Taipingqiao	109
Shanghai Panlong Tiandi	5,501
Wuhan Tiandi	231
Chongqing Tiandi	36
Others	21
<b>Total property sales recognised as revenue</b>	<b>5,898</b>

Property sales recognised as:	RMB'm
- Property sales in revenue of the Group	5,898
- Revenue of associates	22,367
- Revenue of joint ventures	10,300
<b>Total Property Sales</b>	<b>38,565</b>



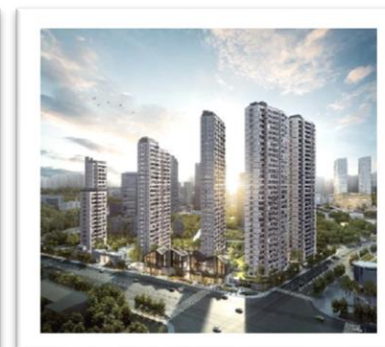
**JING YUAN**  
(Panlong Lot 11)



**La Riva III**  
(Wuhan Tiandi  
Lot B12))



**OCEAN ONE**  
(RHXC Lot 7)



**PARK VERA**  
(RHXC Lot 167A)



# Income Statement

RMB'm	2023	2022	Change
<b>Revenue of the Group</b>	<b>9,752</b>	<b>15,565</b>	(37%)
Property sales	5,898	11,695	(50%)
Rental & related income	2,398	2,070	16%
Property management income	580	508	14%
Hotels, construction and others	876	1,292	(32%)
Cost of sales	(4,707)	(8,916)	(47%)
<b>Gross profit</b>	<b>5,045</b>	<b>6,649</b>	(24%)
Gross profit margin	52%	43%	9ppt
Other income	411	376	9%
Selling & marketing expenses	(175)	(212)	(17%)
General & administrative expenses	(985)	(907)	9%
Increase/(decrease) in fair value of investment properties	32	(114)	(128%)
Other gains and losses	(243)	(107)	127%
Share of results of associates and joint ventures	781	(151)	(617%)
Finance costs, inclusive of exchange differences	(2,167)	(2,127)	2%
Net exchange loss <sup>1</sup>	(37)	(495)	(93%)
Interest costs and others	(2,130)	(1,632)	31%
<b>Profit before tax</b>	<b>2,699</b>	<b>3,407</b>	(21%)

Note:

(1) Due to the depreciation of the RMB against the USD and the HKD.





# Income Statement (Cont'd)

RMB'm	2023	2022	Change
<b>Profit before tax</b>	<b>2,699</b>	<b>3,407</b>	(21%)
Tax	(1,302)	(1,932)	(33%)
<b>Profit for the year</b>	<b>1,397</b>	<b>1,475</b>	(5%)
Attributable to:			
Non-controlling shareholders	587	453	30%
Owners of perpetual capital securities	-	116	(100%)
<b>Profit attributable to shareholders</b>	<b>810</b>	<b>906</b>	(11%)
Earnings per share – Basic	RMB10.1 cents	RMB11.3 cents	(11%)
Full Year dividend per share	HKD0.09	HKD0.10	

The Board has resolved to recommend the payment of a 2023 final dividend of HKD0.058 per share (2022 final dividend: HKD0.064 per share).



# Proactive and Prudent Capital Management

## Prudent financial strategy with industry foresight

- Upholding a stable balance sheet
- Strong discipline in cost control and capital management
- Very selective on investments
- Continued to explore more onshore financing channels

## Multi-prong strategy on financing

- Adopted various means including the CMBS issuance, asset disposal, and USD senior bonds repurchase to enhance our liquidity
- Successfully issued the largest ever private green-mortgage-backed onshore CMBS with an issue size of RMB4,401 million, a credit rating of AAA<sub>sf</sub> and a coupon rate of 3.9%
- During 2023, the Group has repaid and/or refinanced over RMB14.36 bn of debt (excluding non-subsidiary level debts)

## Track record of returning value to shareholders

- HKD0.09 per share dividend declared for 2023

Total assets  
(RMB)

100,998m

Total cash and bank  
deposits (RMB)

8,917m

Total debt  
(RMB)

31,933m

Net debt  
(RMB)

23,016m

Shareholder's equity  
per share (RMB)

