



Shui On Land Limited

(stock code: 272 HK)

Annual Results for FY2006

April 2007

Major achievements in FY2006

Record year for Shui On Land

- ***Stellar financial performance***

- Turnover increased by 3.6x to RMB 4,729 million in FY2006
- Gross profit increased by 3.3x to RMB 2,984 million in FY2006
- Net profit¹ increased by 14.8x to RMB 1,536 million in FY2006, and exceeded the FY2006 profit forecast of RMB 1,450 million by approximately 6%

- ***Solid fundamentals with ample financial strength***

- Low net gearing ratio² of 5%
- Total assets increased by 40% to RMB 26 billion

- ***Strengthened property portfolio***

- Total GFA of approximately 8.4 million sq.m., providing an aggregate leasable and saleable GFA of approximately 6.9 million sq.m.
- Completed GFA of investment properties grew 36% to 239,000 sq.m. in FY2006

- ***Successful listing on the HKSE and inclusion into major indices***

- Listed on 4 October and subsequently included into the MSCI Standard Index Series, MSCI Global Growth Index Series, Hang Seng Composite Index Series, and Hang Seng Freefloat Index Series

'Building a Future, Sharing a Dream'

¹ Net profit attributable to shareholders before revaluation and fair value adjustment on derivative financial instruments



² Calculated on the basis of dividing the excess of the sum of bank loans and notes payable over the sum of bank balances and cash by total equity. Convertible redeemable preference shares (RMB 2,875 million) assumed to be equity in 2005

Key financial highlights

Summary of financial performance

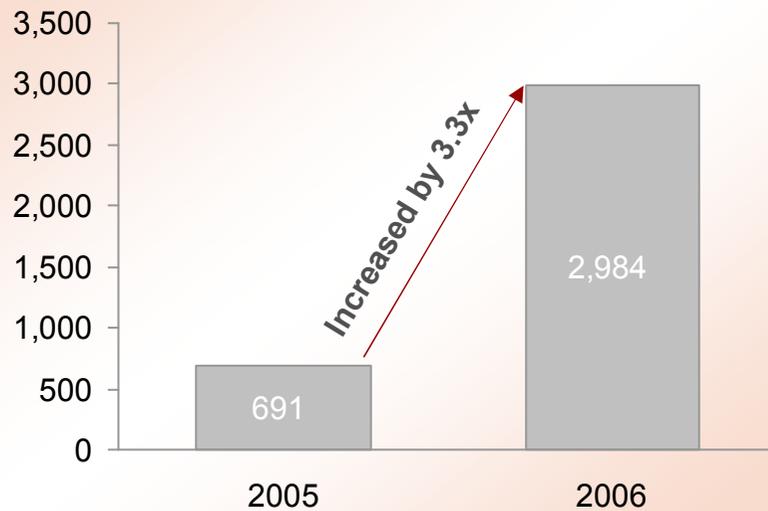
RMB million	For the year ended 31 December		
	2006 actual	2006 forecast	2005 actual
Net profit attributable to equity holders of the Company before (i) revaluation of investment properties and (ii) fair value adjustment on derivative financial instruments	1,536	1,450	97
Revaluation increase on investment properties (net of deferred tax effect and share of minority interests)	88	76	284
Fair value adjustments on derivative financial instruments	(478)	(544)	(1)
Net profit attributable to equity holders of the Company after (i) revaluation of investment properties and (ii) fair value adjustment on derivative financial instruments	1,146	982	380
EPS basic (RMB cents)	48	41	22
EPS diluted (RMB cents)	38	24	14
Proposed DPS (HK cents)	6	—	—



