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瑞安房地產
SHUI ON LAND

Shui On Land Limited

瑞安房地產有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 272)

Announcement of 2024 Annual Results

HIGHLIGHTS

- **Resilience under very challenging market conditions:** The Group's prudent strategy demonstrated its resilience and ability to maintain profitability under a very challenging economic conditions in China and continuing structural adjustments in the country's property sector. In 2024, the Group recorded a profit of RMB810 million, with profit attributable to shareholders of RMB180 million. The sharp year-on-year profit decline was primarily driven by fewer residential property completions and reduced recognised property sales.
- **Quality commercial portfolio yielded solid rental growth:** The Group's total rental and related income (including joint ventures and associates) increased 9% YoY to RMB3,547 million. The growth was mainly driven by additional contributions from **Panlong Tiandi** and **Hong Shou Fang**, both of which opened to great success in 2023 and which have continued to achieve high foot traffic and strong sales growth.
- **Relentless effort on capital management:** In August 2024, the Group fully repaid USD493.5 million senior notes, reflecting its disciplined approach to financial health. As of 31 December 2024, the net gearing ratio was stable at 52%, while cash and bank deposits totalled RMB7,734 million. Subsequent to the year-end, USD490 million senior notes due on 3 March 2025 were also fully repaid. Thus, as of 27 March 2025, a total of RMB45.2 billion of offshore debts (gross amount) has been repaid since 2021. Considering the still fragile Chinese economy and property market, the Group is cautious about the near-term business outlook, as the overall growth of the property industry is likely to remain modest in the near future. The Group will continue to manage its finances prudently, review its strategies and adopt the optimal course to sustain long-term growth.
- **Global recognition for sustainability efforts:** During 2024, our sustainability initiatives were recognised by various international organisations. Notably, we were honoured as one of the 15 companies in Mainland China to receive CDP's Climate Leadership Award for our outstanding climate governance and disclosure practices. Our inclusion in CDP's A-List underscored our leading position globally. Our comprehensive efforts on gender equality were acknowledged when we secured the first runner-up spot in the UN Women's Empowerment Principles 2024 Asia Pacific Award in the Transparency and Reporting category, validating our commitment to inclusivity.
- **Dividend declared:** 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).

Website: www.shuionland.com

PERFORMANCE HIGHLIGHTS

	2024	2023	Year-on-Year Growth/ (Decline)
Total rental and related income (RMB'million)¹	3,547	3,243	9%
Contracted sales (RMB'million)	15,055	11,396	32%
Subscribed sales (RMB'million)	795	367	117%

Selected Financial Information (RMB'million)

Revenue	8,173	9,752	(16%)
Property sales recognised as revenue	4,356	5,898	(26%)
Rental and related income (excluding associates and joint ventures)	2,456	2,398	2%
Gross profit	5,228	5,045	4%
Profit for the year	810	1,397	(42%)
Profit attributable to shareholders of the Company	180	810	(78%)

Selected Financial Ratios

Gross profit margin	64%	52%	12ppt
Net profit margin	10%	14%	(4ppt)
Earnings per share (basic), RMB cents	2.2	10.1	(78%)

	31 December 2024	31 December 2023	Changes
Selected Balance Sheet Data (RMB'million)			
Total assets	91,938	100,998	(9%)
Cash and bank deposits	7,734	8,917	(13%)
Total indebtedness	29,927	31,933	(6%)
Net debt	22,193	23,016	(4%)
Total equity	42,669	44,149	(3%)
Net gearing (Net debt-to-equity ratio)	52%	52%	-

Landbank (GFA, million sq.m.)

Total leasable and saleable landbank	5.8	6.2	(6%)
Attributable leasable and saleable landbank	3.7	3.9	(5%)

¹ Including rental income from Shanghai Ruihong Tiandi commercial partnership portfolio, 5 Corporate Avenue and Hubindao, Nanjing IFC, CPIC Xintiandi Commercial Centre, Hong Shou Fang and KIC Shanghai in which the Group has 49.5%, 44.55%, 50%, 25%, 35% and 46.33% effective interests, respectively.

BUSINESS REVIEW

Shui On Land is a leading urban solutions provider, principally engaged in property development, property investment and management across China, anchored by a prime city centre portfolio in Shanghai. As a pioneer in developing and operating sustainable premium urban communities, the Group specialises in urban regeneration, culture rejuvenation as well as the development and operation of communities that prioritise culture, social engagement, and sustainability, providing different urban solutions to the cities in China.

Shui On Xintiandi (“SXTD”), a wholly-owned subsidiary of Shui On Land, is a leading investor and manager of premium commercial properties in China with the mission to build vibrant, inclusive and sustainable communities. With businesses spanning the top-tier cities across China including Shanghai, Wuhan, Chongqing, Foshan and Nanjing, it is one of the largest private commercial property managers in Shanghai, with a total portfolio of 2.8 million square metres (“sq.m.”) of office and retail premises under its management, including its flagship project Shanghai Xintiandi.

KEY ACHIEVEMENTS IN 2024

- During 2024, the Group recorded property sales of RMB4,356 million. Including joint ventures and associates, property sales totalled RMB7,962 million. Contracted sales were RMB15,055 million, comprising residential property sales of RMB14,553 million and commercial property sales of RMB502 million. Total locked-in sales, including those of joint ventures and associates, was RMB15,394 million for delivery and to be recognised in the financial year 2025 and beyond.
- Our commercial property portfolio has demonstrated its quality by delivering strong rental income growth. Including properties held by joint ventures and associates, total rental and related income increased by 9% year-on-year to RMB3,547 million in 2024, of which 77% was contributed by our portfolio in Shanghai. The increase in the year was mainly arising from contributions from two new openings in 2023, namely Panlong Tiandi and Hong Shou Fang. Both of these urban regeneration projects have attracted extensive social media coverage since their openings and have in turn attracted visitors from all over China.
- In August 2024, the Group repaid an aggregate amount of USD493.5 million, 6.15% senior notes. Subsequent to year-end in March 2025, we have also repaid an aggregate amount of USD490 million, 5.50% senior notes. This demonstrates the Group’s commitment to fulfilling its financial obligations.
- In September 2024, the Group successfully launched the first phase of Lakeville VI in Shanghai. A total of 108 units, representing a total gross floor area (“GFA”) of 57,000 sq.m., were launched and fully subscribed on the launch day. Lakeville VI is the latest addition to the Lakeville residential series in the Shanghai Xintiandi community in Shanghai’s Huangpu District. It is the last residential plot facing Taipingqiao Lake and upon completion will be the tallest residential building and landmark in Puxi. The strong interest in the project demonstrated consumers’ confidence in Shui On Land and in the value of the Lakeville brand.
- In November 2024, the Group entered into a cooperation agreement with the existing shareholders of the KIC Shanghai to restructure its investment holding structure through the formation of a limited partnership and an equity transfer. The equity transfer was completed in December 2024.
- With regards to sustainability, as part of our ongoing efforts to address climate change, Shanghai Xintiandi has achieved 100% renewable electricity for all its operational properties since 1 July 2024. This marks a significant milestone, being the first integrated commercial complex in Shanghai’s city core to be entirely powered by renewable electricity. To build and support sustainable communities, we have also strengthened our sustainability engagement with tenants by achieving record Green Pledge participation rates of 99.8% among food and beverage tenants, 97.7% for retail tenants and 92.9% across office tenants.

PROPERTY SALES PERFORMANCE

Recognised Property Sales

For 2024, total recognised property sales were RMB7,962 million (after deduction of applicable taxes). The average selling price (“ASP”) excluding car parks was RMB25,500 per sq.m.. The decline in net profit mainly resulted from a lower level of residential completion during the year.

The table below summarises by project the recognised property sales (stated after the deduction of applicable taxes) for 2024 and 2023:

Project	2024			2023		
	Sales revenue	GFA sold	ASP ¹	Sales revenue	GFA sold	ASP ¹
	RMB' million	sq.m.	RMB per sq.m.	RMB' million	sq.m.	RMB per sq.m.
Shanghai Taipingqiao						
Lakeville Ville V (Lot 118)	28	200	155,000	105	700	164,300
Ruihong Tiandi						
Residential (Lot 7)	-	-	-	17,012	161,200	115,000
Residential (Lot 167A)	-	-	-	9,427	85,800	119,800
Retail (Lot 7)	106	2,200	52,300	-	-	-
Retail (Lot 167A)	16	200	85,000	-	-	-
Panlong Tiandi						
Residential	46	600	83,300	5,312	85,700	67,900
Hotel	95	4,800	21,700	-	-	-
Wuhan Tiandi						
Residential	4,100	70,500	63,900	-	-	-
Retail	34	700	54,300	-	-	-
Wuhan Innovation Tiandi						
Residential	244	13,700	19,000	404	18,600	23,700
Retail	1	100	13,300	-	-	-
Office	2,291	180,700	13,800	269	22,600	13,000
Lingnan Tiandi						
Retail	2	1,500	1,300	-	-	-
Chongqing Tiandi²						
Residential	725	43,100	22,400	3,811	165,200	25,100
Retail/Office (Loft)	141	17,100	9,000	1,112	106,100	11,400
Sub-total	7,829	335,400	25,500	37,452	645,900	63,200
Carparks²	133			1,113		
Grand Total	7,962	335,400	26,000	38,565	645,900	65,100
Recognised as:						
- property sales in revenue of the Group	4,356			5,898		
- revenue of associates	989			22,367		
- revenue of joint ventures	2,617			10,300		
Grand Total	7,962			38,565		

Notes:

¹ The calculation of ASP per sq.m. is based on gross sales revenue before deducting applicable taxes.

² ASP of Chongqing residential sales is based on net floor area, a common market practice in the region. Residential of RMB725 million, retail space of RMB141 million, and car parks sales of RMB13 million were contributed by the Chongqing Tiandi partnership portfolio and were recognised as revenue of associates in 2024. The Group holds a 19.8% interest in the partnership portfolio.

Contracted Property Sales, Subscribed Sales, and Locked-in Sales

The Group's contracted property sales for 2024 increased by 32% compared with those for the corresponding period in 2023 to RMB15,055 million, with residential property sales accounting for 97% and the remainder contributed by the sale of commercial units. The increase was due to the strong sales performance of Shanghai Taipingqiao Lakeville VI (Lot 122). We target the next launch, comprising villas and townhouses, in late 2025 and beyond (subject to construction progress and the timing of government pre-sale approval). The average ASP for our residential property sales was RMB134,900 per sq.m. in 2024, compared to RMB56,700 per sq.m. in 2023, as a higher proportion of contracted property sales was generated from higher ASP projects in Shanghai.

As of 31 December 2024:

- i) total subscribed sales of RMB795 million were subject to formal sales and purchase agreements in the coming months.
- ii) total locked-in sales of RMB15,394 million were recorded and available for delivery to customers and to be recognised in the Group's financial results in 2025 and beyond.

