



Press Release

Shui On Land Announces 2010 Interim Results

(19 August 2010, Hong Kong) Shui On Land Limited (“Shui On Land” or the “Group”, Stock Code: 272) today announced the unaudited consolidated results for the six months ended 30 June 2010.

The Group’s turnover increased by 134% to RMB3,121 million or HK\$3,558 million (2009: RMB1,335 million or HK\$1,509 million), in which property sales increased 175% to RMB2,778 million or HK\$3,167 million (2009: RMB1,010 million or HK\$1,141 million). The total gross floor area delivered was 135,800 sq.m.. The average sales price increased 108% to RMB21,200 per sq.m. (2009: RMB10,200 per sq.m.). Rental and other related income from the investment properties grew by 7% to RMB326 million (2009: RMB305 million).

Profit attributable to shareholders of the Group amounted to RMB1,557 million or HK\$ 1,775 million, representing an increase of 117% (2009: RMB718 million or HK\$811 million).

Basic earnings per share increased to RMB0.31 or HK\$0.35 (2009: RMB0.16 or HK\$0.18). The Board declared an interim dividend of HK\$0.06 (2009: HK\$0.01) per share to shareholders. Shareholders will be given the option to receive the interim dividend in new shares in lieu of cash.

Widely Recognised Tiandi Series Become Cities’ New Landmarks

Wuhan Tiandi has become a new landmark in Wuhan after its full opening. Chongqing Tiandi, which had its soft launch this January, has become the city’s new landmark and lifestyle trendsetter. It offers distinctive dining, entertainment, retail and cultural facilities to enrich Chongqing residents’ life experience. Mr. Vincent H. S. Lo, Chairman and Chief Executive Officer of Shui On Land, commented at the results announcement, “The success of Wuhan Tiandi and Chongqing Tiandi not only confirms the Group’s competence and excellence in

developing and managing city-core integrated development project, it also proves the viability of expanding Tiandi model in the Chinese Mainland. We will continue to ride on our strengths to turn our project into the cities' new landmarks and focuses in order to create more values and returns for the cities and our shareholders.”

With continuous enhancement of the surroundings and infrastructure of "Tiandi" projects, the residential properties received enthusiastic responses despite the market adjustment led by the implementation of new measures in the first half of the year. The Group's completed saleable area was almost sold out:

- ◆ A total GFA of 1,900 sq.m. at Casa Lakeville Phase 3 of Shanghai Taipingqiao project was sold. An average sales price of RMB155,000 per sq.m. was recorded for some higher-level units with a lake view.
- ◆ The Riverview Phase 2 (Lot A6) in Wuhan Tiandi was launched this January. A total of 251 units which translated to 92% of the residential units were contracted for sales, with an average sales price increasing by 50% to RMB18,800 per sq.m..
- ◆ The Riviera Phase 2 in Chongqing Tiandi was well received by the market. Among the 200 plus residential units launched in May, 127 units which represented 56% were sold on the launch day with average sales price reaching RMB11,900 per sq.m.. As of early August, approximately 80% of the units were contracted for sale.

The Group's maturing investment property portfolio has recorded a promising occupancy and excellent rental income which helped creating value to the overall project development. The Group's existing total leasable GFA increased to 355,000 sq.m. which contributes growing recurrent rental income to the Group that helps lowering the risks from market fluctuation.

New Board Member to Expedite the Group's Development

The Group made new appointment to expedite the development and ensure continuous business growth. In June, Mr. Freddy C. K. Lee was appointed as an Executive Director of the Board and a Managing Director of the Group. Having been working at Shui On for over 24 years, Mr. Lee has extensive experience and great vision in property development, planning and construction. After joining the Board, Mr. Lee has brought new management initiatives to the Group and continued to implement the already established Three-Year Plan.

Under the leadership of Mr. Lee, the Three-Year Plan has yielded encouraging results one year after its implementation. The Group's structure was reorganised to clearly define responsibilities in the corporate head office, including the formulation of corporate development strategies, approval of project development plan and budget, monitoring of project performance and achievements, and streamlining of corporate functions to 16 from 37 departments. The completion of the decentralisation process also allowed a smooth and

steady operation of the project-centric management model which facilitated a remarkable acceleration of all projects' construction pace. Currently, the total GFA under development amounts to 3,883,000 sq.m., and the expected completion for this year will be 589,000 sq.m., of which 381,000 sq.m. (2009:242,000 sq.m.) is leasable and saleable area.

