



Press Release

Shui On Land Announces 2024 Annual Results Sustaining Profitability Amid Market Challenges

[28 March 2025, Hong Kong] – Shui On Land Limited (the “Company”, and together with its subsidiaries, “the Group”, Stock Code: 272) today announced its audited consolidated results for the year ended 31 December 2024. Despite a challenging macroeconomic landscape and ongoing structural correction in China’s property market, the Group achieved profitability and demonstrated resilience.

Navigating Challenges with Resilience

In 2024, the Group faced China’s economic transition, global geopolitical uncertainties, and subdued domestic consumer confidence that impacted the property market in China. Nevertheless, Shui On Land reported a profit of RMB810 million for the year, with profit attributable to shareholders of RMB180 million. While this marks a year-on-year decline in profit due to fewer residential property completions and reduced recognised property sales, the Group’s diversified revenue streams and prudent financial management ensured ongoing profitability.

Total recognised property sales reached RMB7,962 million (including joint ventures and associates). Additionally, the Group secured total locked-in sales of RMB15,394 million, expected to be recognised as property sales in 2025 and beyond. Total rental and related income (including joint ventures and associates) rose 9% year-on-year to RMB3,547 million.

The Board has recommended a final dividend for the year of HKD0.036 per share (2023: HKD0.058 per share), which also represents the full-year dividend for 2024 amounted to HKD0.036 per share (2023: HKD0.09 per share).

Strengthening Leadership in Shanghai’s Premium Market

Shanghai’s premium residential segment outperformed the broader market in 2024, with high-end transactions increasing by 150% year-on-year in terms of gross floor area. The Group’s focus on top-tier cities and the mid-to-high-end residential segment drove its success, supported by a Best-in-Class product strategy. Key projects such as Lakeville VI and Riverville, launched in the second half of 2024, received strong market reception, and significantly contributed to contract sales. Lakeville VI, the latest phase of the iconic Lakeville series, was 3.6 times oversubscribed, selling all 108 units at launch for a record RMB11,979 million in contracted sales, with an average selling price of RMB210,200 per square meter. Riverville, which extends the Lakeville brand into both

villas and townhouses for a new market, sold 6,300 square meters, demonstrating demand for low-density luxury homes. Consequently, the Group's accumulated contracted property sales for the year increased by 32% to RMB15,055 million, with RMB795 million in subscribed sales expected to convert into contracted property sales in the coming months.

Ms. Jessica Y. Wang, Chief Executive Officer of Shui On Land, said, "Our deep roots in Shanghai and strategic focus on high-end residential properties place us in a very favourable position to capitalise on market opportunities. The success of our Lakeville series underscores Shui On Land's leadership position in this market segment. The upcoming launch of Lakeville VI in late 2025, featuring 36 heritage-inspired villas and townhouses, is particularly notable, as such offerings are exceedingly rare in the core area of Shanghai, especially in the Shanghai Xintiandi area. This project promises to redefine luxury living by blending Shanghai's rich cultural heritage with modern craftsmanship. The Lakeville brand's prestigious reputation not only reinforces our market position but also paves the way for future expansion."

Driving Growth in Rental Income through Differentiation

Supported by innovative experiential strategies and a customer-centric approach, the Group's commercial property portfolio demonstrated strong performance in 2024. Rental and related income (including joint ventures and associates) rose 9% year-on-year to RMB3,547 million, highlighting the resilience of its premium assets.

The Group's retail properties continued to set new industry benchmarks. Our Xintiandi communities, particularly Panlong Tiandi and Hong Shou Fang, embody a lifestyle rooted in local cultural and natural heritage, successfully attracting consumers and boosting shopper traffic and overall sales by 12% and 8% respectively. Our office portfolio showed strength amid a challenging office market. Despite hurdles in the office sector, we effectively leased 230,000 square meters of office space in 2024, primarily driven by our Shanghai portfolio, with 54% occupied by global industry leaders, reflecting strong tenant confidence in the Group's premium assets and services. Occupancy rates remained high across the Group's retail and mature office properties, averaging 94% and 91% respectively, outperforming tier-one city market averages.