Continued strong profitability

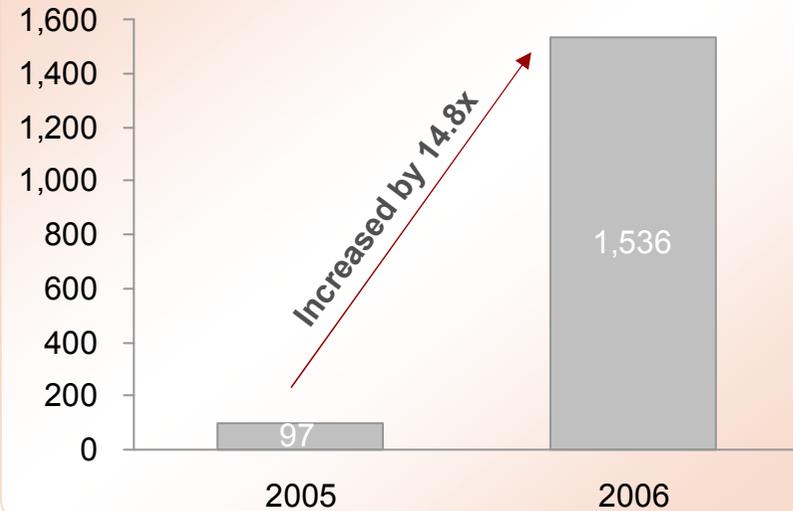
Gross profit

(RMB million)



Net profit attributable to shareholders¹

Net profit (RMB million)



- Gross profit and net profit rose exponentially due mainly to strong sales from Shanghai Taipingqiao — Lakeville Regency, which has been well received by the market
- Profitability for other projects such as Shanghai Rui Hong Xin Cheng has also improved with a 30% increase in average selling price since FY2005

The Shui On Land brand continues to command strong pricing premiums

¹ Net profit attributable to shareholders is before revaluation and fair value adjustment on derivative financial instruments



Strengthening financial position

Key financials

RMB million	As at 31 December		Growth (%)
	2006	2005	
Turnover	4,729 ¹	1,018 ¹	365%
Gross profit	2,984 ¹	691 ¹	332%
Profit attributable to equity holders ²	1,536 ¹	97 ¹	1,480%
Cash and bank deposits ³	5,654	2,398	136%
Total assets	26,035	18,629	40%
Total liabilities	10,870	13,567	(20%)
Total equity	15,165	5,062	200%
Total GFA (million sq.m.)	8.4	8.1 ⁴	
Current ratio	3.5	1.7	
Net gearing ratio ⁵	5%	54%	

¹ For the year ended 31 December

² Net profit attributable to shareholders is before revaluation and fair value adjustment on derivative financial instruments

³ Includes pledged bank deposits

⁴ GFA is as at 30 June 2006

⁵ Calculated on the basis of dividing the excess of the sum of bank loans and notes payable over the sum of bank balances and cash by total equity. Convertible redeemable preference shares (RMB 2,875 million) assumed to be equity in 2005



Debt schedule and capital commitments

Debt schedule

	Currency denomination	Total (RMB million)	Due within one year	Due in more than one year but not exceeding two years	Due in more than two years but not more than five years
Bank loans	RMB	1,532	1,462	—	70
	HK\$	2,183	221	287	1,675
Senior notes	US\$	2,762	—	2,762	—
Total		6,477	1,683	3,049	1,745

- **Total undrawn banking facilities available to the Group as at 31 December 2006 is RMB 2,560 million**
- **Capital commitment as at 31 December 2006 was RMB 3,874 million**
- **As future projects are taken on, there will be additional capital commitments and the associated financing requirements will be considered**



Use of IPO proceeds

Use of IPO proceeds as at 31 December 2006

	Net IPO proceeds (HK\$ million)		
	Available	Utilised	Unutilised
Existing projects—Shanghai Taipingqiao, Shanghai Rui Hong Xin Cheng, Shanghai Knowledge and Innovation Community (KIC), Chongqing Tiandi and Wuhan Tiandi	1,864	915	949
Future project funding	445	—	445
General corporate purposes	993	143	850
Total	3,302	1,058	2,244

We continue to be prudent in managing our proceeds from the IPO



Property sales performance for FY2006

Sales breakdown

	Date completed	Ownership	GFA sold in FY2006 (sq.m.)	Average selling price (RMB/sq.m.) FY2006
Shanghai — Lakeville Regency				
• Residential	Sep 2006	69%	74,000	50,000
Shanghai — Rui Hong Xin Cheng Phase 2				
• Residential	Sep 2006	99%	44,000	16,000
Shanghai — KIC Phase R1				
• Residential and Office	Aug 2006	70%	5,000	16,000
Total			123,000	