The table below provides an analysis by project of contracted sales (stated before the deduction of applicable taxes) for 2024 and 2023:

Project	2024			2023		
	Contracted amount	GFA sold	ASP	Contracted amount	GFA sold	ASP
	RMB' million	sq.m.	RMB per sq.m.	RMB' million	sq.m.	RMB per sq.m.
Residential property sales:						
Shanghai Taipingqiao (Lot 118)	-	-	-	146	900	162,200
Shanghai Taipingqiao (Lot 122)	11,979	57,000	210,200	-	-	-
Ruihong Tiandi (Lot 7) ¹	-	-	-	6 ³	-	-
Ruihong Tiandi (Lot 167A) ²	-	-	-	(16) ³	-	-
Riverville	1,298	6,300	206,000	-	-	-
Panlong Tiandi	50	600	83,300	205	2,800	73,200
Wuhan Tiandi	190	3,600	52,800	4,062	62,700	64,800
Wuhan Changjiang Tiandi	553	18,000	30,700	706	20,500	34,400
Wuhan Innovation Tiandi	389	22,100	17,600	488	20,600	23,700
Chongqing Tiandi ⁴	5	300	20,300	400	19,600	24,900
Carparks	89	-	-	1,211	-	-
Sub-total	14,553	107,900	134,900	7,208	127,100	56,700
Commercial property sales:						
Ruihong Tiandi (Lot 7) ¹	17	200	85,000	-	-	-
Ruihong Tiandi (Lot 167A) ²	116	2,200	52,700	-	-	-
Panlong Tiandi (Hotel)	101	4,800	21,000	-	-	-
Wuhan Tiandi	-	-	-	37	800	46,300
Wuhan Changjiang Tiandi	14	300	46,700	-	-	-
Wuhan Innovation Tiandi	132	9,500	13,900	2,497	180,700	13,800
Chongqing Tiandi ⁴						
Office (Loft)	115	15,800	7,300	328	25,600	12,800
Retail	-	-	-	120	16,700	7,200
Lingnan Tiandi	2	1,500	1,300	-	-	-
Carparks	5	-	-	-	-	-
Sub-total	502	34,300	14,700	2,982	223,800	13,300
Total Property Sales	15,055	142,200	105,900	10,190	350,900	29,000
Other Assets Disposal:						
Hong Shou Fang	-	-	-	1,206	-	-
Grand Total	15,055	142,200		11,396	350,900	

Notes:

¹ The Group holds 49.5% of the property.

² The Group holds 49% of the property.

³ Represents the difference between the planned pre-sale GFA and the actual GFA.

⁴ ASP of Chongqing residential sales is based on net floor area, a common market practice in the region. Chongqing Tiandi partnership portfolio is a project developed by associates of the Group. The Group holds a 19.8% interest in the partnership portfolio.

Residential GFA Available for Sale and Pre-sale in 2025 and Beyond

The Group has approximately 176,300 sq.m. of residential GFA spanning seven projects available for sale and pre-sale in 2025 and beyond, as summarised below:

Project	Product	Available for sale and pre-sale in 2025 and beyond		
		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	Townhouses	8,700	50%	4,400
Riverville	Townhouses	15,100	60%	9,100
Wuhan Tiandi	High-rises	21,400	100%	21,400
Wuhan Innovation Tiandi	High-rises	31,200	50%	15,600
Wuhan Changjiang Tiandi	High-rises	96,600	50%	48,300
Chongqing Tiandi	High-rises	1,200	19.80%	200
Total		176,300		101,100

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.

PROPERTY DEVELOPMENT

Residential Development Saleable Resources as of 31 December 2024

Project	Approximate Saleable Residential GFA	Estimated Gross Saleable Resource	The Group's Interests	Estimated Attributable Sales
	sq.m.	RMB' billion		RMB' billion
Shanghai Taipingqiao Lot 118	2,100	0.4	99%	0.4
Shanghai Taipingqiao Lot 122	23,600	7.5	50%	3.7
Riverville	15,100	3.1	60%	1.8
Shanghai Sub-total	40,800	11.0		5.9
Wuhan Changjiang Tiandi ²	712,900	35.5	50%	17.7
Wuhan Tiandi	35,800	1.8	100%	1.8
Wuhan Innovation Tiandi	129,400	2.9	50%	1.5
Chongqing Tiandi	1,200	0.03	19.80%	0.01
Other Cities Sub-total	879,300	40.2		21.0
Grand Total	920,100	51.2		26.9

Notes:

¹ This table represents saleable resources not yet recorded as contracted sales as of 31 December 2024.

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

Residential Properties under Development

Shanghai Taipingqiao - Lot 122 was acquired in June 2021 with a total GFA of 87,000 sq.m. (including a GFA of 6,000 sq.m. underground space) for residential use and a GFA of 18,000 sq.m. (including a GFA of 3,600 sq.m. underground space) for retail shops. In September 2024, the Company successfully launched the first phase. A total of 108 units, representing a total GFA of 57,000 sq.m., were launched and fully subscribed on the launch day. The Group holds a 50% interest in the development.

Riverville - The site was acquired in December 2022 with a total GFA of 30,000 sq.m. (including a GFA of 8,500 sq.m. underground space) for residential use. It is a heritage preservation and development project that involves the development of a high-end, low-density residential community comprising 90 units with unit sizes ranging from 160 – 410 sq.m.. Pre-sales for this project started in the second half (“2H”) of 2024. As of 31 December 2024, a total GFA of 6,300 sq.m. has been contracted with a sales amount of RMB1,298 million. The project is planned for delivery in 2H 2025. The Group holds a 60% interest in the development.

Wuhan Changjiang Tiandi - The site was acquired in December 2021 with an estimated saleable GFA of 751,000 sq.m. for residential use. Lot B4 has a total residential GFA of 135,000 sq.m., and sales of the first batch started in September 2023. As of 31 December 2024, 267 units with a total GFA of 38,800 sq.m. have been contracted. The Group holds a 50% interest in the development.

Wuhan Tiandi - La Riva III (Lot B12) with a total GFA of 71,000 sq.m. for residential and 1,000 sq.m. for retail was launched in May 2023. The pre-sale price was the highest ever achieved in Wuhan. As of 31 December 2024, most of units have been delivered to the buyers.

Wuhan Innovation Tiandi - The site was acquired in 2017. The construction for Lots R7 and R8, with a total saleable GFA of 73,000 sq.m., commenced in November 2021. Despite the challenging market, by using a variety of strategies, the project team was able to rank top for sales of high-end products (above 180 sq.m.) in the centre of Optics Valley. As of 31 December 2024, a total of 31,000 sq.m. of residential GFA has been delivered to customers, and 227 units with GFA 42,000 sq.m. contracted. The Group holds a 50% interest in the development.

Commercial Properties under Development and for Future Development as of 31 December 2024

Project	Office GFA	Retail GFA	Total GFA	The Group's interests	Attributable GFA
	sq.m.	sq.m.	sq.m.		sq.m.
Shanghai Taipingqiao Lot 122	-	18,000	18,000	50.00%	9,000
Shanghai Sub-total	-	18,000	18,000		9,000
Wuhan Tiandi	70,000	3,000	73,000	100.00%	73,000
Wuhan Innovation Tiandi	252,000	337,000	589,000	50.00%	294,500
Wuhan Changjiang Tiandi	56,000	232,000+30,000 ¹	318,000	50.00%	159,000
Lingnan Tiandi	450,000	107,000+80,000 ¹	637,000	100.00%	637,000
Chongqing Tiandi	228,000	65,000+25,000 ¹	318,000	19.80%	63,000
Other Cities Sub-total	1,056,000	879,000	1,935,000		1,226,500
Grand Total	1,056,000	897,000	1,953,000		1,235,500

Note:

¹ Hotel use.

LANDBANK

As of 31 December 2024, the Group's landbank was 8.0 million sq.m. (comprising 5.8 million sq.m. of leasable and saleable area and 2.2 million sq.m. for clubhouses, car parking spaces, and other facilities) spanning 14 development projects located in the prime areas of five major cities in China, namely Shanghai, Nanjing, Wuhan, Foshan, and Chongqing. The leasable and saleable GFA attributable to the Group was 3.7 million sq.m.. Of the total leasable and saleable GFA of 5.8 million sq.m., approximately 2.6 million sq.m. was completed and held for sale and/or investment, approximately 0.9 million sq.m. was under development, and the remaining 2.3 million sq.m. was held for future development.

The Group's total landbank as of 31 December 2024, including that of its joint ventures and associates, is summarised below:

Project	Approximate/Estimated leasable and saleable GFA				Sub-total	Clubhouse, carpark, and other facilities	Total
	Residential	Office	Retail	Hotel/ serviced apartments			
	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.	sq.m.
Completed properties:							
Shanghai Taipingqiao ¹	2,000	281,000	212,000	-	495,000	201,000	696,000
Ruihong Tiandi ²	-	145,000	298,000	-	443,000	265,000	708,000
KIC Shanghai ³	-	164,000	67,000	22,000	253,000	142,000	395,000
The Hub	-	90,000	173,000	-	263,000	72,000	335,000
Panlong Tiandi	-	-	42,000	-	42,000	78,000	120,000
Hong Shou Fang	-	48,000	14,000	-	62,000	21,000	83,000
Inno KIC	-	41,000	4,000	-	45,000	18,000	63,000
Wuhan Tiandi	-	165,000	238,000	-	403,000	300,000	703,000
Wuhan Innovation Tiandi	42,000	29,000	15,000	-	86,000	225,000	311,000
Lingnan Tiandi	-	16,000	157,000	43,000	216,000	63,000	279,000
Chongqing Tiandi ⁴	-	8,000	226,000	-	234,000	478,000	712,000
Nanjing IFC	-	72,000	28,000	-	100,000	18,000	118,000
Sub-total	44,000	1,059,000	1,474,000	65,000	2,642,000	1,881,000	4,523,000
Properties under development:							
Shanghai Taipingqiao ⁵	87,000	-	18,000	-	105,000	61,000	166,000
Ruihong Tiandi ⁶	-	107,000	12,000	-	119,000	38,000	157,000
Riverville	30,000	-	-	-	30,000	22,000	52,000
Wuhan Innovation Tiandi	-	70,000	50,000	-	120,000	75,000	195,000
Wuhan Changjiang Tiandi	221,000	-	7,000	-	228,000	63,000	291,000
Chongqing Tiandi	28,000	228,000	-	25,000	281,000	47,000	328,000
Sub-total	366,000	405,000	87,000	25,000	883,000	306,000	1,189,000
Properties for future development:							
Wuhan Tiandi	39,000	70,000	3,000	-	112,000	-	112,000
Wuhan Innovation Tiandi	98,000	182,000	287,000	-	567,000	-	567,000
Wuhan Changjiang Tiandi	563,000	56,000	225,000	30,000	874,000	42,000	916,000
Lingnan Tiandi	28,000	450,000	107,000	80,000	665,000	-	665,000
Chongqing Tiandi	-	-	65,000	-	65,000	-	65,000
Sub-total	728,000	758,000	687,000	110,000	2,283,000	42,000	2,325,000
Total landbank GFA	1,138,000	2,222,000	2,248,000	200,000	5,808,000	2,229,000	8,037,000

Notes:

¹ The Group has 99.00% interests in all the remaining lots, except for Shanghai Xintiandi, Shui On Plaza including Xintiandi Plaza, 15th floor in Shui On Plaza, 5 CA, Lot 132&Lot 123&124 and Lot 116, in which the Group has effective interests of 100.00%, 80.00%, 100.00%, 44.55%, 25.00%, and 98.00%, respectively.