4.84

Net gearing  
ratio

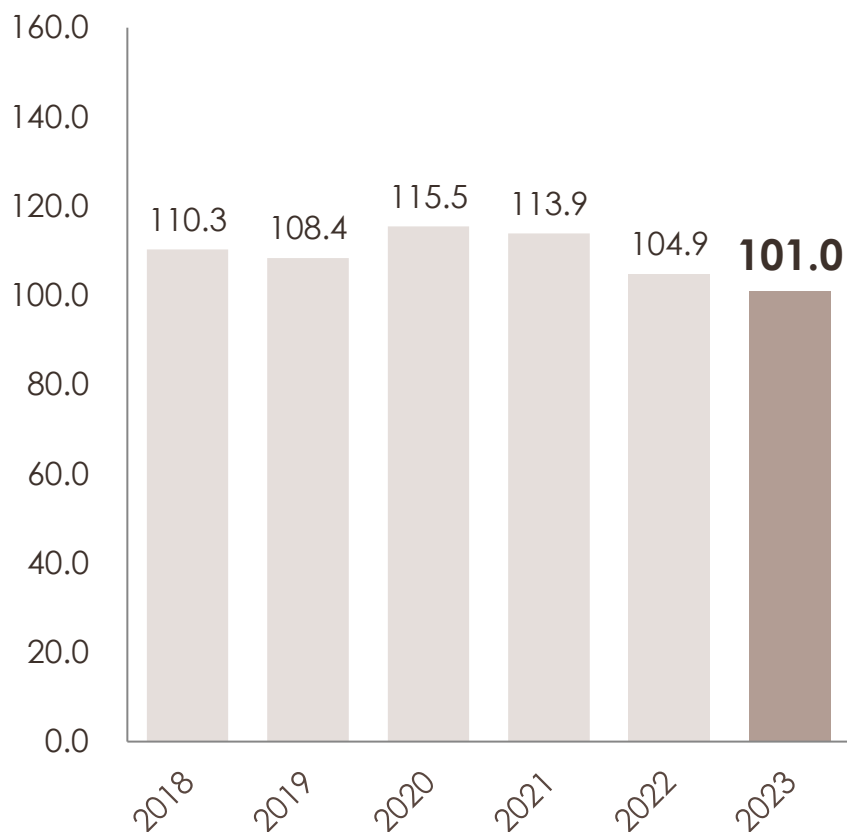
52%



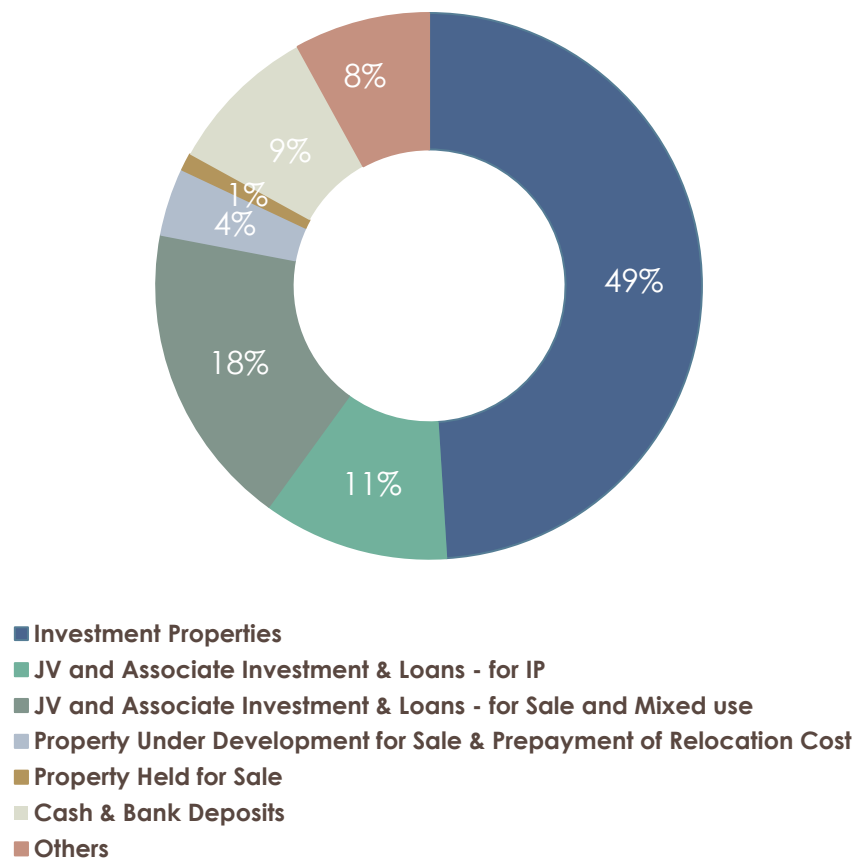
# Solid Asset Base

Total assets

(RMB'bn)



Breakdown of assets by nature



# Valuation of Investment Property Portfolio

Project	Leasable GFA sq.m.	Increase /(decrease) in fair value for 2023 RMB'mn	Carrying Value as of 31 Dec 2023 RMB'mn	Fair Value Gain/(loss) to Carrying Value %	Attributable Carrying Value to the Group RMB'mn
<b>Completed Investment Properties at valuation</b>					
<b>Shanghai Taipingqiao Community</b>					
Shanghai Xintiandi and Xintiandi Style II	80,000	136	8,263	1.6%	8,242
Shui On Plaza and Xintiandi Plaza	52,200	(118)	3,981	(3.0%)	3,226
5 Corporate Avenue, Hubindao (associate)	79,000	(16)	6,707	(0.2%)	2,988
CPIC XINTIANDI COMMERCIAL CENTER Lot132 (joint venture)	30,000	-	2,676	-	669
<b>Ruihong Tiandi Community</b> (joint venture)	441,000	1	15,749	-	7,796
<b>THE HUB</b>	263,000	(72)	8,860	(0.8%)	8,860
<b>Shanghai KIC</b>	252,000	11	8,514	0.1%	3,937
<b>INNO KIC</b>	45,000	6	1,475	0.4%	1,475
<b>Shanghai Panlong Tiandi</b>	41,000	164	1,336	12.3%	1,069
<b>Shanghai Hong Shou Fang</b>	62,000	(77)	2,605	(3.0%)	2,605
<b>Wuhan Tiandi Community</b>	402,000	(19)	9,180	(0.2%)	9,180
<b>Foshan Lingnan Tiandi Community</b>	158,000	27	4,436	0.6%	4,436
<b>Chongqing Tiandi Community</b>	128,000	19	1,536	1.2%	1,520
<b>Chongqing IN CITY</b> (associate)	98,000	-	1,664	-	329
<b>Nanjing IFC</b> (joint venture)	100,000	(86)	2,950	(2.9%)	1,475
<b>Subtotal</b>	<b>2,231,200<sup>1</sup></b>	<b>(24)</b>	<b>79,932<sup>1</sup></b>	<b>(0.03%)</b>	<b>57,807</b>
<b>Investment Properties under development at valuation</b>					
CPIC XINTIANDI COMMERCIAL CENTER Lot 123,124 (joint venture)	246,000	(368)	17,682	(2.1%)	4,421
Foshan Lot A	254,000	(35)	1,871	(1.9%)	1,871
<b>Subtotal</b>	<b>500,000</b>	<b>(403)</b>	<b>19,553</b>	<b>(2.1%)</b>	<b>6,292</b>
<b>Investment Property – sublease of right-of-use assets</b>					
Nanjing INNO	17,000	(10)	74	(13.5%)	74
<b>Subtotal</b>	<b>17,000</b>	<b>(10)</b>	<b>74</b>	<b>(13.5%)</b>	<b>74</b>
<b>Grand Total</b>	<b>2,748,200</b>	<b>(437)</b>	<b>99,559</b>	<b>(0.4%)</b>	<b>64,173</b>
<b>Grand Total (excluding associates and joint venture)<sup>2</sup></b>	<b>1,754,200</b>	<b>32</b>	<b>52,131</b>	<b>0.1%</b>	<b>46,495</b>

## Notes:

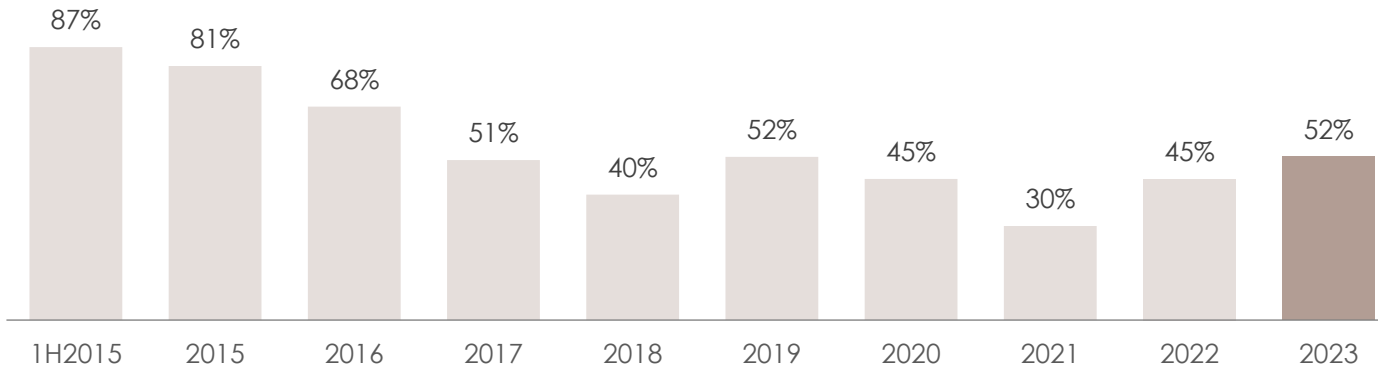
<sup>1</sup> Self-use properties (total GFA 12,800 sq.m. with carrying value of RMB764 million) are classified as property and equipment in consolidated statement of financial position, and the respective leasable GFA and carrying value are excluded from this table.

<sup>2</sup> Shanghai Hong Shou Fang was transferred to asset held for sale as of 31 December 2023.