Property sales and growth

(RMB million)

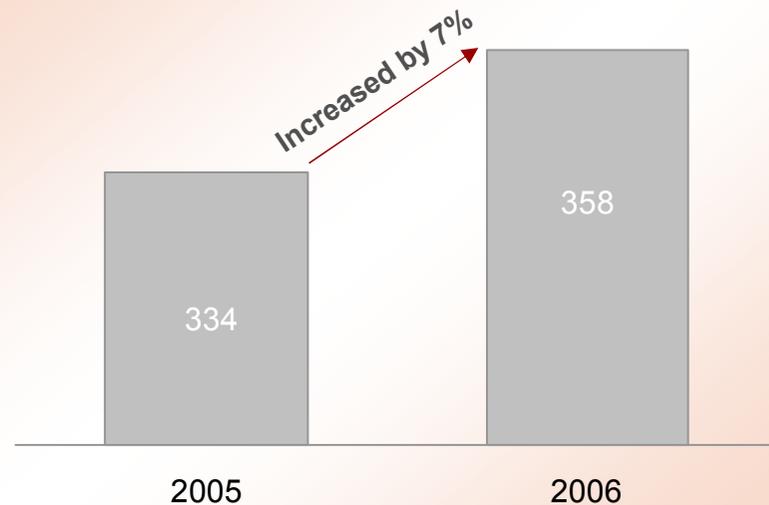


Investment property portfolio performance for FY2006

Investment properties

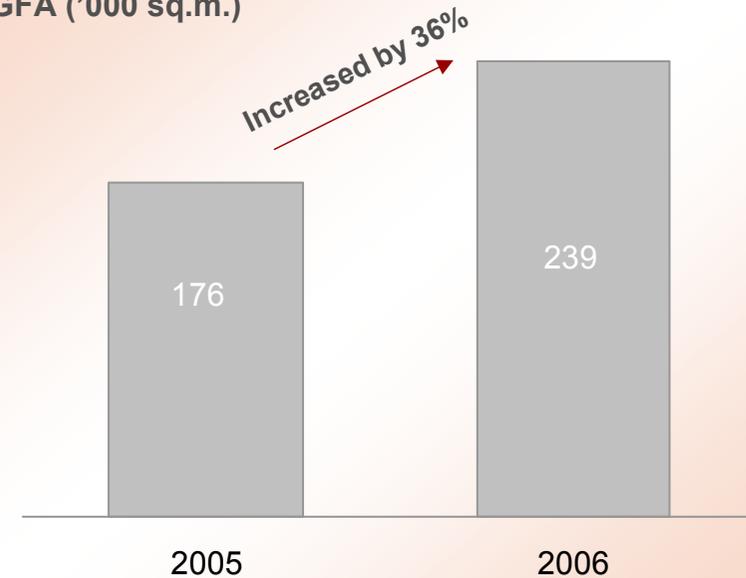
Growth in rental income

(RMB million)