² The Group has 99.00% effective interests in all the remaining lots, except for The Palette, Hall of the Stars, Hall of the Moon, Parkview, Hall of the Sun, and Ruihong Corporate Avenue, in which the Group has effective interests of 49.50% and Lot 167A, in which the Group has an effective interest of 49.00%.

³ In November 2024, the Group entered into a cooperation agreement with the existing shareholders of the KIC Shanghai to restructure its investment holding structure through the formation of a limited partnership and an equity transfer. The equity transfer was completed in December 2024 and the KIC Shanghai ceased to be subsidiaries of the Company accordingly.

⁴ The Group has 99.00% effective interests in all the remaining lots, except for Lot B5, Lot B10, Lot B15, Lot B14, Lot B13, Lot B24-6 Phase I and Lot B11 Phase I, in which the Group has effective interests of 19.80%.

⁵ The Group has a 50.00% interest in Lot 122.

⁶ The Group has a 49.00% interest in Lot 167B.

INVESTMENT PROPERTIES

Valuation of Investment Properties

As of 31 December 2024, the carrying value of the Group's investment properties at valuation (excluding hotels for operation and self-use properties) was RMB100,283 million, with a total GFA of 2,753,000 sq.m.. The properties located in Shanghai, Wuhan, Foshan, Nanjing, and Chongqing, respectively, contributed 79%, 9%, 6%, 3% and 3% of the carrying value.

The table below summarises the carrying value of the Group's investment properties at valuation as of 31 December 2024, together with the change in fair value for 2024:

Project	Leasable GFA sq.m.	Increase /(decrease) in fair value for 2024 RMB'million	Carrying value as of 31 December 2024 RMB'million	Fair value gain/(loss) to carrying value %	Attributable carrying value to the Group RMB'million
Completed investment properties at valuation					
Shanghai Taipingqiao					
Shanghai Xintiandi and Xintiandi Style II	80,000	93	8,353	1.1%	8,333
Shui On Plaza and Xintiandi Plaza	53,000	(72)	3,960	(1.8%)	3,208
5 Corporate Avenue, Hubindao	79,000	(51)	6,659	(0.8%)	2,967
CPIC Xintiandi Commercial Centre	274,000	49	21,454	0.2%	5,364
Ruihong Tiandi	441,000	(352)	15,414	(2.3%)	7,630
The Hub	263,000	(94)	8,773	(1.1%)	8,773
KIC Shanghai	253,000	35	8,671	0.4%	4,017
Inno KIC	45,000	(5)	1,472	(0.3%)	1,472
Panlong Tiandi	42,000	79	1,387	5.7%	1,110
Hong Shou Fang	62,000	68	2,673	2.5%	936
Wuhan Tiandi	401,000	(117)	9,052	(1.3%)	9,052
Lingnan Tiandi	158,000	(76)	4,402	(1.7%)	4,402
Chongqing Tiandi	128,000	(16)	1,524	(1.0%)	1,509
Chongqing In City	98,000	-	1,664	-	329
Nanjing IFC	100,000	(100)	2,862	(3.5%)	1,431
Sub-total	2,477,000¹	(559)	98,320	(0.6%)	60,533
Investment properties under development at valuation					
Foshan Lot A	254,000	(21)	1,850	(1.1%)	1,850
Sub-total	254,000	(21)	1,850	(1.1%)	1,850
Investment properties – sublease of right-of-use assets					
Nanjing Inno Zhujiang Lu	17,000	(10)	64	(15.6%)	64
Panlong Tiandi (Hotel)	5,000	(3)	49	(6.1%)	39
Sub-total	22,000	(13)	113	(11.5%)	103
Grand Total	2,753,000	(593)	100,283	(0.6%)	62,486
Grand Total (excluding associates and joint ventures)	1,446,000	(207)	40,886	(0.5%)	39,812

Note:

¹ Self-use properties (total GFA 11,000 sq.m. with carrying value of RMB656 million) are classified as property and equipment in the consolidated statement of financial position, and the respective leasable GFA and carrying value are excluded from this table.

SXTD: the Group's Flagship Commercial Business Unit

SXTD invests in and manages premium commercial properties in China. With over two decades of experience in investing and operating in China, we have built landmark communities over the years including our flagship project Shanghai Xintiandi. With high quality services and constant innovation, we aim to build landmark communities merge culture, heritage and lifestyle.

Commercial Properties Portfolio

Our retail portfolio occupancy remained stable, averaging 94% as of 31 December 2024. Overall sales and shopper traffic in our portfolio for 2024 increased by 8% and 12%, respectively. Rental reversion, however, has turned negative as the market is experiencing lower consumption demand and a large retail supply.

The office market has been extremely challenging, given the economic slowdown and oversupply. Many businesses have slowed their activities or suspended their expansion or relocation plans. Occupancy of our more mature office properties nonetheless remained stable, with an average occupancy rate of 91%. This bears testimony to our high-quality assets and services, as well as the prime locations of our properties. Rental reversion was negative as of 31 December 2024 given the fierce competition and macro-economic challenges. Despite the difficult market, the overall occupancy for the office portfolio improved from 66% as of 31 December 2023 to 69% as of 31 December 2024.

Rental and related income for the Group increased by 2% to RMB2,456 million in 2024 compared to RMB2,398 million in 2023. The growth was primarily driven by additional rental contributions resulting from the successful opening of Panlong Tiandi.

Including rental and related income from joint venture and associate properties, the total rental and related income increased by 9% year-on-year to RMB3,547 million in 2024, of which 77% was contributed by the portfolio located in Shanghai, with the remainder from other cities in China.

The table below provides an analysis of the rental and related income and occupancy rates of the Group's investment properties:

Project	Product	Rental & related						
		Leasable	income		Changes	Occupancy rate		Changes
		GFA	RMB'million			31 Dec	31 Dec	
		sq.m.	2024	2023	%	2024	2023	ppt
Shanghai Taipingqiao								
Shanghai Xintiandi	Office/ Retail	54,000	488	457	7%	96%	97%	(1)
Xintiandi Style II	Retail	26,000	74	73	1%	94%	91%	3
Shui On Plaza & Xintiandi Plaza	Office / Retail	53,000	146	157	(7%)	98%	91%	7
5 Corporate Avenue, Hubindao	Office / Retail	79,000	234	237	(1%)	93%	93%	-
CPIC Xintiandi Commercial Centre								
Lot 132	Office	30,000	110	48	129%	100%	100%	-
Lot 123/124	Office	163,000	49	-	n/a	36%	-	n/a
Ruihong Tiandi								
Hall of the Moon, Hall of the Stars, The Palette, Hall of the Sun	Retail	296,000	339	348	(3%)	90%	86%	4
Ruihong Corporate Avenue	Office	145,000	114	84	36%	58%	39%	19
The Hub	Office/ Retail	263,000	448	427	5%	89%	92%	(3)
KIC Shanghai	Office/ Retail	253,000	479	476	1%	93%	95%	(2)
Inno KIC	Office/ Retail	45,000	63	65	(3%)	91%	93%	(2)
Panlong Tiandi	Retail	42,000	115	70	64%	96%	87%	9
Hong Shou Fang ¹	Office/ Retail	62,000	82	21 ¹	290%	81%	37%	44
Wuhan Tiandi	Office/ Retail	401,000	376	366	3%	71%	63%	8
Lingnan Tiandi	Office/ Retail	158,000	223	219	2%	94%	93%	1
Chongqing Tiandi	Retail	128,000	71	67	6%	96%	97%	(1)
Nanjing IFC	Office/ Retail	100,000	136	128	6%	90%	81%	9
Grand Total		2,298,000 ²	3,547	3,243	9%			

Notes:

¹ Hong Shou Fang office with 48,000 sq.m. GFA started to lease in Q3 2023. In December 2023, the Group disposed of a 65% equity interest in this project. The transaction was completed in January 2024.

² A total GFA of 11,000 sq.m. located at Shanghai Shui On Plaza, Wuhan Tiandi, and Lingnan Tiandi was occupied by the Group and was excluded from the above table.

Real Estate Asset Management

To complement our Asset-Light strategy, we also work as a trusted partner to other asset owners and provide real estate asset management services for commercial projects. The real estate asset management services include but are not limited to feasibility studies, tenancy positioning, leasing, marketing and branding, as well as account and finance management. As of 31 December 2024, our asset management projects included 5 Corporate Avenue and Hubindao, Nanjing IFC, commercial properties in the Ruihong Tiandi, CPIC Xintiandi Commercial Centre, Hong Shou Fang, KIC Shanghai and Nanjing Inno Zhujiang Lu. The total valuation of projects we manage amounted to RMB57.8 billion as of 31 December 2024, with a total GFA of 1,226,000 sq.m.. We will continue to extend our services and look for more opportunities to work with other organisations, utilising our experience and knowledge to build sustainable premium communities.

Our Projects and Latest Updates

Shanghai Taipingqiao:

Shanghai Taipingqiao is a large-scale, flagship community project in the heart of Shanghai. It was developed to preserve the region's historical architecture while transforming the area to meet urban development needs. Located in Huangpu District, the project is connected by Shanghai Metro Lines 1, 8, 10, 13 and 14, fronting the popular Huaihai Middle Road business district. The Group began the multi-phase development of Shanghai Taipingqiao in 1996, comprising various commercial, office, and residential plots, including Shanghai Xintiandi, Xintiandi Style II, Shui On Plaza, Xintiandi Plaza, 5 Corporate Avenue, Hubindao and CPIC Xintiandi Commercial Centre. Our flagship project, Shanghai Xintiandi, is at the heart of the Shanghai Taipingqiao. Featuring the preservation of cultural heritage, Shanghai Xintiandi has been successfully established as an iconic landmark that offers a carefully blended experience of old Shanghai culture and modern lifestyles that has made the community a premier lifestyle destination for both residents of Shanghai and visitors. Not only does Shanghai Xintiandi continue to attract consumers and new tenants from across the world, it also serves as a popular venue for hosting international festivals and local events, such as Shanghai Fashion Week and the XINTIANDI Performing Arts Festival.

An Asset Enhancement Initiative was completed for Xintiandi Style II, which opened in January 2023 with a brand-new concept and positioning to cater to the lifestyle-focused preferences of the growing young premium clientele. Occupancy of the property has reached 94% as of 31 December 2024.

The CPIC Xintiandi Commercial Centre is a commercial complex with three towers of premium Grade A office buildings and a street style all-weather shopping and leisure/entertainment area. The project includes three lots, namely Lot 123, Lot 124, and Lot 132, with a total GFA of 274,000 sq.m.. Lot 132 (CPIC Life Tower), with a total GFA of 30,000 sq.m. of office, was completed and handed over to CPIC in 2023. Lot 123 (Tower 2) and Lot 124 (Tower 1) were completed in 2024. The retail podium of Lot 123 and Lot 124 are to be opened for operations in 2025.

The Hub:

Located at the heart of the Hongqiao central business district ("CBD"), The Hub is the only commercial complex that is directly connected to the Hongqiao Transportation Hub, offering convenient access to major transportation nodes such as the Shanghai High-Speed Rail Terminal, Shanghai Hongqiao International Airport, five underground metro lines, the long-haul bus station, and the future maglev terminal. The Hub features four office towers, a Xintiandi commercial zone, a shopping facility, and a performance and exhibition centre. Strategically located in Hongqiao CBD, the gateway to the Yangtze River Delta region, The Hub has attracted regional headquarters and branch offices of leading companies from various industries, including Fortune 500 companies.