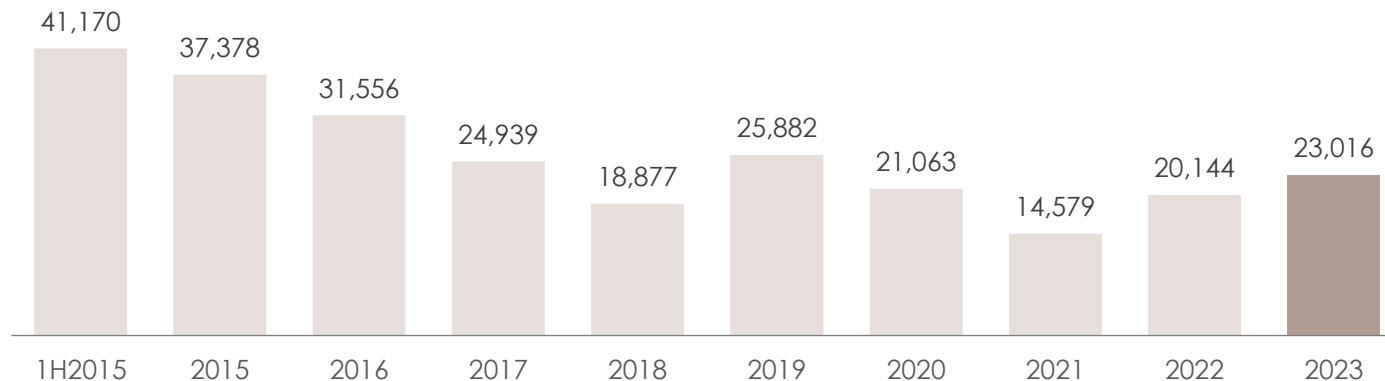
# Relatively Low Gearing Despite Industry Headwinds

## Net Gearing (%)



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

## Net Debt (RMB'm)

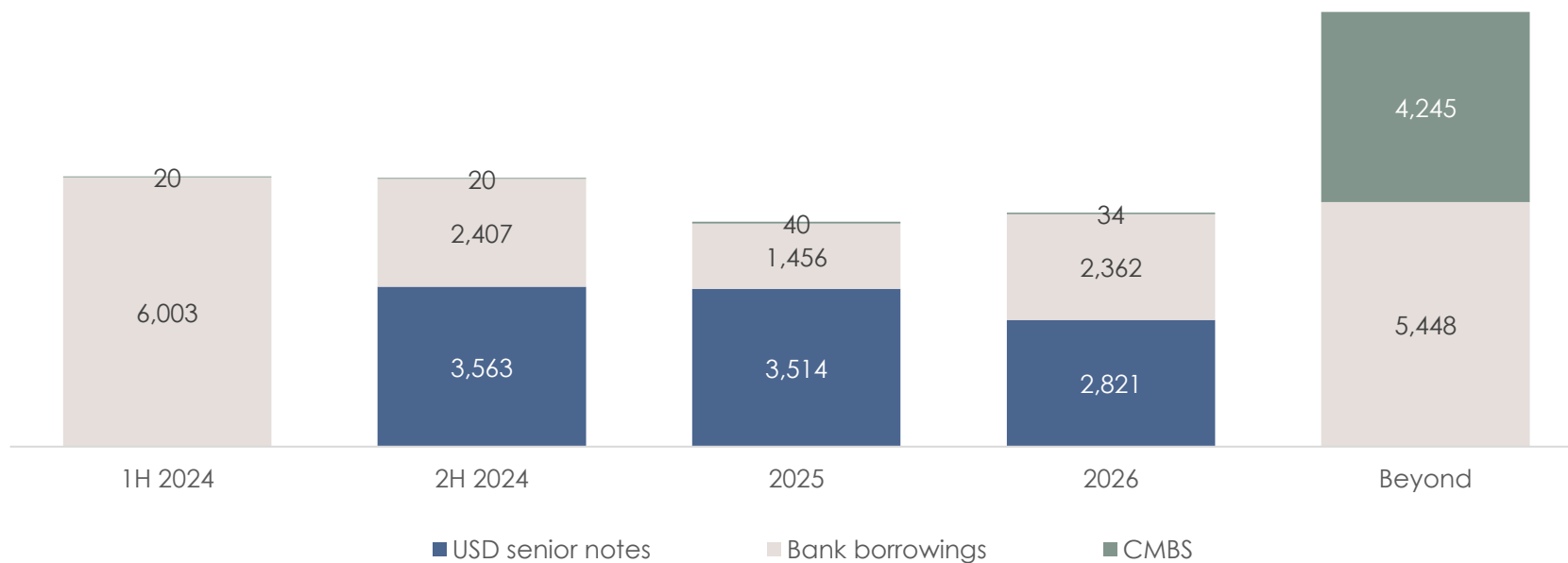


Low net debt position supported by **RMB8.9bn cash and bank deposits**, and developing more diversified funding sources



# Diverse Funding Sources with New Onshore Financing

Debt maturity profile as at 31 December 2023  
(RMB'm)



# Senior Notes

## Outstanding senior notes as at 31 December 2023

Amount (Currency million)	Coupon Rate	Issue Date	Maturity Date
USD494	6.15%	24-Aug-20	24-Aug-24
USD490	5.50%	03-Mar-20	03-Mar-25
USD400 Sustainability-Linked Bond	5.50%	29-Jun-21	29-Jun-26





# Property Sales & Development

# Property Sales

- Recorded contracted sales of **RMB11,396 million in 2023**, comprising residential property sales of RMB7,208 million, commercial property sales of RMB2,982 million and other asset disposal of RMB1,206 million
- RMB367 million** subscribed sales for contract in 2024 and beyond
- RMB9,055 million** locked-in sales available for delivery to customers and to be recognized in the Group's financial results in 2024 and beyond

Wuhan Tiandi La Riva III (Lot B12)



Wuhan Changjiang Tiandi (Lot B4)



Wuhan Optics Valley Innovation Tiandi



## 2023 Highlights:

- Wuhan Tiandi La Riva III achieved the highest pre-sale price ever recorded in Wuhan at ASP of ~RMB64,000 per sq.m.
- Phase I of Wuhan Changjiang Tiandi was launched in Q4 2023
- Wuhan Optics Valley Innovation Tiandi saw good demand from end-users for office blocks



# Residential Available for Sale and Pre-sale in 2024

Project	Product	GFA in sq.m.	Group's Interests	Attributable GFA in sq.m.
Shanghai Taipingqiao Lot 118	High-rises	2,100	99%	2,100
Shanghai Taipingqiao Lot 122	High-rises	56,600	50%	28,300
Shanghai Yangpu Binjiang	Townhouses	21,400	60%	12,800
Shanghai Panlong Tiandi	High-rises	600	80%	500
Wuhan Tiandi	High-rises	2,900	100%	2,900
Wuhan Optics Valley Innovation Tiandi	High-rises	53,200	50%	26,600
Wuhan Changjiang Tiandi	High-rises	114,600	50%	57,300
Chongqing Tiandi	High-rises	1,400	19.80%	300
<b>Total</b>		<b>252,800</b>		<b>130,800</b>

By way of a cautionary note, the actual market launch dates depend on, and will be affected by, factors such as construction progress, changes in the market environment, and government regulations.



# Residential Development Saleable Resources

Project	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	2,100	0.4	99%	0.4
Shanghai Taipingqiao Lot 122	80,600	19.2	50%	9.6
Shanghai Panlong Tiandi	600	0.05	80%	0.04
Shanghai Yangpu Binjiang	21,400	4.5	60%	2.7
<b>Shanghai Sub-total</b>	<b>104,700</b>	<b>24.2</b>		<b>12.7</b>
Wuhan Changjiang Tiandi <sup>2</sup>	730,900	36.8	50%	18.4
Wuhan Tiandi	43,100	2.3	100%	2.3
Wuhan Optics Valley Innovation Tiandi	150,600	3.6	50%	1.8
Chongqing Tiandi	1,400	0.03	19.80%	0.01
<b>Other Cities Sub-total</b>	<b>926,000</b>	<b>42.7</b>		<b>22.5</b>
<b>Grand Total</b>	<b>1,030,700</b>	<b>66.9</b>		<b>35.2</b>

Notes:

(1) This table represents saleable resources not yet recorded as contracted sales as of 31 December 2023.