Expanding investment property portfolio

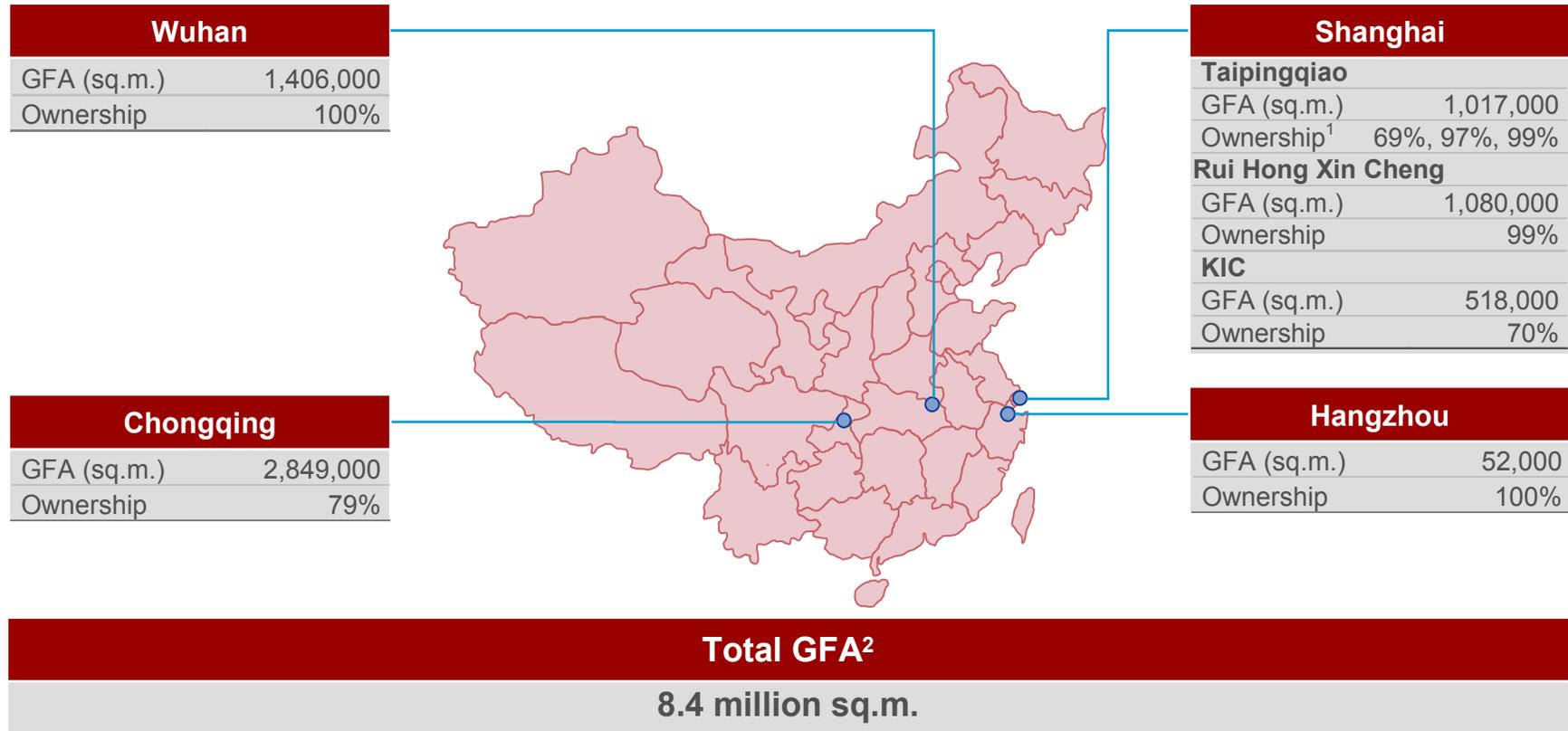
GFA ('000 sq.m.)



- Average occupancy rate as at December 2006 for Shanghai Xintiandi, Corporate Avenue, Rui Hong Xin Cheng Commercial Complex, and Hangzhou Xihu Tiandi was approximately 95%



Expanding land bank...



Land bank acquired since IPO:

- Phase III of Chongqing Tiandi—additional GFA of 0.3 million sq.m.

¹ Lot 117 (Lakeville) and Lot 114 (Lakeville Regency) are 69.3% owned; Shanghai Xintiandi is 97% owned. Remaining lots in Shanghai Taipingqiao are 99% owned, except for Lot 116, which is 98% owned

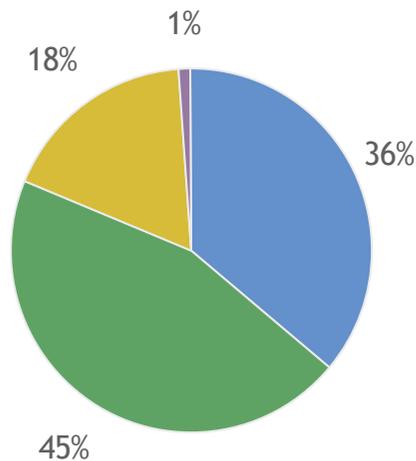
² Includes approximately 0.4 million sq.m. of completed properties and 1.5 million sq.m. of open areas and other public facilities