Ruihong Tiandi:

Ruihong Tiandi is a mixed-use, large-scale masterplan community project covering retail, office, entertainment, cultural and residential space. The property is located in the Hongkou district of Shanghai, in close proximity to several leading universities and the CBD. It enjoys excellent connectivity to Lujiazui CBD and Pudong commercial district via four metro lines (Metro Lines 4, 8, 10 and 12) and two tunnels, Xinjian Road Tunnel and Dalian Road Tunnel. Ruihong Tiandi comprises various commercial and office properties, including the Hall of the Moon, the Hall of the Stars, The Palette, the Hall of the Sun, and Ruihong Corporate Avenue. Ruihong Tiandi is being revitalised to become a fashionable urban living destination.

Panlong Tiandi:

Panlong Tiandi comprises residential sites, culture and recreation areas, restaurant and hotel development, as well as greenery and open space for the public. The project is located in Shanghai's Qingpu District, part of the Hongqiao CBD. It is next to Panlong Station on Shanghai Metro Line 17 and just two train stops or 3 km away from the Hongqiao Transportation Hub. The Panlong Tiandi project won the Gold Award for Best Futura Mega Project in 2020 given by MIPIM Asia Awards. The retail facilities were opened at the end of April 2023, and it is one of Shanghai's most successful urban village transformations. Panlong Tiandi has become a new cultural landmark for the Yangtze River Delta area and a new destination combining cultural heritage, modern lifestyle, and community engagement. During the Spring Festival period of 2025, Panlong Tiandi attracted more than 970,000 visitors. Total foot traffic for 2024 exceeded 18 million.

KIC Shanghai:

KIC Shanghai is a mixed-use technology innovation and knowledge community strategically located in Wujiaochang in Yangpu District, in the immediate vicinity of major universities and colleges, including Fudan University, Shanghai University of Finance and Economics, and Tongji University. The project combines office space with research and development, education, training, investment, and incubator services, tailored to the needs of tenants in knowledge-based industries. In addition to office space and services, KIC comprises retail and mixed-use areas, including University Avenue and the KIC Village Zone, which offer the community a wide selection of gourmet cuisine, coffee shops, bookstores, galleries, and creative retail stores. Through the KIC project, we have facilitated the transformation of the Yangpu District from an industrial and manufacturing area into a community for knowledge and innovation. The KIC project has thus been regarded as a landmark of innovation and entrepreneurship in Shanghai. In November 2024, the Group entered into a cooperation agreement with the existing shareholders of the KIC Shanghai to restructure its investment holding structure through the formation of a limited partnership and an equity transfer. The equity transfer was completed in December 2024 and the KIC Shanghai ceased to be subsidiaries of the Company accordingly.

Inno KIC:

Located adjacent to KIC Shanghai in the Xinjiangwan CBD of Yangpu District, Inno KIC is one of the first projects created by SHUI ON WORKX, our multiform office solution aiming to provide a complete life-cycle workspace solution for start-ups as well as small-to-medium and large enterprises. The complex introduces a new business social platform that integrates work, entrepreneurship, learning, and leisure, with the aim of delivering flexible business solutions and providing a diversified working ecosystem that promotes the growth and development of enterprises.

Hong Shou Fang:

The Hong Shou Fang project is an urban regeneration project located at the gateway of Changshou Road, the most popular commercial street in Shanghai's Putuo District. The site is only 2 km from Nanjing West Road, one of the most prominent CBDs in Shanghai, and is directly linked to Changshou Road Station, the interchange station of Metro Lines 7 and 13. The project encompasses a commercial complex with 48,000 sq.m. GFA of Grade A office and 14,000 sq.m. of entertainment, restaurants, and retail area achieved through the restoration of the existing historic buildings. The project was opened at the end of September 2023. The project company has become a joint venture project after the completion of the disposal of 65% equity interest in January 2024.

Since its opening, Hong Shou Fang has become a local landmark as our signature project of neighbourhood centre. Shopper traffic has remained high and it has marked a significant milestone in our neighbourhood community product line-up.

Wuhan Tiandi:

Wuhan Tiandi is a large-scale, mixed-use community project comprising office, retail, food and beverage, and entertainment facilities. It sits in the city centre of Hankou District, occupying a prime location on the Yangtze River waterfront, providing unparalleled views of the Yangtze River and the scenic Jiangtan Park.

Following a successful repositioning, we have optimised the tenant mix and the food and beverage offerings of its retail facilities, introducing new tenants focusing on young premium customers. It has become a retail and social destination in Wuhan that offers lifestyle experiences to this clientele.

The project also includes 1 Corporate Avenue, a high-rise Grade A office building spanning 73 stories completed in September 2021.

Lingnan Tiandi:

Lingnan Tiandi is a large-scale, integrated urban regeneration community comprising retail, office, hotel, cultural facilities, and residential complexes. Strategically located in the old town centre of the central Chancheng District, the project enjoys good connectivity, being the location of two stations on the Guangzhou-Foshan metro line. The project preserves traditional Lingnan-style architecture, while blending cosmopolitan elements and modern facilities into a lifestyle destination, offering the city's residents and tourists a wide selection of terrace restaurants and retail options.

Chongqing Tiandi:

Chongqing Tiandi is situated on the south bank of the Jialing River in the Yuzhong District of Chongqing, one of the most populous cities in the world and the leading industrial and commercial hub of southwest China. It has a unique landscape and creates a commercial and residential community around a man-made lake within the surrounding hillsides.

The project has recorded stable rental growth and has reached 96% occupancy as of 31 December 2024, following a repositioning targeting a young premium clientele. It offers a wide range of retail, food, and beverages as well as entertainment facilities to office tenants and residents in the neighbourhood.

Nanjing IFC:

We acquired a mixed-use Grade A landmark property in Nanjing with Grosvenor Group on a 50/50 basis in February 2021. Nanjing IFC is predominantly an office building occupied by a diverse mix of high-quality tenants, including MetLife, AIA, and KFC.

STRATEGY GOING FORWARD

Since 2016, the Group has implemented an Asset-Light strategy to propel our business in a more effective and productive way. With the Chinese economy and property sector undergoing unprecedented challenges in recent years, our Asset-Light strategy has provided the Group a solid anchor in a highly volatile market. The strategy serves multipronged purposes: i) to enable the Group to expand its funding sources with different partners; ii) to enable us to grow our brands and products more efficiently and iii) to derisk financially in the current difficult market conditions. The year 2024 marked an important milestone for our Asset-Light strategy. We entered into two new large-scale, mixed-use development and management contracts. We are collaborating with Yong Ye Enterprise (Group), a state-owned company, on high-end residences under our Lakeville brand in the Shanghai Xintiandi Community, as well as with the Shanghai Fengxian District Government on an urban village renovation project. In each case, the Group will provide professional management for the development, marketing, asset management, and operation of the projects.

Going forward we will continue to focus on our Asset-Light strategy for business expansion, actively exploring innovations in our business model that will allow us to exploit our brand reputation and management expertise further. In the near term, the Group's highest priority will be liquidity management and financial stability. Secondly, we will leverage our brands (namely, the community brand "Xintiandi" and luxury residential brand "Lakeville") to build a leadership position in Shanghai and gradually expand in the Greater Bay Area. Thirdly, we will continue to adopt a balanced strategy between property development and asset management. In the longer term, our goal is to become the "best in class" leader in selective markets and in the various products we create.

FINANCIAL REVIEW

The Group's **revenue** for 2024 decreased by 16% to RMB8,173 million, compared to RMB9,752 million in 2023, due mainly to a 26% decrease in recognised property sales.

Property sales for 2024 were RMB4,356 million (2023: RMB5,898 million), of which RMB4,138 million was from Wuhan Tiandi La Riva III (Lot B12). As a comparison, property sales in 2023 were primarily contributed by Shanghai Panlong Tiandi, which amounted to RMB5,501 million.

Rental and related income from property investment for 2024 was RMB2,456 million (2023: RMB2,398 million), representing a 2% year-on-year growth. The increase was mainly driven by higher occupancy rates of the commercial properties in Shanghai, in particular the additional rental from Shanghai Panlong Tiandi, which was opened at the end of April 2023.

Rental and related income from the Group's Shanghai properties, which accounted for 73% (2023: 73%) of the total, rose by 2% to RMB1,786 million (2023: RMB1,746 million). The rental and related income from the Group's non-Shanghai properties totalled RMB670 million in 2024 (2023: RMB652 million), representing a 3% year-on-year growth.

Property management income for 2024 increased by 5% to RMB608 million (2023: RMB580 million), of which RMB447 million (2023: RMB422 million) was from services rendered to commercial properties, representing a 6% year-on-year growth. The growth was attributable to increased occupancy rates. The remaining income of RMB161 million (2023: RMB158 million) was from residential properties.

Construction income generated by the construction business advanced to RMB395 million in 2024 (2023: RMB328 million), the increase being mainly from the construction services rendered to the Group's joint ventures.

Gross profit for 2024 rose by 4% to RMB5,228 million (2023: RMB5,045 million), and **gross profit margin** grew correspondingly to 64% (2023: 52%), attributable to a higher profit margin on property sales recorded in 2024.

Other income for 2024 declined by 21% to RMB326 million (2023: RMB411 million), mainly comprising bank interest income and interest income from joint ventures. The decrease was mainly caused by lower interest income from banks.

Selling and marketing expenses for 2024 fell 24% to RMB133 million (2023: RMB175 million) due to lower sales commission fees incurred in 2024.

General and administrative expenses, which are comprised of staff costs, depreciation charges, and advisory costs incurred, retreated by 5% to RMB932 million in 2024 (2023: RMB985 million), as a result of effective cost control.

Decrease in the fair value of investment properties totalled RMB207 million in 2024 (2023: an increase of RMB32 million). The investment property portfolio in Shanghai recorded a valuation gain of RMB33 million, which was offset by a revaluation loss of RMB240 million in the investment property portfolio outside Shanghai.

Gain on disposal of subsidiaries recorded a gain of RMB954 million in 2024 (2023: nil), arising from the restructuring among the existing shareholders of the KIC Shanghai. After taking into account taxes and other expenses, this transaction contributed a net profit attributable to shareholders of the Company of RMB176 million.

Other gains and losses recorded a net loss of RMB279 million in 2024 (2023: net loss of RMB243 million), comprised of:

Gains/(losses)	2024 RMB'million	2023 RMB'million
Provision for impairment losses under expected credit loss model	(287)	(1)
Gain/(loss) from fair value change of derivative financial instruments	50	(166)
Gain from hedging activities	-	14
Others	(42)	(90)
Total	(279)	(243)

Share of results of associates and joint ventures recorded a net gain of RMB217 million in 2024 (2023: RMB781 million). Net gains from residential projects, including property sales and savings in the final settlement of construction costs and land appreciation tax, amounted to RMB387 million (2023: RMB937 million), which principally comprised RMB267 million (2023: RMB41 million) from Wuhan Innovation Tiandi, RMB165 million (2023: RMB855 million) from the joint-venture project with GRANDJOY in Ruihong Tiandi (disclosed as associates) and RMB2 million (2023: RMB83 million) from the partnership portfolio in Chongqing. The gain was partially offset by the net loss from commercial properties totalling RMB170 million (2023: net loss of RMB156 million) which included a net effect of revaluation loss of RMB93 million (2023: net loss of RMB114 million).