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



# Commercial Development

## List of Commercial Properties Under Development and for Future Development as of 31 Dec 2023

Project	Office GFA sq.m.	Retail GFA sq.m.	Total GFA sq.m.	The Group's Interests	Attributable GFA sq.m.
CPIC XINTIANDI COMMERCIAL CENTER (Lot 123, 124) <sup>1</sup>	162,000	84,000	246,000	25%	61,500
Shanghai Taipingqiao Lot 122	-	18,000	18,000	50%	9,000
Shanghai RHXC Lot 167B	107,000	12,000	119,000	49%	58,300
<b>Shanghai Sub-total</b>	<b>269,000</b>	<b>114,000</b>	<b>383,000</b>		<b>128,800</b>
Wuhan Tiandi	70,000	4,000	74,000	100%	74,000
Wuhan Optics Valley Innovation Tiandi	362,000	339,000	701,000	50%	350,500
Wuhan Changjiang Tiandi	56,000	232,000+ 30,000 <sup>2</sup>	318,000	50%	159,000
Foshan Lingnan Tiandi	450,000	107,000+ 80,000 <sup>2</sup>	637,000	100%	637,000
Chongqing Tiandi	228,000	65,000+ 25,000 <sup>2</sup>	318,000	19.80%	63,000
<b>Other Cities Sub-total</b>	<b>1,166,000</b>	<b>882,000</b>	<b>2,048,000</b>		<b>1,283,500</b>
<b>Grand Total</b>	<b>1,435,000</b>	<b>996,000</b>	<b>2,431,000</b>		<b>1,412,300</b>

Notes:

(1) The CPIC XINTIANDI COMMERCIAL CENTER project includes three lots, namely Lot 123, Lot 124 and Lot 132, with a total GFA of 276,000 sq.m.. Lot 132 with a total GFA of 30,000 sq.m. of office was completed in 2023. The construction of the office towers and the shopping mall on Lot 123 and Lot 124 are planned for completion in 2024 in phases.

(2) Hotel use.





# Strong Shanghai Pipeline in 2024 - Residential

**Heritage preservation and development**  
**Yangpu Binjiang – Riverville**  
 21,400 sq.m. of GFA for sale in 2024



**Northwest Cluster**



**Southwest Cluster**



**Northeast Cluster**



**Southeast Cluster**



High-end low-density residential

unit sizes :  
 160 – 410 sq.m.

Group interest

60%

**Tallest residential project in Puxi**  
**Taipingqiao Lot 122 – Lakeville Phase 6**  
 56,600 sq.m. of GFA for sale in 2024



High-end residential

Super high-rise and Low-rise/Townhouse

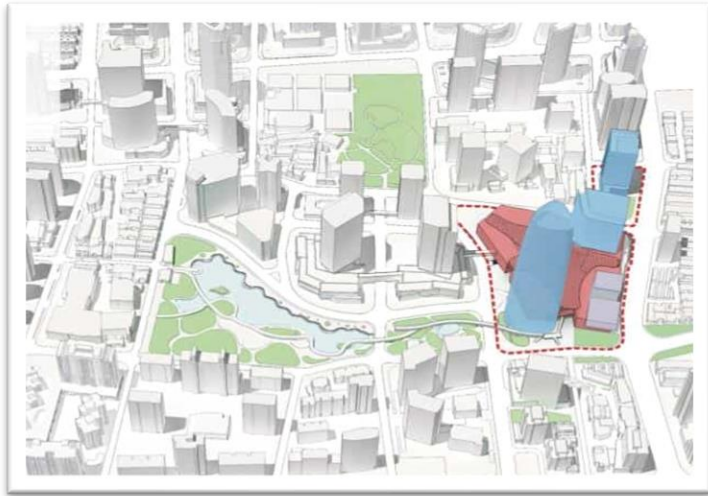
Group interest

50%



# Strong Shanghai Pipeline in 2024 - Commercial

## CPIC XINTIANDI COMMERCIAL CENTER



- **Positioning:** A commercial complex with three towers of premium Grade-A office buildings and a street style all-weather shopping and leisure/entertainment area
- **GFA:** 192,000 sq.m. (office) +84,000 sq.m. (retail)
- **Completion Schedules:**
  - Lot 132 completed and handed over to CPIC in 2023
  - Lot 124 has been structurally completed
  - Lot 123/124 office towers and retail podium to be completed for operations in 2024/2025 respectively





# Development Strategy and Business Focus in the Changing Market

## Market Trends

### Structural Opportunities in the K-shape Market

- A slowly recovering market with top-tier cities and quality projects/products outperforming
- Resilient residential market in Shanghai with solid demand for better living standards and quality of life

### Policy Supports on Urban Renewal Developments

- Policy supports to accelerate urban renewal developments in top-tier cities, especially Shanghai
- More land supply in prime areas of top-tier cities with eased market competition
- Projects that enable technology innovation, industry upgrading and high quality development were preferred and supported by various local governments

### Industry Transition towards a New Development Model

- Longer-term policy towards a “twin-track” housing system featuring government planned affordable public housing and market-driven private sector
- End of leverage-driven development-focused business model, shifting to a model which focuses on quality and efficiency with diversified income streams, especially operations with recurring income

## Our Strategic Focus

1



**Capture suitable opportunities selectively and strive for leadership position in Shanghai**

2



**Strengthen our brand by further enhancing quality of products and services**

3



**Asset Light Strategy with higher management efficiency and continue to expand partnership network**





# Shui On Xintiandi

# RMB84 billion of Commercial Assets Located in Prime Locations in Shanghai

Ruihong Tiandi Community



KIC



Hong Shou Fang



THE HUB



Panlong Tiandi



Shanghai Xintiandi,  
Xintiandi Style II,  
Xintiandi Plaza,  
Shui On Plaza



5 Corporate Avenue,  
Hubindao



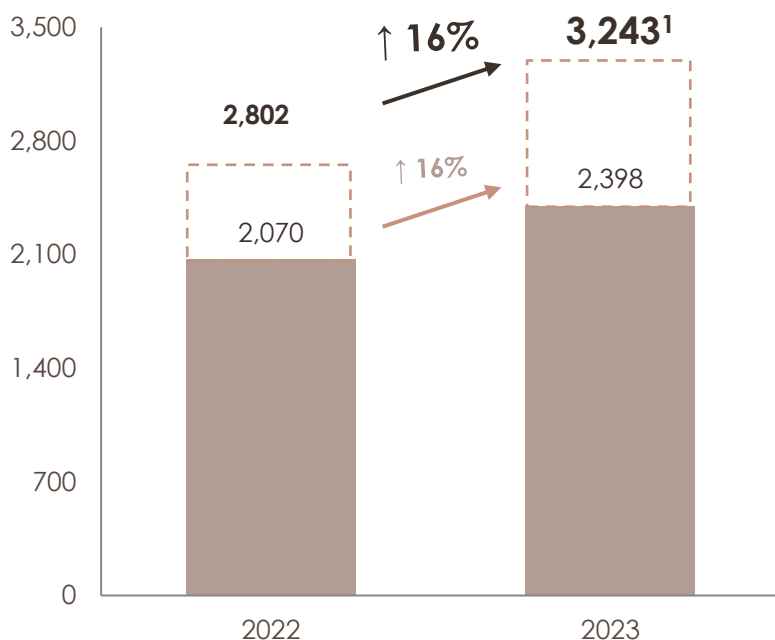
CPIC XINTIANDI COMMERCIAL CENTER



# Rising Rental Income

## Rental and related income

(RMB million)



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

Note:

1. Including rental income from Shanghai RHXC Commercial Partnership Portfolio, Shanghai Taipingqiao 5 Corporate Avenue, Hubindao, CPIC XINTIANDI COMMERCIAL CENTER Lot 132 and Nanjing IFC, in which, the Group has 49.5%, 44.55%, 25% and 50% effective interest, respectively.

