



Press Release

Shui On Land Announces 2011 Annual Results

Visionary strategic planning paved way for sustainable & balanced growth

- Turnover set a new record, increasing by 74% to RMB8,484 million, of which property sales accounted for 89% or RMB7,581 million and rental and other income accounted for the remaining 11%.
- Profit attributable to shareholders increased by 22% to RMB3,428 million.
- Basic earnings per share was RMB0.66.
- Gross profit margin increased by 3% points to 44% in 2011. Operating profit increased significantly by 103% to RMB3,116 million. Core earnings jumped by 108% to RMB1,572 million in 2011.
- The Board of Directors recommended a final dividend of HK\$0.10 per share.
- Contracted sales increased by 114% to RMB10,667 million for a total Gross Floor Area (GFA) of 527,500 sq.m.. Property sales, which saw a 64% increase in Average Selling Price (ASP) to RMB28,500 per sq.m., made up 55% of total contracted sales. The remaining 45% came from the en-bloc sales of four commercial properties with ASP recorded at RMB15,600 per sq.m..
- Locked-in sales as of 31 December 2011, earmarked for delivery in 2012 and beyond, rose to RMB4,877 million, representing an increase of 51% compared to 31 December 2010.
- The Average Selling Price (ASP) of recognised sales increased by 25% to RMB24,600 per sq.m. and increased from 31% to 52% across all projects.
- Completion of properties during 2011 achieved an overall increase of 57% for a total of 585,000 sq.m. of Gross Floor Area (GFA).
- In 2011, the total completed investment property portfolio increased by 16% or 72,000 sq.m. to 509,000 sq.m..
- Subsequent to the year end of 2011, the Company has successfully raised SGD250

million and USD475 million of bond from the capital market in January and February 2012 to fund the continue business development of the Company.

- Total equity increased by 13% to RMB29,471 million with total assets increased by 22% to RMB68,604 million. The Company had bank balances and cash in hand of RMB6,370 million as of 31 December 2011, with a net gearing ratio of 65%.

[21 March 2012, Hong Kong] – Shui On Land Limited (“Shui On Land” or the “Company”, (Stock Code: 272) today announced its audited consolidated results for the year ended 31 December 2011.

For the year 2011, the Company’s turnover recorded a significant growth of 74% to RMB8,484 million compared to RMB4,879 million in 2010. Property sales which accounted for 89% and rental and other income accounted for the remaining 11%.

Gross Profit Margin increased by 3% points to 44% in 2011. Operating profit increased by 103% to RMB3,116 million with operating profit margin rising by 6% points to 37%.

Basic earnings per share were RMB0.66 or HK\$0.80. Profit attributable to shareholders increased by 22% to RMB3,428 million. The Board of Directors recommended a final dividend of HK\$0.10 per share, an increase of 100% compared to HK\$ 0.05 per share in 2010.

Turnover from property sales in 2011 increased by 83% to RMB7,581 million and rental & related income increased by 20% to RMB849 million. In addition to RMB7,581 million in property sales recorded as turnover, the Company had recorded disposal of investment properties in Knowledge and Innovation Community (KIC) for a total consideration of RMB613 million.

Rental and related income from the completed investment property portfolio increased by 20% to RMB849 million in 2011 compared to RMB706 million in 2010. With the new completion of investment property of the Company of 72,000 sq.m. in 2011, the total completed investment properties increased by 16% to 509,000 sq.m..

Solid performance amid challenging environment

For the year 2011, contracted sales achieved a significant growth of 114% to RMB10.7 billion for a total Gross Floor Area (GFA) of 527,500 sq.m.. Property sales constituted 55% of the total contracted sales, while the remaining 45% was generated from en-bloc sales of commercial properties.

Property sales increased 22% to RMB5,361 million with Average Selling Price (ASP) growth of 64% to RMB28,500 per sq.m., while contributions from the new revenue stream – en-bloc sales of commercial property – amounted to RMB4,795 million.