Finance costs, inclusive of exchange differences, totalled RMB2,027 million in 2024 (2023: RMB2,167 million), comprising finance costs of RMB1,925 million (2023: RMB2,130 million) and a net exchange loss of RMB102 million (2023: RMB37 million). Total interest costs decreased by 12% to RMB2,058 million (2023: RMB2,350 million) which was in line with our reduced outstanding balance of debt and lower average cost of debt of 6.0% in 2024 (2023: 6.34%). Of the abovementioned interest costs, 6% (2023: 9%) or RMB133 million (2023: RMB220 million) was capitalised as the cost of property development, with the remaining 94% (2023: 91%) of interest costs relating to mortgage loans on completed properties and borrowings for general working capital purposes being accounted for as expenses.

Taxation totalled RMB2,337 million in 2024 (2023: RMB1,302 million). The year-on-year increase mainly resulted from i) more land appreciation tax levied on recognized property sales in Wuhan Tiandi La Riva III which has a higher profit margin and ii) transaction tax arising from the KIC Shanghai's restructuring. People's Republic of China Enterprise Income Tax has been provided for at the applicable income tax rate of 25% on the assessable profits during the year. Land appreciation tax was levied at progressive rates ranging from 30% to 60% based on the appreciation value, which is the proceeds of property sales less deductible expenditures, including costs of land, development, and construction.

Profit for the year 2024 was RMB810 million (2023: RMB1,397 million).

Profit attributable to shareholders of the Company for 2024 was RMB180 million (2023: RMB810 million).

The core earnings of the Group are as follows:

	2024 RMB'million	2023 RMB'million	Change %
Profit attributable to shareholders of the Company	180	810	(78%)
Decrease / (increase) in fair value of investment properties, net of tax	163	(2)	
Share of results of associates and joint ventures			
- decrease in fair value of investment properties, net of tax	93	114	
	<u>256</u>	<u>112</u>	
Non-controlling interests	14	9	
Net effect of changes in the valuation	<u>270</u>	<u>121</u>	
Profit attributable to shareholders of the Company before revaluation	<u>450</u>	<u>931</u>	(52%)
Core earnings of the Group	<u><u>450</u></u>	<u><u>931</u></u>	(52%)

Earnings per share for 2024 were RMB2.2 cents, calculated based on a weighted average of approximately 8,009 million shares in issue in 2024 (2023: earnings per share of RMB10.1 cents, calculated based on a weighted average of approximately 8,009 million shares in issue).

Dividends payable to shareholders of the Company must comply with certain covenants under the senior notes and bank borrowings.

Having taken into consideration the Group's financial performance during the year, the Board has resolved to recommend the payment of a 2024 final dividend of HKD0.036 per share (2023: HKD0.058 per share).

Major Disposal

- 1) In November 2024, the Group entered into a cooperation agreement with existing shareholders of the KIC Shanghai to restructure the investment holding structure of the project through the formation of a limited partnership and equity transfer. For details, please refer to the circular issued by the Company dated 29 November 2024. The equity transfer was completed in December 2024 and the KIC Shanghai ceased to be subsidiaries of the Company accordingly.
- 2) In December 2023, the Group entered into an agreement with Shanghai Hongrui Shouyuan Consulting Management Partnership (Limited Partnership) to dispose of its 65% interest in Hong Shou Fang. The equity disposal was completed in January 2024 and the audited final consideration was RMB1,209 million.

Liquidity, Capital Structure, and Gearing Ratio

In August 2024, the Group fully repaid an aggregate amount of USD493.5 million in senior notes at a yield of 6.15% per annum.

The structure of the Group's borrowings as of 31 December 2024 is summarised below:

		Due within one year	Due in more than one year but not exceeding two years	Due in more than two years but not exceeding five years	Due in more than five years
	Total	RMB'million	RMB'million	RMB'million	RMB'million
Bank and other borrowings – RMB	14,435	2,164	824	4,713	6,734
Bank borrowings – HKD	380	380	-	-	-
Bank borrowings – USD	4,462	2,111	1,839	512	-
Senior notes – USD	6,437	3,569	2,868	-	-
Receipts under securitisation arrangements – RMB	4,213	40	45	235	3,893
Total	29,927	8,264	5,576	5,460	10,627

Cash and bank deposits as of 31 December 2024 totalled RMB7,734 million (31 December 2023: RMB8,917 million), which included RMB2,780 million (31 December 2023: RMB3,172 million) of deposits pledged to banks and RMB2,083 million (31 December 2023: RMB2,033 million) of restricted bank balances which can only be applied to designated projects of the Group.

As of 31 December 2024, the Group's net debt (excess of the sum of senior notes, bank and other borrowings and receipts under securitisation arrangements net of bank balances and cash including pledged bank deposits and restricted bank deposits) was RMB22,193 million (31 December 2023: RMB23,016 million), and total equity was RMB42,669 million (31 December 2023: RMB44,149 million). The Group's net gearing ratio remained stable at 52% as of 31 December 2024 (31 December 2023: 52%), calculated based on the net debt over the total equity.

As of 31 December 2024, total HKD/USD borrowings (including both hedged and unhedged positions) amounted to RMB11,279 million (31 December 2023: RMB18,400 million), accounting for 38% of total borrowings (31 December 2023: 58%).

The total undrawn banking facilities available to the Group amounted to approximately RMB3,235 million as of 31 December 2024 (31 December 2023: RMB3,716 million).

Pledged Assets

As of 31 December 2024, the Group had pledged investment properties, property and equipment, right-of-use assets, receivables, bank deposits and the equity interest in a subsidiary totalling RMB39,984 million (31 December 2023: RMB42,304 million) to secure the Group's borrowings totalling RMB19,337 million (31 December 2023: RMB16,214 million).

Capital and Other Development Related Commitments

As of 31 December 2024, the Group had contracted commitments for development costs, capital expenditure, and other investments of RMB5,099 million (31 December 2023: RMB4,389 million).

Cash Flow Management and Liquidity Risk

Management of cash flow is the responsibility of the Group's treasury function at the corporate level.

The Group's commitment is to maintain a balance between continuity of funding and flexibility through a combination of internal resources, bank borrowings, and debt financing, as appropriate. During 2024, total RMB10.87 billion debts (gross amount) have been repaid by the Group. In addition, as of 27 March 2025, the Group has repaid RMB5.6 billion debts, accounting for 68% of the borrowings due within 2025. The Group will continue to take a very prudent approach to capital management and place healthy cashflow as a top priority in liquidity management.

Exchange Rate and Interest Rate Risks

The Group's revenue is denominated in RMB. Thus, the coupon payments and repayment of the principal amounts of the RMB bank and other borrowings do not expose the Group to any exchange rate risk.

However, a portion of the revenue is converted into other currencies to meet our foreign-currency-denominated debt obligations, such as bank borrowings denominated in HKD and USD, and senior notes denominated in USD issued in 2020 and 2021. Thus, to the extent that the Group has a net currency exposure, there is exposure to fluctuations in foreign exchange rates. As of 31 December 2024, the Group had entered into USD104 million of cross currency swaps to hedge the USD currency risk against the RMB. The Group continues to monitor its exposure to exchange rate risk closely. It may consider employing additional derivative financial instruments to hedge against its remaining exposure to exchange rate risk, if necessary.

The Group's exposure to interest rate risk results from fluctuations in interest rates. Most of the Group's bank borrowings consist of variable-rate debt obligations with original maturities ranging from one to 15 years. Increases in interest rates would raise interest expenses relating to the outstanding variable rate borrowings and the cost of new debt. Fluctuations in interest rates may also lead to significant fluctuations in the fair value of the debt obligations.

As of 31 December 2024, the Group had various outstanding loans that bear variable rates of interest linked to Hong Kong Inter-bank Offered Rates, the Secured Overnight Financing Rate ("SOFR"), and the Loan Prime Rate. The Group has hedged against the variability of cash flow arising from interest rate fluctuations by entering into cross currency swaps in which the Group received interest at variable rates at SOFR and paid interest at fixed rates, based on the notional amount of USD104 million. The Group continues to monitor its exposure to interest rate risk closely. It may consider employing additional derivative financial instruments to hedge against its remaining exposure to interest rate risk, if necessary.

Save as disclosed above, as of 31 December 2024, the Group does not hold any other derivative financial instruments linked to exchange rates or interest rates. The Group continues to monitor its exposure to exchange rate and interest rate risks closely and may employ derivative financial instruments to hedge against risk.

Contingent Liabilities

The Group had provided guarantees of RMB102 million as of 31 December 2024 (31 December 2023: RMB145 million) to banks in favour of its customers in respect of mortgage loans provided by banks to home-buyers for the purchase of the Group's developed properties. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificates of the respective properties by the banks from the home-buyers as a pledge for security to the mortgage loans granted.

The Board of Directors (the “Board”) of Shui On Land Limited (the “Company” or “Shui On Land”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	2024		2023	
		HKD'million (Note 2)	RMB'million	HKD'million (Note 2)	RMB'million
Revenue	4	8,959	8,173	10,823	9,752
Cost of sales		(3,228)	(2,945)	(5,224)	(4,707)
Gross profit		5,731	5,228	5,599	5,045
Other income	5	357	326	456	411
Selling and marketing expenses		(146)	(133)	(194)	(175)
General and administrative expenses		(1,021)	(932)	(1,094)	(985)
(Decrease)/increase in fair value of investment properties		(227)	(207)	35	32
Gain on disposal of subsidiaries		1,046	954	-	-
Other gains and losses	5	(306)	(279)	(269)	(243)
Share of results of associates and joint ventures		238	217	867	781
Finance costs, inclusive of exchange differences	6	(2,222)	(2,027)	(2,405)	(2,167)
Profit before tax	7	3,450	3,147	2,995	2,699
Tax	8	(2,562)	(2,337)	(1,445)	(1,302)
Profit for the year		888	810	1,550	1,397
Attributable to:					
Shareholders of the Company		197	180	899	810
Non-controlling shareholders of subsidiaries		691	630	651	587
		888	810	1,550	1,397
Earnings per share attributable to shareholders of the Company	10				
- Basic		HKD2.4 cents	RMB2.2 cents	HKD11.2 cents	RMB10.1 cents
- Diluted		HKD2.4 cents	RMB2.2 cents	HKD11.2 cents	RMB10.1 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2024		2023	
	HKD'million (Note 2)	RMB'million	HKD'million (Note 2)	RMB'million
Profit for the year	888	810	1,550	1,397
Other comprehensive income/(expense)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	(195)	(178)	(426)	(384)
The effective portion of changes in the fair value of currency forward contracts designated as cash flow hedges	31	28	28	25
Reclassification from hedge reserve to profit or loss arising from currency forward contracts	(12)	(11)	(38)	(34)
Share of other comprehensive income/(expense) of an associate and a joint venture	21	19	(6)	(5)
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit obligations	4	4	(1)	(1)
Surplus on revaluation of properties transferred from property and equipment to completed investment properties, net of tax	4	4	7	6
Other comprehensive expense for the year	(147)	(134)	(436)	(393)
Total comprehensive income for the year	741	676	1,114	1,004
Total comprehensive income attributable to:				
Shareholders of the Company	49	45	459	414
Non-controlling shareholders of subsidiaries	692	631	655	590
	741	676	1,114	1,004