- Total rental and related income increased **by 16%**
- Strong and successful openings of new commercial projects:**
  - i. Shanghai Panlong Tiandi
  - ii. Shanghai Hong Shou Fang





# Property Management & Real Estate Asset Management

## Property Management

- Customers include property owners, property owners' committee and tenants
- Managing a portfolio of 4.1m sq.m. commercial GFA and 4.9m sq.m. residential GFA

## Real Estate Asset Management

- **Asset-Light Strategy supported by established partners**, including Manulife, China Life, CPIC & Yongye Group and Grosvenor Group
- Total valuation of the projects under management amounted to RMB29.0 billion, with a total GFA of 710,000 sq.m.

5 Corporate Avenue,  
Hubindao



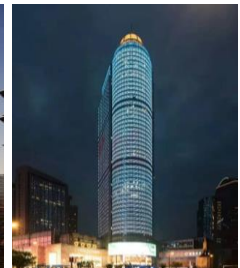
Ruihong  
Tiandi Community



CPIC XINTIANDI  
COMMERCIAL CENTER



Nanjing IFC



# Breakthrough Under Difficult Operating Conditions

## Retail

- **Average occupancy remained stable at 91%**
- As of 31 December 2023, overall sales and shopper traffic reached 106% and 110% of 2021 level, respectively
- **Creative marketing events** saw great success, e.g. Members Festival resulted in sales of RMB296 million (↑11.6% vs 2021)
- **Customer focus and creative positioning resulted in strong and successful new openings** in the homogenous market environment, including Shanghai Panlong Tiandi and Shanghai Hong Shou Fang
- **Continuous product innovation:** for example, Evolution of Foodie Social bearing fruit, creating unique competitive advantage for Shanghai Hong Shou Fang with strong sales



## Breakthrough Under Difficult Operating Conditions

## Office



- **Average occupancy of mature office properties reached 90% as of 31 December 2023**
- **Occupancy of office properties in Shanghai remained high at 93%**
- Proactively secured leases for over 26,000 sq.m. for year 2024 and beyond
- **Successfully secured quality tenants taking up large office space ranging from 6,500 sq.m. to 20,000 sq.m.**
- Significant progress in the development of customized solutions as a value-added service: WORKX READY





# New Opening in Apr 2023: Shanghai Panlong Tiandi

A new destination combining cultural heritage, modern lifestyle and community engagement



## Strong performance

### First Stores Analysis

Urban  
Retreat  
Specialties **20  
Stores**

First store in  
Shanghai **15  
Stores**

First store in  
Hongqiao **30  
Stores**

**> 1 MILLION**

Visitors in the first  
week  
of opening

**19 MILLION**

Visitors up to  
Feb 2024 since  
opening

Sales Revenue RMB35 M+, Traffic 1,200,000 during CNY campaign



- ✓ High recognition from the government and various social groups
- ✓ MIPIM Asia Awards 2023 Gold Awards **Best Retail Project**
- ✓ MIPIM Asia Awards 2023 Silver Awards **Best Hospitality, Tourism and Leisure Project**



# New Opening in Sep 2023: Shanghai Hong Shou Fang

A role model for micro urban regeneration and ideal neighborhood with premium lifestyle

**50+**  
1<sup>st</sup> in Shanghai  
and Putuo district



**93%**  
Retail occupancy  
Rate  
FOODIESOCIAL 鸿寿坊食集

日咖夜酒多元业态



市集与跨界公共艺术装置融合



**> 700,000**

Visitors in the first week  
of opening

Total retailers  
opening on 1<sup>st</sup>  
day of operations **60+ stores**

First store in  
Shanghai **13 Stores**

First store in  
Putuo **37 Stores**

Massive media coverage



**No. 1**  
In Shanghai  
Popular Shopping  
Malls for  
**100**  
consecutive  
days



# Strategy Going Forward to Drive NOI

## Market trends

### Slower economy with subdued growth



#### Retail: bifurcation intensified

- Weaker growth trajectory
- Weak consumer sentiment
- Transformation of consumer landscape
- Changing consumer trends



#### Office: Activities constrained

- Conservative sentiment
- Renewals as cost-saving for tenants
- Oversupply of office space

## Operational focus

- ✓ **Maintain and improve occupancy rate**
- ✓ **Customer focus:** offer holistic experience to meet customer expectations
- ✓ Focus on **tenant quality**; proactively attract & retain key anchor tenants
- ✓ **Sales, shopper traffic, occupancy cost** as key parameters
- ✓ **Innovation to create uniqueness** that differentiate ourselves in the market
- ✓ **Leverage our competitive advantage and agile asset management strategy to strive for successful launch of new products**





# Q&A

# 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 31 Dec 2023 RMB' bn	% of ownership
<b>Shanghai Taipingqiao Community</b>						
Shanghai Xintiandi, Xintiandi Style II, Xintiandi Plaza, Shui On Plaza	36,000	104,000	140,000	128,100	12.89	100%/99%/80%/80%
5 Corporate Avenue, Hubindao	52,000	27,000	79,000	35,200	6.71	44.55%
CPIC XINTIANDI COMMERCIAL CENTER (Lot 132)	30,000	-	30,000	7,500	2.68	25%
<b>THE HUB</b>	90,000	173,000	263,000	263,000	8.86	100%
<b>Ruihong Tiandi Community</b>						
Hall of the Moon, Hall of the Stars, The Palette	-	111,000	111,000	55,000	3.89	49.5%
Hall of the Sun, Ruihong Corporate Avenue	145,000	185,000	330,000	163,400	11.86	49.5%
<b>Shanghai KIC</b>	186,000	67,000	253,000	117,300	8.55	44.27%/50.49%
<b>INNO KIC</b>	41,000	4,000	45,000	45,000	1.48	100%
<b>Shanghai Panlong Tiandi</b>	-	41,000	41,000	32,800	1.34	80%
<b>Shanghai Hong Shou Fang</b>	48,000	14,000	62,000	62,000	2.61	100%
<b>Wuhan Tiandi Community</b>	165,000	239,000	404,000	404,000	9.21	100%
<b>Foshan Lingnan Tiandi Community</b>	16,000	144,000	160,000	160,000	4.49	100%
<b>Chongqing Tiandi Community</b>	-	128,000	128,000	127,000	1.54	99%
<b>Chongqing IN CITY</b>	-	98,000	98,000	19,400	1.66	19.8%
<b>Nanjing IFC</b>	72,000	28,000	100,000	50,000	2.95	50%
<b>Subtotal</b>	<b>881,000</b>	<b>1,363,000</b>	<b>2,244,000</b>	<b>1,669,700</b>	<b>80.72</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 31 Dec 2023 RMB' bn	% of ownership
<b>Shanghai Taipingqiao Community</b>						
CPIC XINTIANDI COMMERCIAL CENTER (Lot 123,124)	162,000	84,000	246,000	61,500	17.68	25%
<b>Shanghai RHXC</b>						
Ruihong Tiandi Lot 167B	107,000	12,000	119,000	58,300	5.38	49%
<b>Foshan Lingnan Tiandi Community</b>						
Foshan Lot A	190,000	64,000	254,000	254,000	1.87	100%
<b>Subtotal</b>	<b>459,000</b>	<b>160,000</b>	<b>619,000</b>	<b>373,800</b>	<b>24.93</b>	
<b>Grand Total</b>	<b>1,340,000</b>	<b>1,523,000</b>	<b>2,863,000</b>	<b>2,043,500</b>	<b>105.65</b>	

