

Press Release

Shui On Land Announces 2012 Interim Results

Driving Balanced and Sustainable Growth

- Profit attributable to shareholders increased by 5% to RMB825 million in the first half of 2012 (“1H 2012”).
- The Company recorded turnover of RMB1,643 million, a decrease of 8% due to fewer properties being delivered and recognised as property sales in 1H 2012.
- Contracted sales for 1H 2012 was RMB1,546 million. A total Gross Floor Area (“GFA”) of 75,920 sq.m. was sold and pre-sold with Average Selling Price (“ASP”) of RMB20,400 per sq.m..
- As of 30 June 2012, total locked-in sales for delivery in 2H 2012 and beyond reached RMB4,887 million (including those of Dalian associates) with GFA of 345,100 sq.m..
- The Company plans to offer approximately 564,400 sq.m. of residential GFA spanning seven projects, for sale and pre-sale during 2H 2012, among which around 450,600 sq.m. properties are new launches.
- Gross profit margin remained stable at 45%.
- Rental and related income rose 39% to RMB563 million in 1H 2012 from RMB405 million, as contributions from new and existing recurrent income streams strengthened.
- The Company recorded a fair value gain of RMB1,268 million in its investment property portfolio for 1H 2012.
- The total carrying value of the completed investment properties was recorded at RMB21,632 million as of 30 June 2012. The properties located in Shanghai contributed 87 % of the carrying value.
- As of 30 June 2012, total cash and bank deposits of the Company amounted to RMB5,196 million.
- On 6 August 2012, the Company further issued US\$400 million of 9.75% senior notes at 102.785% of the principal amount with an effective finance cost of 8.5% per annum.

(23 August 2012, Hong Kong) Shui On Land Limited (“Shui On Land” or the “Company”, Stock Code: 272) today announced the unaudited consolidated results of the Company and its subsidiaries (collectively the “Company”) for the six months ended 30 June 2012.

Profit attributable to shareholders of the Company amounted to RMB825 million, increased 5% compared to the corresponding period of 2011. Basic earnings per share remained the same at RMB0.15 or HK\$0.18 (2011: RMB0.15 or HK\$0.18). The Board declared an interim dividend of HK\$0.025 (2011: HK\$0.025) per share to shareholders.

The Company’s turnover declined 8% to RMB1,643 million from RMB1,788 million in 1H 2012. Nevertheless, the Company was able to keep gross profit margin stable at 45% during the period under review.

Contracted sales decreased 71% from RMB5,270 million to RMB1,546 million. A total Gross Floor Area (GFA) of 75,920 sq.m. was sold and pre-sold with the Average Selling Price (ASP) lowered by 20% to RMB20,400 per sq.m. compared to the same period in 2011.

Decrease in contracted sales and the ASP was mainly attributable to the change of product mix together with the alternation of sales contribution from projects in the first-tier city such as Shanghai to the second-tier cities which consumed a lower ASP. It is noteworthy that during the period under review, thanks to the rental growth from the Company's existing property portfolio as well as maiden rental contribution from the newly acquired mature investment properties, namely Shanghai Shui On Plaza and Shanghai Langham Xintiandi Hotel, rental and related income rose 39% from RMB405 million to RMB563 million.

2H 2012 Launch Schedule: Riding the Tide of Increasing Buyer Confidence

As of 30 June 2012, total locked-in sales for delivery in 2H 2012 and beyond had reached RMB4,887 million (including those of Dalian associates) with a total GFA of 345,100 sq.m.. The Company plans to have approximately residential GFA of 564,400 sq.m. for sale and pre-sale spanning across our seven projects during 2H 2012, among which around 450,600 sq.m. properties are new launches.

Residential properties planned to be available for sale and pre-sale in 2H 2012:

Project		Available for sale and pre-sale in 2H 2012
		GFA in sq.m.
<i>Shanghai Taipingqiao</i>	The Manor	700
<i>Shanghai Rui Hong Xin Cheng</i>	Phase 5	23,000
<i>Shanghai Knowledge and Innovation Community</i>	Jiangwan Regency (Lot 311 Phase 1)	49,300
<i>Wuhan Tiandi</i>	The Regal Riverview Phase 1 (Lots B9 and B11)	98,700
<i>Chongqing Tiandi</i>	The Riviera Phase 2 to 5	182,500
<i>Foshan Lingnan Tiandi</i>	Legendary Phase 2 and Regency Phase 2	65,900

<i>Subtotal</i>		420,100
<i>Dalian Tiandi</i>	Huangnichuan and Hekou Bay	144,300

<i>Total</i>		564,400
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Thriving Investment Property Portfolio

The Company recorded a fair value gain of RMB1,268 million in its investment property portfolio. The increase was mainly due to 39% rental income increase generated from the existing investment property portfolio and income from the newly acquired, matured investment properties, namely Shanghai Shui On Plaza and Shanghai Langham Xintaindi Hotel. As of 30 June 2012, a total GFA of 626,000 sq.m. completed investment properties was held by subsidiaries of the Company, of which approximately 56%, 37% and 7% were earmarked for retail, office and hotel space, respectively. 71% of the completed investment properties are located in Shanghai.

The carrying value of the completed investment properties (excluding hotel and self-used properties) rose by 20% to RMB21,632 million for a total GFA of 549,000 sq.m.. The carrying value of investment properties under development for a total GFA of 995,000 sq.m. rose by 20% to RMB11,886 million. The carrying value of Shanghai Langham Xintiandi Hotel, Shanghai 88 Xintiandi Hotel as well as the newly completed Foshan Lingnan Tiandi Marco Polo Hotel was RMB2,573 million, whereas the remaining commercial-use landbank acquired on or before 2007 was stated at cost of RMB9,137 million.

To further accelerate the development and better demonstrate the value of Shui On Land's commercial properties, the Company has submitted a listing application to The Stock Exchange of Hong Kong Limited for a global offering and separate listing of the commercial property business in a new company called "China Xintiandi". The

proposed spin-off and listing will be subject to market conditions and various approval processes.

Mr. Freddy C. K. LEE, Managing Director and Chief Executive Officer of Shui On Land concluded, “Anticipating continued volatility in the global market, the Company has been capitalising on its inherent strengths and market opportunities to deliver value for our shareholders. As scheduled, a lot of our projects enjoying strong pricing power will be delivered in 2H 2012. With a track record of good sell-through rate, we believe there is huge pent-up demand of our properties that will be available for sale before year end. The value of our property portfolio is expected to be amplified and embodied with our maturing master-planned communities in times with a flexible and diversified sales strategy. We are committed to driving a balanced and sustainable growth for the long-term benefit of our shareholders.”

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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 13.3 million sq.m.. (11.1 million sq.m. of leasable and saleable GFA, and 2.2 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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