

Press Release

**Shui On Land Announces First Annual Results After Listing
2006 Profits Exceed IPO Profit Forecast by 5.9%**

2006 Highlights:

- Profit attributable to shareholders¹ of RMB 1,536 million exceeded IPO profit forecast by 5.9%
- Turnover up 365% to RMB 4,729 million, primarily due to an increase in the level of property sales from The Lakeville Regency in Shanghai Taipingqiao and Shanghai Rui Hong Xin Cheng
- Gross profit increased significantly by 332%
- Total landbank of approximately 8.4 million sq.m. as at 31 December 2006
- A final dividend of HK 6 cents per share proposed
- Low net gearing ratio of 5% after IPO as at 31 December 2006

(RMB Million)	Year ended 31 December		
	2006	2005	% Change
Turnover	4,729	1,018	365%
Sales of Properties	4,283	603	610%
Rental Income	358	333	7%
Others	88	80	10%
Gross Profit	2,983	691	332%
Profit Attributable to Shareholders			
Before revaluation ¹	1,536	97	1484%
After revaluation ²	1,146	380	200%
Basic Earnings Per Share (RMB cents)	48	22	118%
Diluted Earnings Per Share (RMB cents)	38	14	171%
Dividend Per Share (HK cents)	6	--	--

Note:

1. Before (i) revaluation of investment properties and (ii) fair value adjustment on derivative financial instruments

2. After (i) revaluation of investment properties and (ii) fair value adjustment on derivative financial instruments

20 April 2007, Hong Kong – **Shui On Land Limited** (“Shui On Land” or the “Company”, stock code 272) today announced its first audited annual results after its listing on the Hong Kong Stock Exchange in October last year.

A Year of Solid Growth

For the year ended 31 December 2006, profit attributable to shareholders amounted to RMB 1,536 million and exceeded the IPO profit forecast by 5.9%. Robust sales of residential units

in The Lakeville Regency and Rui Hong Xin Cheng made a significant contribution to turnover, which increased by 365% to RMB 4,729 million. Gross profit rose by 332%. In addition, a one-off net gain of RMB 582 million was recorded during the period as a result of the sale of 19.8% of the 99% indirect interest in Chongqing Tiandi in September 2006.

Basic earnings per share were RMB 48 cents, while diluted earnings per share were RMB 38 cents. The Board has proposed a final dividend of HK 6 cents per share for the year ended 31 December 2006 (2005: nil).

Commenting on the Company's solid performance, Mr. Vincent H.S. Lo, Chairman and Chief Executive Officer, said, "It was a momentous year for Shui On Land, having achieved a successful listing and exceeding our financial forecast made at the time of the IPO."

In 2006, the Company sold 123,000 sq.m. GFA of residential units at three projects in Shanghai – The Lakeville Regency, Rui Hong Xin Cheng and Knowledge and Innovation Community. Turnover from property sales increased significantly by 610% to RMB 4,283 million, contributing to 91% of the Company's turnover. Shui On Land also maintains a portfolio of investment properties for recurrent rental income. Gross rental income generated from a leasable GFA of 239,000 sq.m. portfolio of investment properties grew 7% to RMB 358 million.

Landbank in Prime Locations

As at 31 December 2006, Shui On Land's landbank totalling 8.4 million sq.m. of GFA were located in the city centres of Shanghai, Chongqing, Wuhan and Hangzhou. This quality landbank will be sufficient for the Company's development plans for the next 8 years.

"Austerity measures introduced by the PRC Government during the year to curb speculation did not impact our overall development programme. As the austerity measures take effect, we believe that the market will consolidate and this will create opportunities for well-established developers like Shui On Land to acquire additional quality landbank," said Mr. Lo.

New Projects to Broaden Footprint in the Chinese Mainland

During the year, Shui On Land continued to seek opportunities to develop sizable projects with our master planning capabilities in other parts of the Chinese Mainland. In July, the Company entered into a framework agreement with the Kunming municipal government to research and determine the feasibility in the redevelopment of the Caohai district as a mixed-use development with entertainment, cultural, live/work and other facilities. The planned GFA of the project is approximately 2.5 million sq.m.

In March 2007, the Company was invited by Shui On Company Limited to participate in the development of Dalian Software Park Phase 2, a large-scale, mixed-use complex. With a planned GFA of approximately 3.9 million sq.m., this development will cater to the software outsourcing industry, a sector identified by the Dalian Municipal Government as an economic growth engine for the city.

Enhance Shareholders' Value

“With our unique business model and proven track record in transforming urban centres, we are firmly positioned as a leader in the world’s largest and fastest growing property market. We are financially strong, have a world-class management team and staff, and are confident in the future. In 2007, we look forward to achieving further growth for our shareholders,” concluded Mr. Lo.

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About Shui On Land

Headquartered in Shanghai, Shui On Land (HKSE: 272) is the flagship property company of the Shui On Group in the Chinese Mainland. Shui On Land has a proven track record in developing large-scale, mixed-used city-core development projects and integrated residential development projects. With access to over 8.4 million square metres of gross floor area, including open areas and other public facilities, the Company currently has six projects in various stages of development in the city centres of Shanghai, Chongqing, Wuhan and Hangzhou. The Company was listed on the Hong Kong Stock Exchange on 4 October 2006, and was included in the MSCI Standard Index Series, MSCI Global Growth Index Series, Hang Seng Composite Index Series and Hang Seng Freefloat Index Series in March 2007.

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