# Commercial Portfolio Performance by Project

Project	Product	Leasable GFA sq.m.	Rental & Related Income RMB' million		Change %	Occupancy Rate		Change ppt
			2023	2022		31 Dec 2023	31 Dec 2022	
Shanghai Taipingqiao Community								
Shanghai Xintiandi	Office / Retail	54,000	457	365	25%	97%	91%	6
Xintiandi Style II	Retail	26,000 <sup>1</sup>	73	31	135%	91% <sup>2</sup>	60%	31
Shui On Plaza & Xintiandi Plaza	Office / Retail	52,200	157	159	(1%)	91%	94%	(3)
THE HUB	Office / Retail	263,000	427	382	12%	92%	88%	4
Shanghai KIC	Office / Retail	252,000	476	441	8%	95%	90%	5
INNO KIC	Office / Retail	45,000	65	60	8%	93%	91%	2
Panlong Tiandi	Retail	41,000	70	1	n/a	87%	-	n/a
Shanghai Hong Shou Fang	Office / Retail	62,000	21	-	n/a	93% <sup>3</sup>	-	n/a
Wuhan Tiandi Community	Office / Retail	402,000	366	349	5%	63%	62%	1
Foshan Lingnan Tiandi Community	Office / Retail	158,000	219	212	3%	93%	90%	3
Chongqing Tiandi Community	Retail	128,000	67	70	(4%)	97%	96%	1
Consolidated rental and related income		1,483,200	2,398	2,070	16%			



# Commercial Portfolio Performance by Project

Project	Product	Leasable GFA sq.m.	Rental & Related Income RMB' million		Change %	Occupancy Rate		Change ppt
			2023	2022		31 Dec 2023	31 Dec 2022	
Rental and Related income from JVs and associate								
Shanghai Taipingqiao Community								
5 Corporate Avenue, Hubindao <sup>4</sup> ( associate )	Office/Retail	79,000	237	234	1%	93%	92%	1
CPIC XINTIANDI COMMERCIAL CENTER Lot 132 ( joint venture )	Office	30,000	48	-	n/a	100%	-	n/a
Ruihong Tiandi Community								
Hall of the Moon, Hall of the Stars The Palette, Hall of the Sun ( joint venture )	Retail	296,000	348	323	8%	86%	81%	5
Ruihong Corporate Avenue ( joint venture )	Office	145,000	84	53	58%	39%	29%	10
Nanjing IFC <sup>5</sup> ( joint venture )	Office/Retail	100,000	128	122	5%	81%	73%	8
Grand Total		2,133,200 <sup>6</sup>	3,243	2,802	16%			

Notes:

1. A total leasable GFA of 19,000 sq.m. AEI was completed in December 2022 and was re-opened in January 2023.
2. The increase in occupancy rate in 2023 was due to the re-opening of Xintiandi Style II.
3. Shanghai Hong Shou Fang office with 48,000 sq.m. GFA is undergoing pretesting and its occupancy rate is excluded from the above table.
4. The Group holds a 44.55% effective interest in the property. Rental and related income attributable to the group was RMB106 million in 2023 and RMB104 million in 2022.
5. The Group holds a 50% effective interest in the property. Rental and related income attributable to the group was RMB64 million in 2023 and RMB61 million in 2022.
6. A total GFA of 12,800 sq.m. located at Shanghai Shui On Plaza, Shanghai KIC, Wuhan Tiandi Community and Foshan Lingnan Tiandi was occupied by the group and was excluded from the above table.





# Financial Position

RMB'm	31 Dec 2023	31 Dec 2022	Change %
<b>Total cash and bank deposits</b>	8,917	13,368	(33%)
<b>Total assets</b>	100,998	104,878	(4%)
<b>Total debt</b>	31,933	33,512	(5%)
Bank borrowings	17,676	20,257	(12%)
Senior notes	9,898	13,255	(25%)
CMBS	4,359	-	
<b>Net debt</b>	23,016	20,144	14%
<b>Total equity</b>	44,149	44,401	(1%)
<b>Net gearing</b>	52%	45%	7ppt
<b>Shareholders' equity per share</b>	RMB4.84	RMB4.88	(1%)

Note:

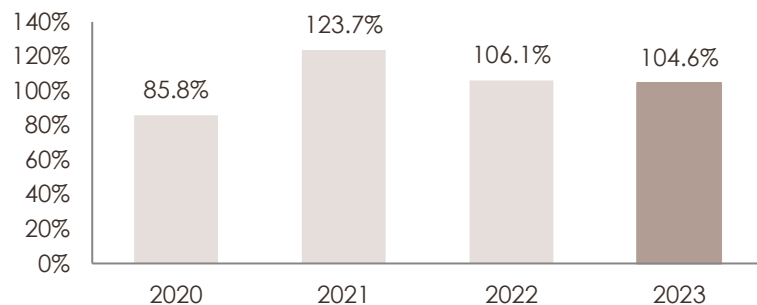
(1) Average cost of debt as at the end of period: 2023: 5.7% vs. 2022: 5.9%

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

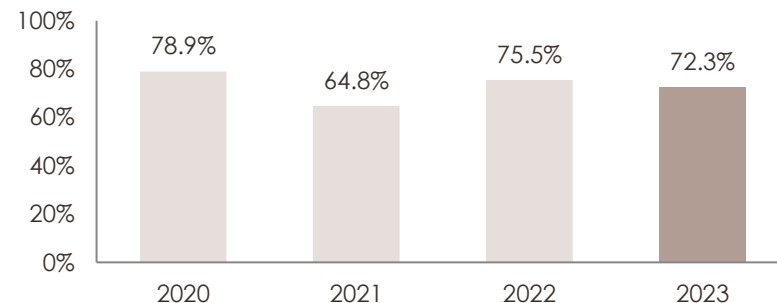


# Credit Profile

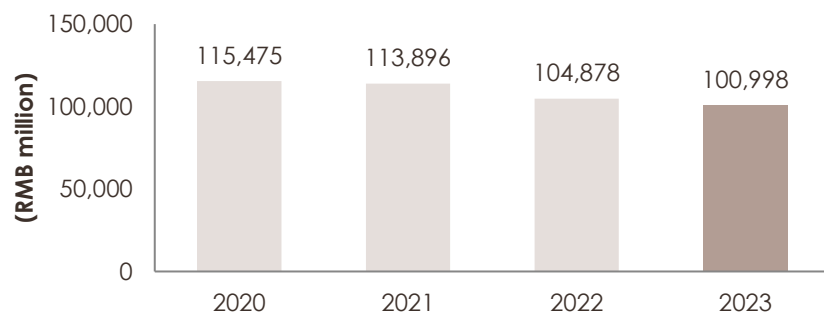
## Rental and related income / total interest costs<sup>1</sup>



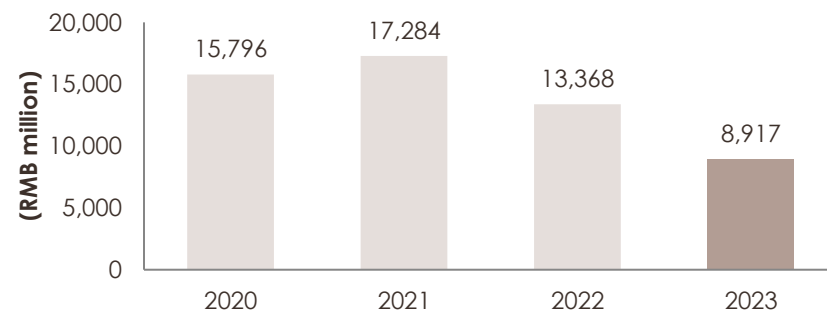
## Total debt<sup>2</sup> / Total equity<sup>3</sup>