... with geographic and product diversification

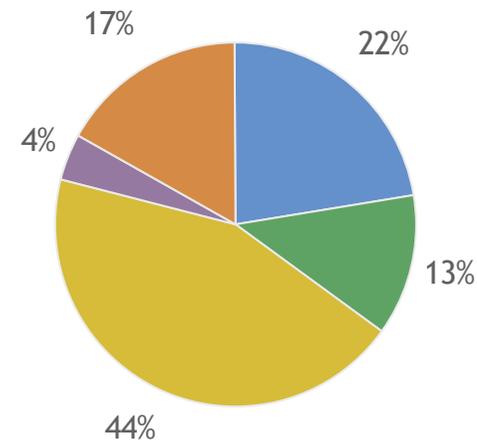
GFA by geographic diversification

- Shanghai
- Chongqing
- Wuhan
- Hangzhou



GFA by usage type

- Office
- Retail
- Residential
- Hotel/serviced apartment/school
- Clubhouses/others



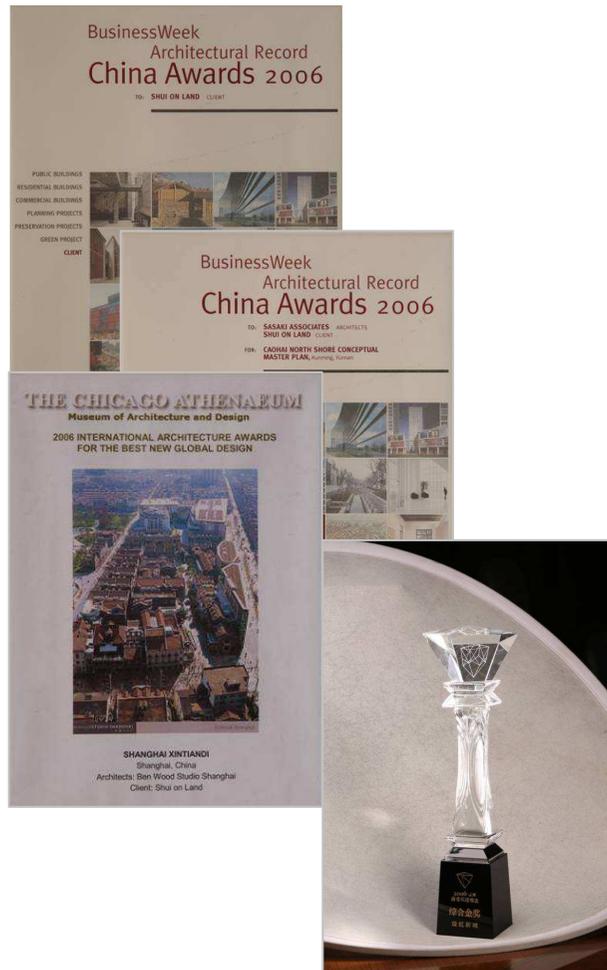
Total GFA¹: 8.4 million sq.m.

Sufficient land bank for approximately the next 8 years of development

¹ Includes approximately 0.4 million sq.m. of completed properties and 1.5 million sq.m. of open areas and other public facilities



We continue to be one of the most awarded developers



Awards received in 2006

Date	Project being awarded	Award	Organisation
April	Shui On Land	Business Week/Architectural Record China Awards 2006—Best Client	Business Week, Architectural Record, McGraw-Hill Construction
	Kunming Caohai North Shore Conceptual Master Plan	Business Week/Architectural Record China Awards 2006—Planning Project	Business Week, Architectural Record, McGraw-Hill Construction
	Shanghai Knowledge & Innovation Community (KIC) Plaza	Urban Design Citation Award	American Institute of Architect San Francisco Chapter
May	Shanghai Xintiandi	2006 International Architecture Award for the Best New Global Design	The Chicago Athenaeum Museum of Architecture and Design
July	Chongqing Tiandi (Lot B1-1/01 residential project)	Housing Quality “AA” Pre-certification Award	Chongqing Municipal Construction Commission
	Shanghai Rui Hong Xin Cheng Phase 2	Gold Medal of Shanghai’s 2006 Most Popular Property Competition	Shanghai Newspaper Office and Shanghai Real Estate Association
December	Wuhan Tiandi	2006 Value Enhancement of City—Special Contribution Award	Hubei Daily and CIHAF Mainstream Media Union
	Shanghai Rui Hong Xin Cheng Phase 2	Top 10 Fully Furnished Buildings in Shanghai	Shanghai Real Estate Association
	Lakeville Regency	Magnolia Award for Towers 1, 2, 7 and 8	Shanghai Construction Trade Association



