



Press Release

Shui On Land Announces 2007 Interim Results Profits Attributable to Shareholders increased by 97% or 34% if excluding the non-recurring deferred tax credit adjustment

2007 Interim Results Highlights:

- Profit attributable to shareholders was RMB1,098 million, an increase of approximately 97% over the same period in 2006 (2006: RMB558 million); excluding the effect of a non-recurring deferred tax credit adjustment of RMB352 million, the profit attributable to shareholders was RMB746 million, an increase of approximately 34% over the same period in 2006
- Profit attributable to shareholders before revaluation of investment properties and fair value adjustments on derivative financial instruments was RMB930 million, an increase of 115% over the same period in 2006 (2006: RMB433 million); excluding the effect of a non-recurring deferred tax credit adjustment of RMB352 million, the profit attributable to shareholders before revaluation of investment properties and fair value adjustments on derivative financial instruments was RMB578 million, an increase of approximately 33% over the same period in 2006
- Earnings of RMB26 cents per share based on a weighted average of approximately 4,185 million shares in issue (2006: RMB31 cents per share based on a weighted average of approximately 1,802 million shares in issue)
- An interim dividend of HK5 cents per share (2006: Nil) declared
- Total assets increased to RMB27.7 billion (31 December 2006: RMB26.0 billion)
- Net gearing ratio remained at a low level of approximately 10% (31 December 2006: approximately 5%), making us well positioned to consider various funding options for new projects as the needs arise
- Total landbank increased by 42% to approximately 11.9 million sq.m. (31 December 2006: approximately 8.4 million sq.m.) of gross floor area, of which approximately 8.7 million sq.m. are attributable to the Group (31 December 2006: approximately 7.3 million sq.m.)

	Interim results highlights for six months ended		
	2007	2006	Change
Turnover	RMB2,178 million	RMB2,158 million	1%
Profit attributable to shareholders	RMB1,098 million	RMB558 million	+97%
- if excluding the effect of the non-recurring deferred tax credit adjustment ¹	RMB746 million	RMB558 million	+34%
Profit attributable to shareholders before revaluation of investment properties and fair value adjustments on derivative financial instruments	RMB930 million	RMB433 million	+115%
- if excluding the effect of the non-recurring deferred tax credit adjustment ¹	RMB578 million	RMB433 million	+33%
Earnings per share	RMB26 cents	RMB31 cents	
Interim dividend per share	HK5 cents	Nil	

	As at 30 Jun 2007	As at 31 Dec 2006	Change
Total assets	RMB27.7 billion	RMB26.0 billion	+7%
Net gearing ratio	10%	5%	
Total landbank	11.9 million sq.m.	8.4 million sq.m.	+42%

¹ This reflects the effect of the new Enterprise Income Tax Law of the PRC which stipulates a change in tax rate from 33% to 25% from 1 January 2008 for certain corporation.

18 September 2007, Hong Kong – **Shui On Land Limited** (“Shui On Land” or the “Company”, stock code 272) today announced its unaudited results for the six months ended 30 June 2007.

During the period, property markets across the Chinese Mainland were strong. Profit attributable to shareholders amounted to RMB1,098 million, representing an increase of 97% over the same period in 2006. Excluding the effect of the non-recurring deferred tax credit adjustment of RMB352 million arising from the change in tax rate, profits attributable to shareholders will be RMB746 million, a 34% increase from the same period in 2006. Sales of residential units in Lakeville Regency and Knowledge and Innovation Community in Shanghai were sold quickly and contributed significantly to our turnover over the six months ended 30 June 2007.

The Board has declared an interim dividend of HK5 cents per share to shareholders for the six months ended 30 June 2007 (2006: nil).

Commenting on the Company's continuous growth, Mr. Vincent H. S. Lo, Chairman and Chief Executive Officer, said, "Overall, we have achieved impressive results over the six months period ended 30 June 2007. In addition to the booming economy in the Chinese Mainland, our brand quality and reputation for excellence has contributed to the huge success of sales of Lakeville Regency and Knowledge and Innovation Community. A strong rental market in Shanghai, both retail and office, has also helped us realise higher rental rates, creating a solid foundation for our recurring income."

In the first half of 2007, the Company sold 46,400 sq.m. GFA in Shanghai being Lakeville Regency, Rui Hong Xin Cheng and Knowledge and Innovation Community that generated a turnover from property sales of RMB1,943 million. Shui On Land also maintains a portfolio of investment properties for recurring rental income. Gross rental income generated from a GFA of 240,000 sq.m. of leasable properties grew 5% to RMB180 million.

Expanded Landbank in Prime Locations

During the six months ended 30 June 2007, the Group has entered into a joint venture agreement to develop Dalian Tiandi • Software Hub (previously called Dalian Software Park Phase 2), a large scale city-core development with an expected GFA of approximately 3.6 million sq.m in the city of Dalian.

Including Dalian Tiandi • Software Hub*, the Group and its associate's total landbank is now approximately 11.9 million sq.m., an increase of 42% since the end of 2006 (31 December 2006: approximately 8.4 million sq.m.), and it is located in five cities, namely Shanghai, Chongqing, Wuhan, Dalian and Hangzhou.

** Dalian Tiandi • Software Hub comprises 23 plots of land with an expected GFA totalling approximately 3.6 million sq.m. Other than 3 plots of land of approximately 1.435 million sq.m. of GFA which have legally binding contracts, acquisition of these lands will be by way of competitive bidding and there is no assurance that the joint venture companies will be successful in acquiring all the remaining 20 pieces of land.*

Mr. Lo said, "We are constantly reviewing various opportunities to increase our landbank in the Chinese Mainland, either on our own or, as appropriate, through strategic partnerships joint ventures. Our successful business models and leadership position give us a strong competitive edge in acquiring additional quality landbank."

Accelerating Growth through Strategic Partnership

It remains the Group's strategy to forge strategic partnerships with developers, contractors, consultants and other investors and replicate that relationships in our other projects in the same city or elsewhere, to the extent commercially feasible, when such relationship is proving to be beneficial and working well, thereby also enhancing our operational efficiency.

The Group announced on 29 June 2007 that its has brought in Trophy Property Development, L.P. ("Trophy Fund") as a strategic partner through the transfer of a 25% interest in Wuhan Tiandi and a 49% interest in Lot 116 of Shanghai Taipingqiao project to Trophy Fund for a total consideration of approximately RMB1,609 million. A total gain of approximately RMB835 million from these transactions is expected to be reported by the Group in the second half of 2007.

"We remain optimistic about the property market in the Chinese Mainland and are confident that the changes in the market landscape, given our premium branding and proven business models will be favourable to the Group. We will continue to focus on delivering the best possible value to our shareholders by striving to be the premier innovative property developer in the Chinese Mainland," concluded Mr. Lo.

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About Shui On Land

Headquartered in Shanghai, Shui On Land (0272.HK) is the flagship property company of the Shui On Group in the Chinese Mainland with a proven track record in developing large-scale, mixed-used city-core development projects and integrated residential development projects. The Company has projects under development in prime locations of major cities, with a gross floor area of 11.9 million square meters. The Company was listed on the Hong Kong Stock Exchange on 4 October 2006, the largest Chinese real estate enterprise listed that year.

Shui On Land Limited was included in the MSCI Standard Index Series, MSCI World Index, Hang Seng Composite Index Series and Hang Seng Freefloat Index Series in March 2007.

For other information about Shui On Land Limited, please visit www.shuionland.com.

For media enquiries, please contact:

Nellie Chan

Shui On Land Limited

Tel: (852) 2879 1836

Email: corpcomm@shuion.com.hk