## Total assets



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

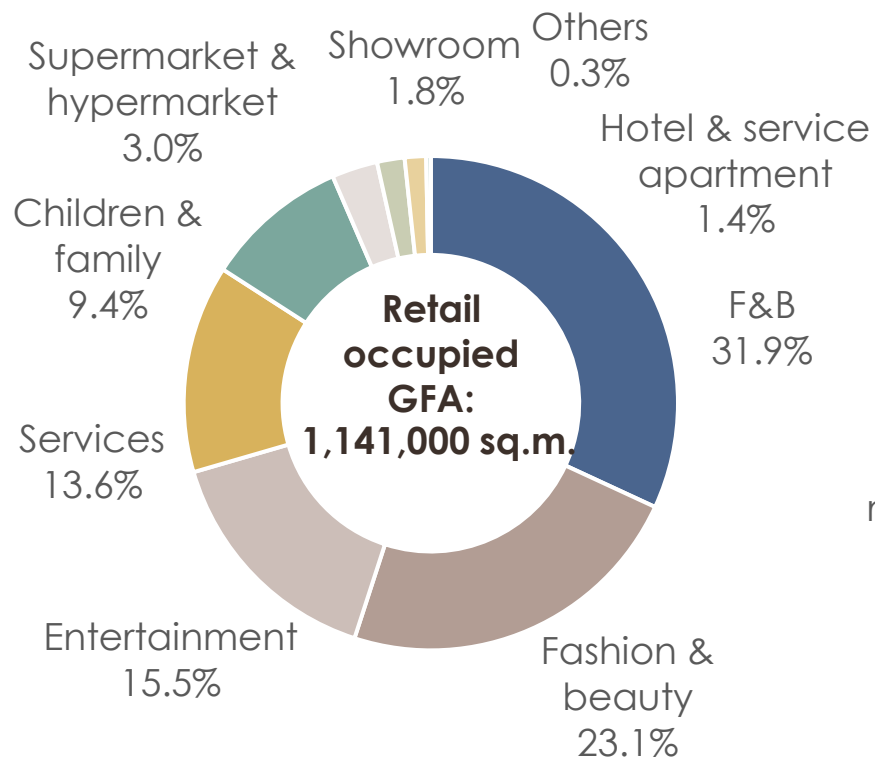


1. Total interest costs are calculated by adding interest on borrowings, interest on senior notes and interest expense from lease liabilities.
2. Total debt is calculated by adding all bank borrowings (due within or after 1 year), senior notes and receipts under securitisation arrangements.
3. Total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