Pipeline for FY2007

Development properties

- We expect to introduce the first phase of Chongqing Tiandi and Wuhan Tiandi with pre-sales in late 2007/early 2008, increasing the geographic spread of sales
- We also expect to launch the third phase of Lakeville (Lot 113) in late 2007/ early 2008, building on our continued success in Shanghai Taipingqiao

Investment properties

- We will continue to expand our investment property portfolio in FY2007
- One key addition is the Wuhan Tiandi Lot A4³ project. This retail and entertainment destination is expected to enjoy similar success as our Shanghai Xintiandi development
- We expect to start the leasing of Phase 1 of Wuhan Tiandi Lot A4, which has approximately 16,000 sq.m., in late 2007/ early 2008

Property sales pipeline

	Ownership	Estimated GFA expected for sale (sq.m.)	Expected pre-sales timing
Shanghai Taipingqiao—Lakeville Regency			
• Residential	69%	53,000	Currently for sale
Shanghai Rui Hong Xin Cheng—Phase 2			
• Residential	99%	3,000	Currently for sale
Shanghai KIC—Phase R1			
• Residential and office	70%	66,000	Currently for sale
Shanghai Taipingqiao—Lot 113			
• Residential	99%	59,000 ¹	Late '07/ Early '08
Chongqing Tiandi—Phase 1A			
• Residential	79%	108,000	Late '07/ Early '08
Wuhan Tiandi—Lot A9			
• Residential	100%	16,000 ²	Late '07/ Early '08
Total		305,000	

We will continue to deliver returns to our shareholders by increasing our sales and completion volumes to unlock the value of our prime property portfolio



¹ Total saleable GFA for Lot 113 is approximately 80,000 sq.m.

² Total saleable GFA for Wuhan Tiandi Lot A9 is approximately 30,000 sq.m.

³ Total leasable GFA for Wuhan Tiandi Lot A4 is approximately 57,000 sq.m.

FY2007 and beyond—Strategic partnerships

- In 2006, we successfully entered into strategic partnerships for Chongqing Tiandi, through the sale of 19.8% of our 99% indirect interest
- We intend to continue forging other strategic partnerships for our existing projects, thereby unlocking the intrinsic value of our assets
- We will also consider entering into strategic partnerships for potential new land acquisitions — this will enable us to accelerate returns, diversify risks and improve cash flows from our multi-phased projects



FY2007 and beyond—Land banking strategy

- In 2007, we will continue to screen more cities including the eight cities which we have identified and will seek to push ahead with our aggressive land banking strategy
- For example, we have identified two projects which we are currently studying