Mr. Allan B. Zhang, Chief Executive Officer of Shui On Xintiandi, stated: "Our commercial success stems from relentless innovation in space, content, and service, combined with a deep understanding of customer needs and forward-thinking lifestyles. By curating landmark communities that celebrate cultural and natural heritage, we provide unique experiences and create lasting value, enhancing the overall proposition for consumers and tenants. With the upcoming openings of Xintiandi Galleria (Shanghai) and KIC Park (Wuhan) in late 2025, we are poised to unlock new streams of sustainable recurring income."

Commitment to Prudent Capital Management

China's property sector has faced unprecedented liquidity challenges since 2021, driven by tightening credit conditions and prolonged market volatility. In response, Shui On Land has prioritised balance sheet stability, maintaining a net gearing ratio of 52% with cash and bank deposits of RMB7,734 million as of 31 December 2024. Demonstrating fiscal discipline, the Group repaid a total of RMB45.2 billion in gross offshore debt since 2021, including USD490 million in senior notes maturing on 3 March 2025.

Mr. Douglas H. H. Sung, Chief Financial Officer and Chief Investment Officer of Shui On Land, said, "Despite ongoing challenges in China's property market and restricted access to offshore financing, we have successfully met all financial obligations. Our high-quality asset portfolio and proactive capital management strategy have enabled us to diversify our funding sources and lower financing costs. Moving forward, ensuring sufficient liquidity remains our top priority, and we will continue our prudent capital management to maintain financial resilience and long-term stability."

Cautious Outlook

The consolidation process in China's property market is anticipated to extend over the coming years, particularly as geopolitical tensions create further uncertainty. Thus, maintaining caution is essential.

Ms. Stephanie B. Y. Lo, Vice Chairman of Shui On Land, commented, "China's consumer behavior is experiencing significant transformation, characterised by a shift towards more sophisticated and personalised consumption patterns. High-quality products will continue to outperform, presenting the Group with increased growth opportunities. By leveraging our established strengths in the mid-to-high segment of the property market, we will further enhance our product competitiveness and brand influence to capture new investment and development opportunities in the future. We are pleased to announce that the expansion of our Urban Retreat product line through a new development in Shanghai, Zhaolou Xintiandi, along with two asset-light initiatives for a high-end residential project in the Shanghai Xintiandi Community and an urban village renovation project in Fengxian District, which aim to optimise our business portfolio and fuel strategic development in the long run."

Mr. Vincent H. S. Lo, Chairman of Shui On Land, added, "The government's 2024 stimulus measures and positive signals from the recent Two Sessions underscore its commitment to stabilising the economy and property market. While we expect a gradual recovery, market consolidation may take several more years, necessitating a prudent approach, the Group prioritises its Asset - Light Strategy, leveraging its brand reputation and management expertise to expand business while mitigating risk. By balancing agility with disciplined capital allocation, we are building a resilient platform that supports sustainable growth, regardless of cyclical headwinds."

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About Shui On Land

Founded in 2004, Shui On Land (Stock Code: 272), Shui On Land is a leading urban solution provider in China, offering a diverse portfolio in top tier cities across China with two core business segments: property development and property investment & management. The company specialises in urban regeneration and the development and operation of communities that prioritise culture, social engagement, and sustainability. Shui On Land is committed to delivering a best-in-class lifestyle through its well-known brands “Xintiandi” and “Lakeville”. As of December 31, 2024, the company holds a land bank of 8.0 million sq.m. in prime locations across key Chinese cities. Its wholly owned subsidiary, Shui On Xintiandi, serves as the property investment and management arm, making it one of the largest private commercial property managers in Shanghai. This subsidiary oversees a portfolio of RMB79 billion of office and retail premises, including the flagship Shanghai Xintiandi.

Shui On Land was listed on the Hong Kong Stock Exchange on October 4, 2006. The company is included in several key indices, such as the Hang Seng Composite Index, the Hang Seng Composite Industry Index - Properties & Construction, the Hang Seng Composite SmallCap Index, the BI China Real Estate Owners and Developers Valuation Peers, and the Bloomberg ESG Data Index.

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