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2024 RMB'million	31 December 2023 RMB'million
Non-current assets			
Investment properties		40,964	49,604
Interests in associates		8,641	8,932
Interests in joint ventures		14,806	13,696
Property and equipment		829	970
Right-of-use assets		14	17
Receivables, deposits, and prepayments	11	262	317
Pledged bank deposits		416	-
Loans to a non-controlling shareholder of a subsidiary		-	8
Deferred tax assets		259	230
Other non-current assets		59	67
		66,250	73,841
Current assets			
Properties under development for sale		2,694	1,957
Properties held for sale		817	1,069
Receivables, deposits, and prepayments	11	714	3,164
Amounts due from associates		178	207
Loans to/amounts due from joint ventures		11,006	5,967
Loan to a non-controlling shareholder of a subsidiary		4	8
Amounts due from related companies		407	406
Contract assets		93	219
Pledged bank deposits		2,364	3,172
Bank balances and cash		4,954	5,745
Prepaid taxes		-	79
Assets classified as held for sale		2,457	5,164
		25,688	27,157
Current liabilities			
Accounts payable, deposits received, and accrued charges	12	3,723	4,183
Contract liabilities		1	4,005
Bank and other borrowings		4,655	8,410
Senior notes		3,569	3,563
Receipts under securitisation arrangements		40	40
Tax liabilities		4,171	3,404
Loans from/amounts due to non-controlling shareholders of subsidiaries		943	58
Amounts due to associates		216	593
Loans from/amounts due to joint ventures		48	153
Amounts due to related companies		339	346
Liability arising from a rental guarantee arrangement		-	28
Lease liabilities		8	8
Liabilities associated with assets classified as held for sale		-	850
		17,713	25,641
Net current assets		7,975	1,516
Total assets less current liabilities		74,225	75,357

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - CONTINUED

	<i>Notes</i>	31 December 2024	31 December 2023
		RMB'million	RMB'million
Non-current liabilities			
Bank and other borrowings		14,622	9,266
Senior notes		2,868	6,335
Receipts under securitisation arrangements		4,173	4,319
Deferred tax liabilities		3,398	4,677
Accounts payable, deposits received, and accrued charges	<i>12</i>	537	696
Loans from an associate		5,825	5,825
Loans from a joint venture		36	-
Lease liabilities		92	50
Defined benefit liabilities		2	9
Derivative financial instruments		3	31
		31,556	31,208
Capital and reserves			
Share capital	<i>13</i>	146	146
Reserves		38,339	38,717
Equity attributable to shareholders of the Company		38,485	38,863
Non-controlling interests		4,184	5,286
Total equity		42,669	44,149
Total equity and non-current liabilities		74,225	75,357

1. General

The consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with International Financial Reporting Standards (“IFRSs”).

2. Presentation

The Hong Kong dollar figures presented in the consolidated statement of profit or loss and consolidated statement of comprehensive income are shown for reference only. They have been arrived at based on the exchange rate of RMB1.000 to HKD1.0962 for 2024 and RMB1.000 to HKD1.1098 for 2023, the average exchange rates that prevailed during the respective years.

3. Changes in Accounting Policies and Disclosures

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i> <i>(the “2020 Amendments”)</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> <i>(the “2022 Amendments”)</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

4. Revenue and Segmental Information

A. Disaggregation of revenue from contracts with customers

	2024 RMB'million	2023 RMB'million
Property development:		
Property sales	4,356	5,898
	<u>4,356</u>	<u>5,898</u>
Property management:		
Property management fee income	608	580
	<u>608</u>	<u>580</u>
Construction	395	328
Others	358	548
	<u>5,717</u>	<u>7,354</u>
Geographical markets		
Shanghai	1,285	6,792
Wuhan	4,236	328
Foshan	141	148
Chongqing	31	60
Nanjing	24	26
	<u>5,717</u>	<u>7,354</u>
Timing of revenue recognition		
At a point in time	4,356	5,898
Over time	1,361	1,456
	<u>5,717</u>	<u>7,354</u>

The following table shows the amounts of revenue recognised in the current reporting year that was included in the contract liabilities at the beginning of the reporting year:

	2024 RMB'million	2023 RMB'million
Revenue recognised that was included in contract liabilities at the beginning of the reporting year:		
Sale of properties	4,005	5,409
	<u>4,005</u>	<u>5,409</u>

4. Revenue and Segmental Information - continued

- B. Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

For the year ended 31 December 2024

	RMB'million
Property development:	
Property sales	4,356
Property management:	
Property management fee income	608
Construction	395
Others	358
	<hr/>
Revenue from contracts with customers	5,717
Property investment	
(property investment segment)	
Rental income from investment properties (Note)	2,167
Rental-related income	289
	<hr/>
	8,173
	<hr/>

Note:

	2024
	RMB'million
For operating leases:	
Fixed lease payment	2,055
Variable lease payments that do not depend on an index or a rate	112
	<hr/>
	2,167
	<hr/>

4. Revenue and Segmental Information - continued

- B. Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information – continued

For the year ended 31 December 2023

	RMB'million
Property development:	
Property sales	5,898
Property management:	
Property management fee income	580
Construction	328
Others	548
	<hr/>
Revenue from contracts with customers	7,354
Property investment	
(property investment segment)	
Rental income from investment properties (Note)	2,136
Rental-related income	262
	<hr/>
	9,752
	<hr/>

Note:

	2023 RMB'million
For operating leases:	
Fixed lease payment	2,019
Variable lease payments that do not depend on an index or a rate	<hr/> 117
	<hr/> 2,136

4. Revenue and Segmental Information - continued

C. Operating segments

Operating segments are identified from the financial information provided regularly to the Group's chief operating decision maker ("CODM") (i.e., the executive directors and the chairman of the Group) for the purposes of allocating resources to and assessing the performance of, the Group's various lines of business.

The Group is organised based on its business activities and has the following four major reportable segments:

Property development	- development and sale of properties
Property investment	- offices and commercial/mall leasing
Property management	- provision of daily management service of properties
Construction	- construction, interior fitting-out, renovation and maintenance of building premises

The property development and property investment projects of the Group are located in Shanghai, Wuhan, Foshan, Chongqing, and Nanjing, the PRC, and their revenues are primarily derived from property sales and leasing, respectively. The directors of the Company consider that the various operating segments under property development, property investment, property management, and construction segments are aggregated for financial reporting purposes because those segments have similar characteristics in terms of the production process, class of customers, and distribution method and are under similar economic conditions and subject to similar regulatory policies.

4. Revenue and Segmental Information - continued

For the year ended 31 December 2024

	Reportable segments					Others RMB'million	Consolidated RMB'million
	Property development RMB'million	Property investment RMB'million	Property management RMB'million	Construction RMB'million	Total RMB'million		
SEGMENT REVENUE							
Segment revenue of the Group	4,356	2,456	608	395	7,815	358	8,173
	=====	=====	=====	=====	=====	=====	=====
SEGMENT RESULTS							
Segment results of the Group	2,613	1,565	113	30	4,321	45	4,366
	=====	=====	=====	=====	=====	=====	
Interest income							267
Share of results of associates and joint ventures							217
Finance costs, inclusive of exchange differences							(2,027)
Gain on disposal of subsidiaries							954
Other gains and losses							(279)
Unallocated income							59
Unallocated expenses							(410)
							=====
Profit before tax							3,147
Tax							(2,337)
							=====
Profit for the year							810
							=====

4. Revenue and Segmental Information - continued

For the year ended 31 December 2023

	Reportable segments					Others RMB'million	Consolidated RMB'million
	Property development RMB'million	Property investment RMB'million	Property management RMB'million	Construction RMB'million	Total RMB'million		
SEGMENT REVENUE							
Segment revenue of the Group	5,898	2,398	580	328	9,204	548	9,752
	=====	=====	=====	=====	=====	=====	=====
SEGMENT RESULTS							
Segment results of the Group	2,253	1,725	86	39	4,103	223	4,326
	=====	=====	=====	=====	=====	=====	
Interest income							371
Share of results of associates and joint ventures							781
Finance costs, inclusive of exchange differences							(2,167)
Other gains and losses							(243)
Unallocated income							43
Unallocated expenses							(412)
							=====
Profit before tax							2,699
Tax							(1,302)
							=====
Profit for the year							1,397
							=====

Segment results represent the profit earned or loss incurred by each segment without allocating central administration costs, directors' salaries, interest income, the share of results of associates and joint ventures, gain on disposal of subsidiaries, other gains and losses, finance costs inclusive of exchange differences, and other unallocated income/expense. This is the measure reported for resource allocation and performance assessment.

5. Other Income, Other Gains and Losses

	2024 RMB'million	2023 RMB'million
<u>Other income</u>		
Interest income from banks	110	201
Interest income from loans to joint ventures	157	170
Grants received from local governments	35	32
Others	24	8
	<u>326</u>	<u>411</u>
<u>Other gains and losses</u>		
Provision for impairment losses under the expected credit loss model	(287)	(1)
Gain/(loss) from fair value change of derivative financial instruments	50	(166)
Gain from hedging activities	-	14
Others	(42)	(90)
	<u>(279)</u>	<u>(243)</u>

6. Finance Costs, Inclusive of Exchange Differences

	2024 RMB'million	2023 RMB'million
Interest on bank and other borrowings	1,134	1,175
Interest on senior notes	503	764
Interest on receipts under securitisation arrangements	185	128
Interest on loans from an associate and joint ventures	151	223
Interest expenses from lease liabilities	4	3
	<hr/>	<hr/>
Total interest costs	1,977	2,293
Less: amount capitalised to investment properties under construction or development and properties under development for sale	(133)	(220)
	<hr/>	<hr/>
Interest expenses charged to profit or loss	1,844	2,073
Net exchange loss on bank and other borrowings and other financing activities	102	37
Others	81	57
	<hr/>	<hr/>
	2,027	2,167
	<hr/> <hr/>	<hr/> <hr/>

Borrowing costs capitalised during the year were calculated by applying a capitalisation rate of approximately 4.4% (2023: 4.9%) per annum to expenditure on the qualifying assets.