Emphasising Completion To Reaping Benefits

The maturing of the Group's projects followed by the completion of infrastructure in most of these projects has accelerated their development pace. Residential sales with an estimated total saleable area of 334,600 sq.m. will be launched in the second half of this year in Shanghai, Chongqing, Wuhan, Foshan and Dalian. The concept of master-planned integrated community in prime locations is the key to the Group's success. The Group is very optimistic about the prospect of properties sales and is confident to meet the sales target this year.

Residential properties for sales in the second half of 2010 include:

- Casa Lakeville of Shanghai Taipingqiao: The 18 units from Towers 3 to 8 include low-rise duplexes and penthouses with gardens which unit size ranging from 360 sq.m. to 700 sq.m.. Show flats will be available for viewing in September.
- Phase 3 (Lot 4) of Shanghai Rui Hong Xing Cheng: The first batch among a total of 636 apartment units is planned for pre-sale in Q4.
- The Riviera of Chongqing Tiandi: A total of 566 units from Towers 7, 8, 10 and 12 of Phase 2 will be launched in the second half of the year, and 338 units from Towers 4 and 5 of Phase 3 will also be launched near the year end.
- The Riverview Phase 3 (Lots A11 and A12) of Wuhan Tiandi: The first batch among a total of 181 units with full river view will be launched near the year end.
- Foshan Lingnan Tiandi: The Regency Phase 1 (Lot 4) offering 246 apartment units and The Legendary (Lot 14) with 38 townhouses are scheduled for launch in Q3. The sales centre was already opened and show flats were opened in August.
- Dalian Tiandi Greenville Phase 1: A total of around 600 apartment units and 192 units of various types of villas is scheduled for launch in Q3. The sales centre was already opened.

Mr. Vincent Lo concluded, "We remain confident in the prospects of the Mainland's property market. We will continue to heighten the development pace and utilization of the existing landbank to create more short- to medium-term cash returns to the shareholders. Concurrently we will proactively explore and examine opportunities via different means for developing new projects to ensure the Group's sustainable growth. I believe that with our unique business model of "Total Community" for "Live-Work-Play" life-enrichment together with the increasing operation capability and efficiency, we will create even more value for our stakeholders."

**All of Hong Kong dollar figures presented above are shown for reference only and have been arrived at based on the exchange rate of RMB1.00 to HK\$1.14 for six months ended 30 June 2010 and RMB1.00 to HK\$1.13 for six months ended 2009, being the average exchange rates that prevailed during the respective periods.*

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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 gross floor area of 12.9 million sq.m. (including interests of other investors). 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 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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2010 Interim Results Highlights

For the six months ended 30 June 2010

- Turnover increased by 134% to RMB3,121 million.
- Property sales rose by 175% to RMB2,778 million.
- Rental and related income from investment properties increased by 7% to RMB326 million. Leasable GFA rose to 355,000 sq.m..
- Gross profit margin up by 12 percentage points to 41%.
- With the acceleration of construction and increase in fair market value of investment properties, the Group has recorded a fair value gain from revaluation of investment properties of RMB1,461 million.
- Profit attributable to shareholders increased by 117% to RMB1,557 million.
- Basic earnings per share grew by 94% to RMB0.31.
- Declared interim dividend of HK\$0.06 per share.
- Total equity increased to RMB23.8 billion.
- Net gearing ratio of the Group remained at a healthy level of 32% as of 30 June 2010.
- The Group's properties available for sale in the second half of 2010 will be 334,600 sq.m..

Consolidated Income Statement

For the six months ended 30 June 2010

	Six months ended 30 June 2010 (Unaudited)		Six months ended 31 December 2009 (Unaudited)	
	HK\$'million	RMB'million	HK\$'million	RMB'million
Turnover	3,558	3,121	1,509	1,335
Cost of sales	(2,108)	(1,849)	(1,068)	(945)
Gross profit	1,450	1,272	441	390
Other income	99	87	121	107
Selling and marketing expenses	(68)	(60)	(44)	(39)
General and administrative expenses	(314)	(275)	(295)	(261)
Operating profit	1,167	1,024	223	197
Increase in fair value of investment properties	1,666	1,461	225	199
Gain on disposal of investment properties	26	23	-	-
Share of results of associates	78	68	449	398
Finance costs, net of exchange gain	(41)	(36)	(68)	(60)
Profit before taxation	2,896	2,540	829	734
Taxation	(949)	(832)	(88)	(78)
Profit for the period	1,947	1,708	741	656
Attributable to:				
Shareholders of the Company	1,775	1,557	811	718
Non-controlling interests	172	151	(70)	(62)
	1,947	1,708	741	656
Earnings per share				
Basic	HK\$0.35	RMB0.31	HK\$0.18	RMB0.16
Diluted	HK\$0.35	RMB0.31	HK\$0.17	RMB0.15