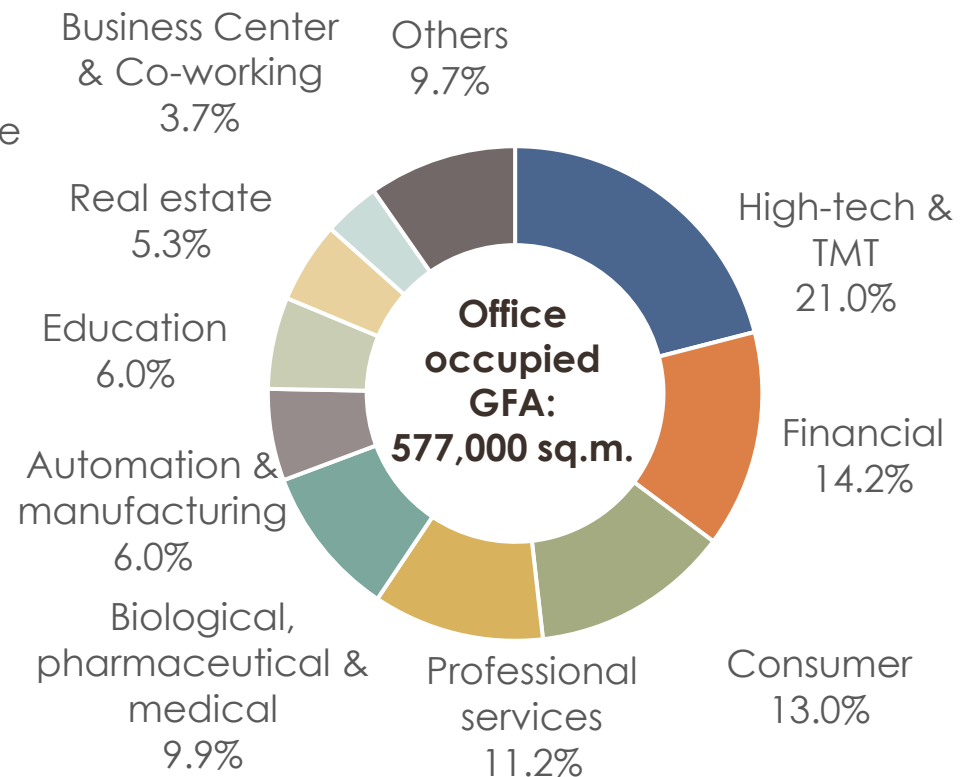


# Completed Investment Property Portfolio Tenant Mix

Retail tenant mix

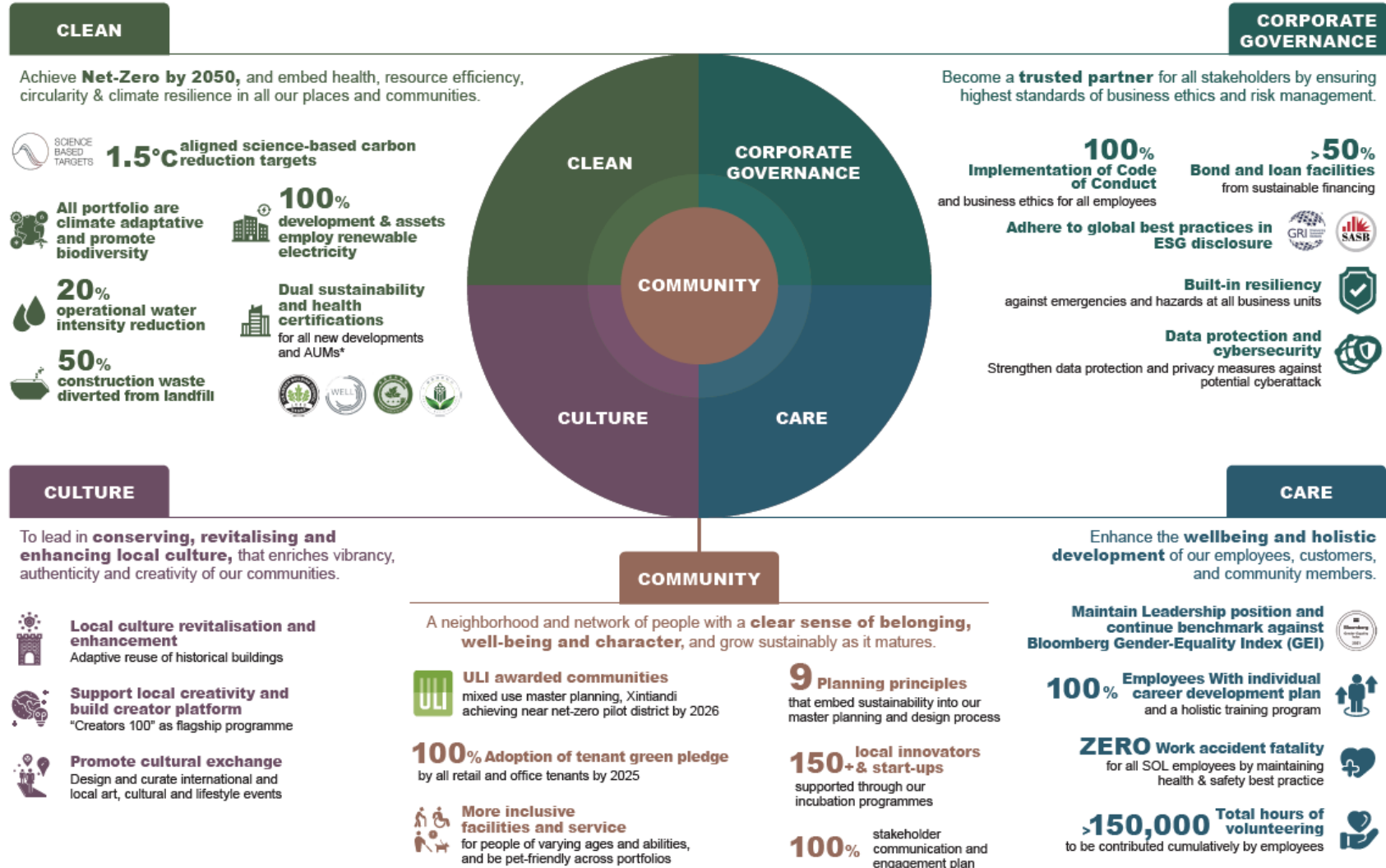


Office tenant mix



# 2030 Sustainability Strategy

Our Vision: To be a pioneer of sustainable premium urban communities



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

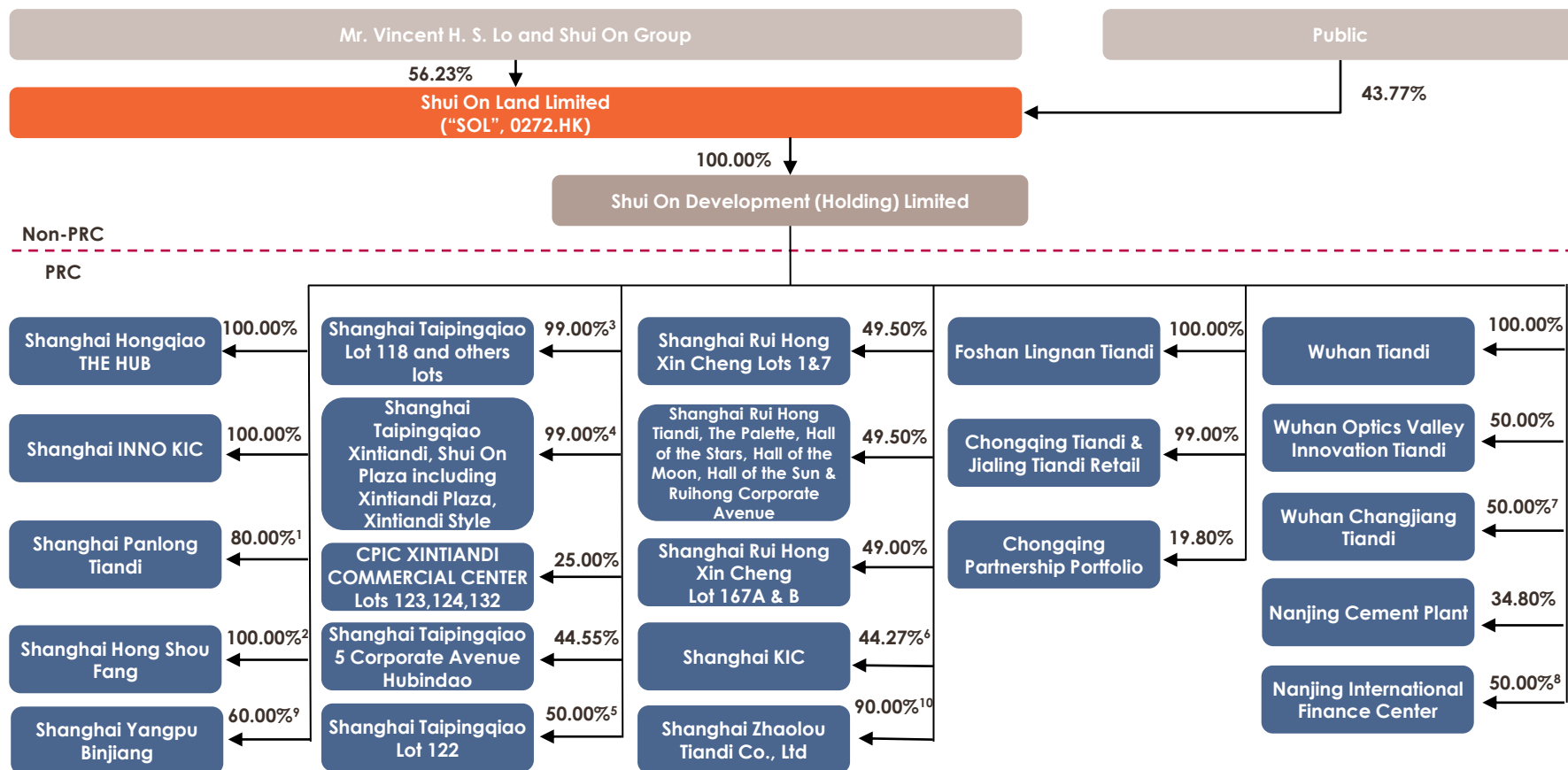
Project	Residential	Commercial	Total GFA (sq.m.)
Shanghai Taipingqiao	89,000	513,000	602,000
Shanghai Rui Hong Xin Cheng	-	564,000	564,000
Shanghai KIC	-	253,000	253,000
Shanghai INNO KIC	-	45,000	45,000
Shanghai THE HUB	-	263,000	263,000
Shanghai Panlong Tiandi	1,000	46,000	47,000
Shanghai Hong Shou Fang	-	62,000	62,000
Shanghai Yangpu Binjiang	30,000	-	30,000
Wuhan Tiandi	110,000	478,000	588,000
Wuhan Optics Valley Innovation Tiandi	153,000	814,000	967,000
Wuhan Changjiang Tiandi	784,000	318,000	1,102,000
Foshan Lingnan Tiandi	28,000	853,000	881,000
Chongqing Tiandi	71,000	573,000	644,000
Nanjing International Finance Center	-	100,000	100,000
<b>Total</b>	<b>1,266,000</b>	<b>4,882,000</b>	<b>6,148,000</b>
Completed Properties	59,000	2,451,000	2,510,000
Under Development and for Future Development Properties	1,207,000	2,431,000	3,638,000



1. As of 31 Dec 2023, total leasable and saleable landbank excludes 2.3 million sq.m. of clubhouse, carpark and other facilities.



# Simplified Corporate Structure Overview as of 31 Dec 2023



Source: Company Information as of 31 Dec 2023 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.
- In December 2023, the Group announced to dispose 65% equity interest in this project. The transaction was completed in January 2024.
- 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% interests 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%.
- In November 2022, we established a joint venture to acquire the land use rights of certain lands located in Yangpu District, Shanghai, in which we have an effective interests of 60%.
- In April 2023, we established a 90/10 joint venture company.