7. Profit Before Tax

The Group's profit before tax is arrived at after charging/(crediting):

	2024 RMB'million	2023 RMB'million
Auditor's remuneration - audit services	5	5
Depreciation of property and equipment	87	116
Depreciation of right-of-use assets	3	3
Employee benefits expenses		
Directors' emoluments		
Fees	5	5
Salaries, bonuses, and other benefits	37	40
	<hr/> 42	<hr/> 45
Other staff costs		
Salaries, bonuses, and other benefits	927	940
Retirement benefits cost	53	52
	<hr/> 980	<hr/> 992
Total employee benefits expenses	1,022	1,037
Less: amount capitalised to investment properties under construction or development and properties under development for sale	(45)	(92)
	<hr/> 977	<hr/> 945
Provision for impairment losses on receivables	287	1
Cost of properties sold recognised as an expense	1,543	3,500
The net impact of provision/(reversal of provision) for impairment losses on properties held for sale (included in "cost of sales")	24	(6)
Lease payments relating to short-term leases and low-value leases	<hr/> 3	<hr/> 4

8. Tax

	2024 RMB'million	2023 RMB'million
Hong Kong profits tax		
- Charge for the year	7	10
PRC enterprise income tax ("EIT")		
- Charge for the year	832	832
PRC withholding tax		
- Charge for the year	495	139
PRC land appreciation tax ("LAT")		
- Charge for the year	1,225	397
Deferred tax		
- Credit for the year	(222)	(76)
	<u>2,337</u>	<u>1,302</u>

Hong Kong profits tax has been provided at 16.5% on the estimated assessable profits arising in Hong Kong during the years.

PRC EIT has been provided for at the applicable income tax rate of 25% on the estimated assessable profits of the PRC companies in the Group during the years.

The PRC EIT Law requires withholding tax to be levied on the distribution of profits earned by PRC entities for profits generated after 1 January 2008 at a rate of 5% for Hong Kong resident companies and at a rate of 10% (5% if obtained the Hong Kong residents) for companies incorporated in BVI and Republic of Mauritius ("Mauritius"), which are the beneficial owners of the dividend received. As of 31 December 2024 and 31 December 2023, the deferred tax was provided for in respect of the temporary differences attributable to such profits, except to the extent that the Group can control the timing of the reversal of such temporary differences, and, probably, that such temporary differences would not be reversed in the foreseeable future.

The provision of PRC LAT is estimated per the requirements outlined in the relevant PRC tax laws and regulations. PRC LAT has been provided at progressive rates of the appreciation value, with certain allowable deductions, including land costs, borrowing costs, and the relevant property development expenditures.

9. Dividends

	2024 RMB'million	2023 RMB'million
Dividends recognised as distribution during the year:		
No interim dividend in 2024 (2023: Interim dividend paid in respect of 2023 of HKD0.032 per share)	-	235
Final dividend paid in respect of 2023 of HKD0.058 per share (2023: final dividend paid in respect of 2022 of HKD0.064 per share)	423	466
	<u>423</u>	<u>701</u>

A final dividend for the year ended 31 December 2024 of HKD0.036 per share (2023: HKD0.058 per share), amounting to HKD289 million (equivalent to RMB268 million translated using the exchange rate of 0.92604 as of 31 December 2024) in the aggregate, was proposed by the Board on 28 March 2025 and is subject to the approval of the shareholders at the forthcoming annual general meeting.

10. Earnings Per Share

The calculation of the basic and diluted earnings per share attributable to shareholders of the Company is based on the following data:

Earnings	2024 RMB'million	2023 RMB'million
Earnings for basic/diluted earnings per share, being profit for the year attributable to shareholders of the Company	<u>180</u>	<u>810</u>
Number of shares	2024 'million	2023 'million
The weighted average number of ordinary shares for basic earnings per share (<i>note (a)</i>)	8,009	8,009
Effect of dilutive potential ordinary shares	<u>-</u>	<u>-</u>
The weighted average number of ordinary shares for diluted earnings per share	<u>8,009</u>	<u>8,009</u>
Basic earnings per share (<i>note (b)</i>)	RMB2.2 cents HKD2.4 cents	RMB10.1 cents HKD11.2 cents
Diluted earnings per share (<i>note (b)</i>)	RMB2.2 cents HKD2.4 cents	RMB10.1 cents HKD11.2 cents

Notes:

- (a) The weighted average number of ordinary shares shown above has been arrived at after deducting the weighted average effect on 17,710,250 (2023: 17,710,250) shares held by a share award scheme trust.
- (b) The figures expressed in Hong Kong dollars presented above are shown for reference only and have been arrived at based on the exchange rate of RMB1.000 to HKD1.0962 for 2024 and RMB1.000 to HKD1.1098 for 2023, being the average exchange rates that prevailed during the respective years.

11. Receivables, Deposits, and Prepayments

	2024 RMB'million	2023 RMB'million
Non-current portion comprises:		
Trade receivables (<i>note(b)</i>)		
- rental receivables	262	317
Current portion comprises:		
Trade receivables (<i>note(b)</i>)		
- rental receivables	89	112
- goods and services	200	250
- operating lease receivables	62	65
Prepayments of relocation costs (<i>note(a)</i>)	6	2,119
Receivables from the disposal of an associate	-	19
Other deposits, prepayments, and other current assets(<i>note(c)</i>)	340	578
Value-added tax recoverable	17	21
	714	3,164

Notes:

- (a) The balances represent the amounts that will be compensated by the government upon the completion of the relocation. In 2024, the relocation costs of RMB1,702 million were transferred to properties under development for sale.
- (b) Trade receivables comprise:
- (i) receivables arising from sales of properties which are due for settlement per the terms of the relevant sale and purchase agreements;
 - (ii) operating lease receivables which are due for settlement upon issuance of monthly debit notes to the tenants;
 - (iii) receivables arising from construction revenue of which a credit term of 40 days is granted to the customers; and
 - (iv) rental receivables attributable to the rent-free period have been calculated and amortised on a straight-line base over the lease terms.
- (c) As of 31 December 2024 and 31 December 2023, other deposits and prepayments amounted to RMB130 million and RMB390 million respectively.

As of 31 December 2024 and 31 December 2023, trade receivables from customers contracts amounted to RMB200 million and RMB250 million, respectively.

Included in the Group's receivables, deposits, and prepayments are trade receivable balances of RMB613 million (2023: RMB744 million), of which 62% (2023: 66%) are not yet past due, 11% (2023: 25%) are past due less than 90 days, and 27% (2023: 9%) are past due over 90 days, as compared to when revenue was recognised.

Out of the past due balances, RMB163 million (2023: RMB 68 million) has been past due 90 days or more and is not considered as in default since the directors of the Company consider that such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each customer.

On 31 December 2024, the Group's receivables, deposits, and prepayments with a total carrying amount of RMB185 million (2023: RMB192 million) were pledged to secure banking facilities granted to the Group.

12. Accounts Payable, Deposits Received, and Accrued Charges

	2024 RMB'million	2023 RMB'million
Current portion comprises:		
Trade payables	1,401	1,817
Land and relocation cost payables	2	742
Deed tax and other tax payables	91	93
Deposits received in advance for the rental of investment properties	342	443
Value-added tax payables	270	50
Value-added tax arising from contract liabilities	-	240
Cash received in respect of land resumption	828	-
Other payables and accrued charges	789	798
	3,723	4,183
Non-current portion comprises:		
Deposits received in advance for the rental of investment properties	437	551
Other payables	100	145
	537	696

Included in the Group's accounts payable, deposits received, and accrued charges are trade payable balances of RMB1,401 million (2023: RMB1,817 million), of which 92% (2023: 83%) are aged less than 30 days, 2% (2023: 14%) are aged between 31 to 90 days, and 6% (2023: 3%) are aged more than 90 days, based on invoice date.

13. Share Capital

	<u>Authorised</u>		<u>Issued and fully paid</u>	
	Number of shares	USD'000	Number of shares	USD'000
Ordinary shares of USD0.0025 each				
On 1 January 2023,				
31 December 2023 and				
31 December 2024	12,000,000,000	30,000	8,027,265,324	20,068

	2024 RMB'million	2023 RMB'million
Shown in the consolidated statement of financial position as	146	146

14. Event After the Reporting Period

In March 2025, the Group fully repaid an aggregate principal amount of USD490 million of senior notes.

MARKET OUTLOOK

The global economy remained resilient in 2024 thanks to a rebound in world trade, moderating inflation and timely monetary easing by the Federal Reserve and the European Central Bank. Robust 2.8% Gross Domestic Product (GDP) growth in the US helped to offset a lacklustre 0.8% expansion of the Eurozone economy, which was affected by the conflicts in Ukraine and the Middle East. Looking ahead, the path of global inflation is highly uncertain this coming year, with the new US administration's "America First" policy posing a challenge to the global multilateral trading system, raising the prospects of trade disputes and supply chain shifts. Tightened US immigration policies and the imposition of import tariffs could result in a resurgence of inflation in the US, prompting the Federal Reserve to postpone monetary easing for an extended period. In view of the heightened policy uncertainty and escalating geopolitical tension, increased financial market volatility is expected. Against this backdrop, the International Monetary Fund anticipates global GDP growth to remain at a subpar level of 3.3% in 2025, below the average of 3.7% recorded between 2000 and 2019.

The implementation of a more aggressive economic policy stimulus in late September succeeded in raising China's 2024 GDP growth to 5% in 2024. The economy is undergoing a gradual transition of its development model from investment led towards consumption led. The transformation has been hindered by a prolonged property slump, however, which has undermined consumer confidence and resulted in insufficient domestic demand. Exports have been strong, but in the year ahead, Chinese exporters will face increased protectionism and higher US tariffs. To counter these headwinds, the Central Economic Work Conference in December announced plans to expand domestic demand, with special programmes to increase household income and consumer spending, focused on expanding basic pensions and healthcare subsidies. The government will also expedite bond issuance and pursue a moderately loose monetary policy, adopting a "wait-and-see" approach to addressing impending external challenges before implementing policy responses to maintain stable economic growth. Meanwhile, China's progress in advanced Artificial Intelligence and semiconductor technology, such as recent breakthrough by DeepSeek, revealed the nation's potential to leverage new productive forces to foster high-quality, innovation-driven growth.

China's residential market downturn persisted in 2024, with annual real estate investment dropping by 10.6%, marking three consecutive years of contraction. The annual sales value and the gross floor area of new residential housing decreased by 17.6% and 14.1%, respectively. However, the rate of decline has decreased since the second half of 2024, suggesting that the government's supportive measures, such as reducing downpayment ratios and mortgage rates, are starting to show results. This raises the prospect of a stabilisation in housing transactions this year. Following a 20.4% drop in 2023, total land sales area declined by 36.3% in 2024. The ongoing downturn in land transaction reflects a continued contraction in capital inflows to the property sector but will result in a potential shortage of future residential supply. Going forward, availability of funding to the real estate sector is expected to improve, as regulatory authorities have committed to expanding the "whitelist scheme" of property financing to RMB5.6 trillion, to support the completion of presold homes.

In the commercial office market, tenants have become increasingly vigilant in managing the leasing of office space in response to the uncertain business and macroeconomic outlook. In Shanghai, cost-cutting induced relocation, and renewals have led to an increase in the leasing of Grade A office space. According to Jones Lang LaSalle (JLL), the annual net absorption of Grade A office space in Shanghai increased by 24.7% year-on-year (YoY) to 476,000 sq.m.. Demand fueled by upgrades and a more diverse tenant mix continues to underpin the office leasing market. Nevertheless, it faces considerable challenges this year owing to ample pipeline supply, as well as intense competition from a host of projects among submarkets. We are dedicated to providing tenants with holistic workplace solutions by improving customer services. To offset challenges in office leasing, we are proactively seeking out office demand from tenants involved in new quality productive force-related sectors.