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Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2010

	Six months ended 30 June 2010 (Unaudited)		Six months ended 30 June 2009 (Unaudited)	
	HK\$'million	RMB'million	HK\$'million	RMB'million
Profit for the period	1,947	1,708	741	656
Other comprehensive income (expense)				
Exchange difference arising on translation of foreign operations	1	1	(11)	(10)
Fair value adjustments on interest rate swaps designated in cash flow hedges	(45)	(39)	68	60
Other comprehensive (expense) income for the period	(44)	(38)	57	50
Total comprehensive income for the period	1,903	1,670	798	706
Total comprehensive income (expense) attributable to:				
Shareholders of the Company	1,731	1,519	868	768
Non-controlling interests	172	151	(70)	(62)
	1,903	1,670	798	706

Note: All of Hong Kong dollar figures presented above are shown for reference only and have been arrived at based on the exchange rate of RMB1.00 to HK\$1.14 for six months ended 30 June 2010 and RMB1.00 to HK\$1.13 for six months ended 2009, being the average exchange rates that prevailed during the respective periods.

Consolidated Statement of Financial Position

As of 30 June 2010

	30 June 2010 RMB'million (Unaudited)	31 December 2009 RMB'million (Audited)
Non-current assets		
Investment properties	23,676	21,206
Property, plant and equipment	335	356
Prepaid lease payments	42	43
Interests in associates	930	862
Loans to associates	1,281	1,273
Accounts receivable	33	59
Pledged bank deposits	1,164	1,222
Deferred tax assets	187	139
	<hr/> 27,648 <hr/>	<hr/> 25,160 <hr/>
Current assets		
Properties under development for sale	11,815	11,532
Properties held for sale	769	627
Accounts receivable, deposits and prepayments	1,586	933
Loans receivable	485	378
Amounts due from associates	299	147
Amounts due from related parties	199	73
Amounts due from non-controlling shareholders of subsidiaries	38	17
Pledged bank deposits	850	797
Bank balances and cash	2,915	2,928
	<hr/> 18,956 <hr/>	<hr/> 17,432 <hr/>
Current liabilities		
Accounts payable, deposits received and accrued charges	3,181	4,305
Amounts due to related parties	118	69
Amounts due to associates	37	45
Amounts due to non-controlling shareholders of subsidiaries	214	475
Loan from a non-controlling shareholder of a subsidiary	300	442
Dividend payable	530	-
Tax liabilities	1,347	1,404
Bank borrowings – due within one year	1,474	2,098
	<hr/> 7,201 <hr/>	<hr/> 8,838 <hr/>
Net current assets	<hr/> 11,755 <hr/>	<hr/> 8,594 <hr/>
Total assets less current liabilities	<hr/> 39,403 <hr/> <hr/>	<hr/> 33,754 <hr/> <hr/>

Consolidated Statement of Financial Position (Continued)

As of 30 June 2010

	30 June 2010 RMB'million (Unaudited)	31 December 2009 RMB'million (Audited)
Capital and reserves		
Share capital	99	99
Reserves	22,507	21,480
	<hr/>	<hr/>
Equity attributable to shareholders of the Company	22,606	21,579
Non-controlling interests	1,158	995
	<hr/>	<hr/>
Total equity	23,764	22,574
	<hr/>	<hr/>
Non-current liabilities		
Bank borrowings – due after one year	10,999	8,105
Derivative financial instruments designated as hedging instruments	250	211
Loans from non-controlling shareholders of subsidiaries	1,669	670
Deferred tax liabilities	2,719	2,192
Defined benefit liabilities	2	2
	<hr/>	<hr/>
	15,639	11,180
	<hr/>	<hr/>
Total equity and non-current liabilities	39,403	33,754
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