Kunming project

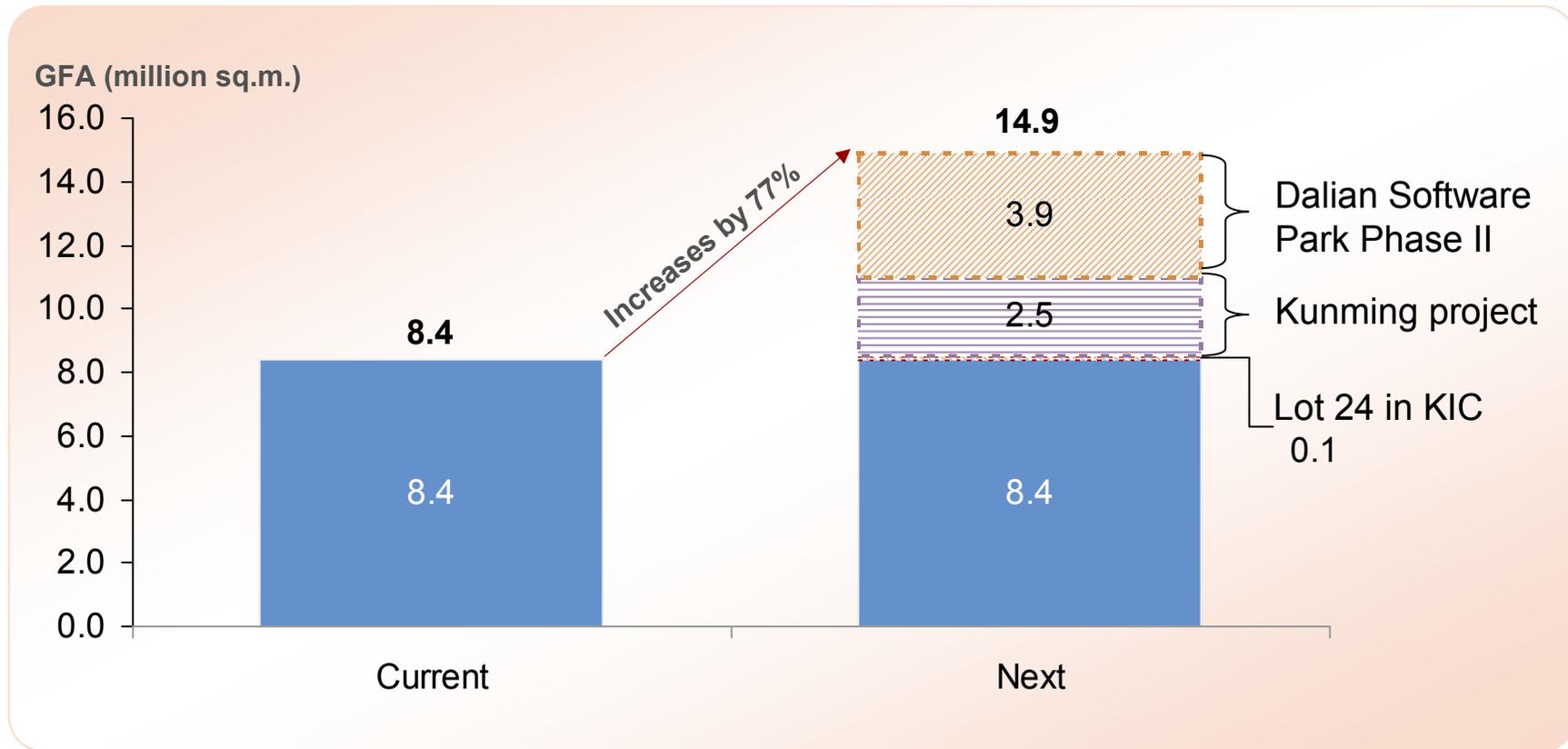
Expected GFA	2.5 million sq.m.
Usage	Mixed use with office, retail entertainment, cultural and residential developments
Status	In July 2006, we signed an agreement with the Kunming municipal government to collaborate in the redevelopment of the northern Caohai district of Kunming. The purpose of this collaboration is to research and determine the feasibility of regenerating the Caohai district as a mixed use community (entertainment, cultural, live, work, research and development facilities). Should the collaboration achieve positive results, we expect to bid for the land for development of the area.

Dalian Software Park Phase II

Expected GFA	3.9 million sq.m.
Usage	Mainly offices, R&D centres, commercial and residential facilities for technology companies.
Status	Shui On Group has signed a non-binding MOU with Yida Group to acquire a 70% interest in the project Shui On Land has been invited to participate in the project and is currently evaluating the opportunity



Continuing to grow our land bank



If we proceed with all our potential land bank acquisitions and are successful, our total land bank will almost double



Our outlook on the market remains bullish

- China's GDP growth continues to be strong, with an increase of 10.7% in 2006. The cities in which Shui On Land operates have also experienced growth above the national average
- We are supportive of the Chinese Government's policy of creating a healthy and stable property market. Austerity measures introduced by the Chinese Government did not impact our overall development programme, but they did necessitate the re-scheduling of our residential sales programme
- We continue to be optimistic about the property market in 2007 and the underlying economic fundamentals. We expect that the tightened regulatory environment will lead to consolidation, creating opportunities for Shui On Land to acquire additional high quality land
- In 2007, we look forward to achieving further growth and creating value for our shareholders





Questions and Answers



Thank You