The commercial retail property market has undergone increasing challenges as annual net absorption of retail property in Shanghai decreased from 730,000 sq.m. in 2023 to 451,000 sq.m. in 2024. This decline coincided with a decline in retail sales. Looking ahead to 2025, a dozen new retail commercial property projects are set to open, intensifying competition for occupancy and rentals. At the same time, offline consumption behaviors are shifted from purchasing consumer goods to increasing spending on experiences and activities related emotional satisfaction. Our Xintiandi series retail is well positioned to capitalize on this trend, and we will further strengthen the customer-centric and experience-driven strategy to create a unique lifestyle in our Xintiandi Community, by emphasizing on the preservation and rejuvenation of cultural and historical heritage, enriching social experiences and offering, and promoting sustainability.

Shanghai achieved 5% GDP growth in 2024, becoming the first city in China to reach an annual output exceeding RMB5 trillion. The municipality introduced various measures to stimulate domestic consumption, including the issuance of consumption vouchers. Additionally, China's tourist visa exemption programme also helped attract more foreign visitors to the city. Shanghai's foreign trade demonstrated resilience in 2024, with total imports and exports growing by 1.3%. In 2025, Shanghai aims to sustain its growth momentum by attracting more international travelers and advancing industrial development. The city has initiated a RMB100 billion pilot industrial fund to accelerate industrial development, with an emphasis on advanced equipment, shipbuilding, and large aircraft manufacturing. In 2024, Shanghai also saw a record high number of high-end property transactions, underscoring the continued appeal of its high-end real estate market to high-net-worth individuals both in Shanghai and across the country despite the economic slowdown. Given Shanghai's unparalleled significance in economic positioning and lifestyle trendsetting, the high-end residential market is expected to remain resilient. With the established leadership positioning of our "Lakeville" brand in Shanghai market and the luxury housing sector, we will continue to monitor the market trends, refine our strategy and explore new development and growth opportunities.

With a 5.7% GDP growth and an annual output of RMB3.2 trillion in 2024, Chongqing has surpassed Guangzhou to become the fourth-largest city in China in terms of GDP. Key industries, particularly automotive and electronics, have made notable strides in digital transformation. Bolstered by a 90.5% surge in new energy vehicle production, Chongqing's automotive sector recorded a 26.7% increase in value-added output in 2024. The city's consumer market continued to recover during the year, with retail sales growing by 3.6%. The city aims to solidify its pivotal role in the Western Development and Inland Opening-up initiatives that were highlighted by President Xi Jinping during his recent visit. In 2025, Chongqing plans to achieve around 6% GDP growth, with 5% growth targeted for fixed-asset investment and retail sales.

Wuhan's economy experienced a steady 5% annual growth in 2024, raising the city's GDP above RMB2.1 trillion. The city's retail sales increased by 5.3% to nearly RMB800 billion, while total imports and exports surpassed RMB400 billion, an 11.2% increase that made it one of the leading sub-provincial cities for foreign trade growth. Revenue from the city's five key industries, including optoelectronics and life sciences, grew by more than 10% during the year, while high-technology manufacturing, which contributed over 90% of overall industrial growth, achieved a value-added growth of 26%. The government aims to expedite the development of Wuhan into a science and technology innovation hub of national significance. Based on a robust pace of growth in innovation, Wuhan has set an ambitious target of around 6% GDP growth for 2025.

In 2024, Foshan achieved 1.3% GDP growth, falling short of its targeted 5.5% growth rate. This underperformance mainly resulted from the city's reliance on low-end manufacturing and the property sector. However, Foshan's economic transformation is underway. The local culture and tourism sectors witnessed robust growth, as the city attracted 60 million domestic and foreign tourists, 8.2% increase over 2023. The government plans to invest in 350 strategic emerging industry projects, accounting for 54% of total secondary industry investment. The city's regional connectivity will be enhanced by the construction of Guangzhou's new airport, which is situated in Foshan.

In 2024, Nanjing's GDP growth was 4.5%, below the city's 5% growth target. Declining investment and foreign trade contributed to the loss of momentum. The city's fixed asset investment declined by 17.1%, while total export and import fell by 3.6%. As a regional commercial hub, the government has actively promoted the development of Nanjing into an international consumption centre. The city achieved a 16% YoY increase in tourist arrivals and a 10% YoY rise in tourism revenue in 2024, with retail sales expanding 4.3%. Looking ahead to 2025, Nanjing has set a GDP growth target of around 5%. The government is committed to facilitating technological innovation and industrial upgrading, while actively exploring new ways of stimulating retail consumption.

The prospects for the global economy in 2025 are overshadowed by escalating trade tensions brought about by the more assertive US trade policy. China's foreign trade, a robust engine of growth in 2024, is expected to confront significant headwinds this coming year. To offset the economic drag posed by an uncertain and challenging external environment, the government will pursue a consumption-focused economic strategy. This will involve implementing appropriate counter-cyclical and pro-growth policies to stabilise the property market, invigorate consumer confidence and maintain stable economic growth. We will closely monitor the changing market trends as we continue to explore new investment and development opportunities.

FINAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend of HKD0.036 per share for the year ended 31 December 2024 (2023: HKD0.058 per share), amounting to approximately RMB268 million (2023: RMB423 million) in aggregate. Subject to shareholders' approval of the final dividend at the forthcoming annual general meeting to be held on 16 May 2025 ("AGM"), the final dividend is expected to be paid on or about 29 May 2025 to shareholders whose names appear on the register of members of the Company on 22 May 2025, being the record date for determining shareholders' entitlement to the final dividend. Currently, there is no treasury share held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise). To qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 22 May 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Monday, 12 May 2025 to Friday, 16 May 2025 (both dates inclusive), during which period no transfer of shares will be registered. To be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, 9 May 2025. The record date for determining shareholders' entitlement to attend and vote at the AGM will be Friday, 16 May 2025.

PURCHASE, SALE, OR REDEMPTION/CANCELLATION OF LISTED SECURITIES

On 24 August 2020, Shui On Development (Holding) Limited ("SODH") issued USD500 million in 6.15% senior notes due 2024 (the "2024 SODH Notes"). On 26 August 2024, SODH fully repaid the principal amount of the outstanding 2024 SODH Notes and the accrued and unpaid interest upon its maturity date.

Save as disclosed above, neither the Company nor its subsidiaries have purchased, sold, or redeemed any of the Company's listed securities during the year ended 31 December 2024.

CORPORATE GOVERNANCE

The Company reviews its corporate governance practices from time to time to ensure they comply with all the applicable code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules and aligns with its latest developments. During the year ended 31 December 2024, the Company has applied the principles of and complied with all the applicable code provisions of the CG Code except for a deviation as stated below. Further information on the Company's corporate governance practices is set out in the Company's 2024 Annual Report.

Code provision C.1.6 of the CG Code stated that independent non-executive directors and other non-executive directors should also attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Shane S. Tedjarati, the Independent Non-executive Director ("INED") of the Company, could not attend the annual general meeting held on 28 May 2024 (the "2024 AGM") due to other business engagements. Save for the above, all the INEDs attended the 2024 AGM.

The Audit and Risk Committee has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2024, including the accounting principles and practices adopted by the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. Following specific enquiries by the Company, all Directors have confirmed that they complied with the required standard set out in the Model Code throughout the year ended 31 December 2024.

EMPLOYEES AND REMUNERATION POLICY

As of 31 December 2024, the number of employees in the Group was 2,851 (31 December 2023: 3,054); which included the headcount of the property management business at 1,478 (31 December 2023: 1,548), and the headcount of the construction and fitting out business at 120 (31 December 2023: 139). The Group provides a comprehensive benefits package for all employees as well as career development opportunities. This includes retirement schemes, long-term incentive schemes, medical insurance, other insurances, in-house training, on-the-job training, external seminars, and programs organised by professional bodies and educational institutes.

The Group strongly believes in the principle of equality of opportunity. The remuneration policy of the Group for rewarding its employees is based on their performance, qualifications, and competency displayed in achieving our corporate goals.

SCOPE OF WORK OF MESSRS. ERNST & YOUNG

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, and the related notes thereto for the year that ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Ernst & Young, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by Messrs. Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements, or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Ernst & Young on the preliminary announcement.

APPRECIATION TO ALL OUR STAKEHOLDERS

Finally, I wish to thank my fellow directors for their sage advice during the year, and the management team and our employees for their hard work. My sincere thanks also go to all our shareholders, business partners, and customers for their continued trust and support. Despite the uncertainties facing the market, together we will overcome the challenges that lie ahead.

By Order of the Board
Shui On Land Limited
Vincent H. S. LO
Chairman

Hong Kong, 28 March 2025

At the date of this announcement, the executive directors of the Company are Mr. Vincent H. S. LO (Chairman), Ms. Stephanie B. Y. LO (Vice Chairman), Ms. Jessica Y. WANG (Chief Executive Officer), and Mr. Douglas H. H. SUNG (Chief Financial Officer and Chief Investment Officer); and the independent non-executive directors of the Company are Professor Gary C. BIDDLE, Mr. Anthony J. L. NIGHTINGALE, Mr. Shane S. TEDJARATI, Ms. Ya Ting WU, Mr. Albert K. P. NG, Mr. Gregory K. L. SO, and Ms. Randy W. S. LAI.

This announcement contains forward-looking statements, including, without limitation, words and expressions such as "expect," "believe," "plan," "intend," "aim," "estimate," "project," "anticipate," "seek," "predict," "may," "should," "will," "would" and "could" or similar words or statements, in particularly statements about future events, our future financial, business or other performance and development, strategy, plans, objectives, goals, and targets, the future development of our industry and the future development of the general economy of our key markets and globally.

These statements are based on numerous assumptions regarding our present and future business strategy and the environment in which we will operate. These forward-looking statements reflect our current views concerning future events, are not a guarantee of future performance, and are subject to certain risks, uncertainties, and assumptions, including with respect to the following:

- *changes in laws and PRC governmental regulations, policies, and approval processes in the regions where we develop or manage our projects;*
- *changes in economic, political and social conditions and competition in the cities we operate in, including a downturn in the property markets;*
- *our business and operating strategies;*
- *our capital expenditure plans;*
- *various business opportunities that we may pursue;*
- *our dividend policy;*
- *our operations and business prospects;*
- *our financial condition and results of operations;*
- *the industry outlook generally;*
- *our proposed completion and delivery dates for our projects;*
- *changes in competitive conditions and our ability to compete under these conditions;*
- *catastrophic losses from fires, floods, windstorms, earthquakes, or other adverse weather conditions, diseases or natural disasters;*
- *our ability to further acquire suitable sites and develop and manage our projects as planned;*
- *availability and changes of loans and other forms of financing;*
- *departure of key management personnel;*
- *performance of the obligations and undertakings of the independent contractors under various construction, building, interior decoration, and installation contracts;*
- *exchange rate fluctuations;*
- *currency exchange restrictions and*
- *other factors beyond our control.*

This list of important factors is not exhaustive. Additional factors could cause the actual results, performance, or achievements to differ materially. We do not make any representation, warranty, or prediction that the results anticipated by such forward-looking statements, which speak only as of the date of this announcement, will be achieved. Such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Subject to the requirements of applicable laws, rules, and regulations, we do not have any obligation to update or otherwise revise any forward-looking statements. You should not place undue reliance on any forward-looking information.

** For identification purposes only*