This segment recorded ASP of RMB15,600 per sq.m. for Gross Floor Area (GFA) of 306,400 sq.m..

Accelerated return from maturing projects in 2nd tier cities

The Average Selling Price (ASP) of recognised sales across all projects increased from 31% to 52%. (31% for Chongqing Tiandi, 42% for Shanghai Rui Hong Xin Cheng, 42% for Wuhan Taindi, 48% for Shanghai Knowledge & Innovation Community (KIC) and 52% for Shanghai Taipingqiao). Chongqing Tiandi and Wuhan Tiandi have been contributing contracted sales to the Company since 2007, while sales of Foshan Lingnan Tiandi and Dalian Tiandi were launched for the first time in 2010. Contracted sales of these projects increased by 145% to RMB7,618 million in 2011, as compared to RMB3,109 million in 2010. Both Gross Floor Area (GFA) and ASP rose 100% and 22% respectively in 2011. Contracted sales are becoming more diversified and have been expanding from Shanghai to four other cities, namely Wuhan, Chongqing, Foshan and Dalian.

As of 31 December 2011, the Company's landbank including Dalian associates stood at Gross Floor Area (GFA) of 13.0 million sq.m. (a total GFA of 11.1 million sq.m. of leasable and saleable area, and a total GFA of 1.9 million sq.m. for clubhouse, car parking spaces and other facilities) in the eight development projects located in the prime areas spanning five cities: Shanghai, Wuhan, Chongqing, Foshan and Dalian.

Sound financial position to excel in the uncertainty

Despite the stringent environment, the Company has successfully issued RMB2,720 million convertible bonds and RMB3,000 million notes in the second half of 2010 and RMB3,500 million senior notes in early 2011. Riding on the success of the note issue done in 2011, the Company had succeeded in launching two issues of 3-year SGD250 million senior notes and US\$475 million notes in January and February 2012 respectively. The Company had raised an aggregate of RMB13,516 million debt instrument which has provided the Company with sufficient financial resources to maintain the development of existing projects and to expand the business where appropriate.

Strategic planning with promising future

Mr. Freddy C. K. LEE, Managing Director and Chief Executive Officer of Shui On Land concluded, "Our unique mixed-use city-core redevelopment model is a competitive strength that diversifies risk and provides flexibility to withstand the uncertainties in the ever changing China real estate market of today. Our centrally located community developments in major city cores, where developable land is scarce, can command premium prices. Apart from our premium residential properties, value of our commercial properties, including Xintiandi-Styled projects and THE HUB, a project located in Hongqiao Commercial Zone right next to the transportation hub which is designed to be an urban complex to serve the entire Hongqiao Commercial Zone and the 75 million population of the one-hour economic zone encompassed by High Speed Railway, is going to contribute substantial cash flow to

the Company and will become Shanghai's new hub that caters to the future of retail and commerce. The Company has also been able to capture the often short fund raising windows to raise sufficient fund in the past two years for its accelerated development. Shui On Land is now well poised to generate greater value to our shareholders, we believe we are stepping into a strong harvest time for all our projects.”

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About Shui On Land

Headquartered in Shanghai, Shui On Land (Stock Code: 272) is the flagship property development company of the Shui On Group in the Chinese Mainland with a proven track record in developing large-scale, mixed-use city-core redevelopment projects. The Company has eight projects in various stages of development in prime locations of major cities, with a landbank of 13.0 million sqm (11.1 million sq.m. of leasable and saleable GFA, and 1.9 million sq.m. of clubhouses, car parking spaces and other facilities). The Company was listed on the Hong Kong Stock Exchange on October 4, 2006, the largest Chinese real estate enterprise listed that year. Shui On Land was included in the 200-Stock Hang Seng Composite Index Series and Hang Seng Freefloat Index Series in March 2007.

For further information about Shui On Land, please visit our website www.shuionland.com

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