



Shui On Land Limited

(stock code: 272 HK)

2007 Interim Results For the six months ended 30 June 2007

September 2007

Highlights for the period

- ***Solid financial performance***

- Turnover increased to RMB 2,178 million as compared to RMB2,158 million for the corresponding period in 2006.
- Profit attributable to shareholders was RMB1,098 million, an increase of approximately 97% over the same period in 2006 (30 June 2006: RMB 558 million)
 - *excluding the effect of a non-recurring deferred tax credit adjustment of RMB352 million, 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 RMB 930 million, an increase of 115% over the same period in 2006 (30 June 2006: RMB 433 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*
- Gross profit margin remained strong at 69% (30 June 2006: 70%) .



Highlights for the period

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

- Earnings of RMB 26 cents per share (30 June 2006: RMB 31 cents per share) despite weighted average number of shares more than doubled.
- Interim dividend of HK ● cents per share declared (2006: Nil)
- Total assets increased to RMB 27.7 billion (31 December 2006: RMB 26.0 billion)
- Net gearing ratio remained at a low level of approximately 10% (31 December 2006: 5%)

- ***Strengthened landbank***

- Total landbank increased by 42% to 11.9 million sq.m. (31 December 2006: 8.4 million sq.m.) of gross floor area, of which 8.7 million sq.m. are attributable to the Group (31 December 2006: 7.3 million sq.m.)



Key financial highlights

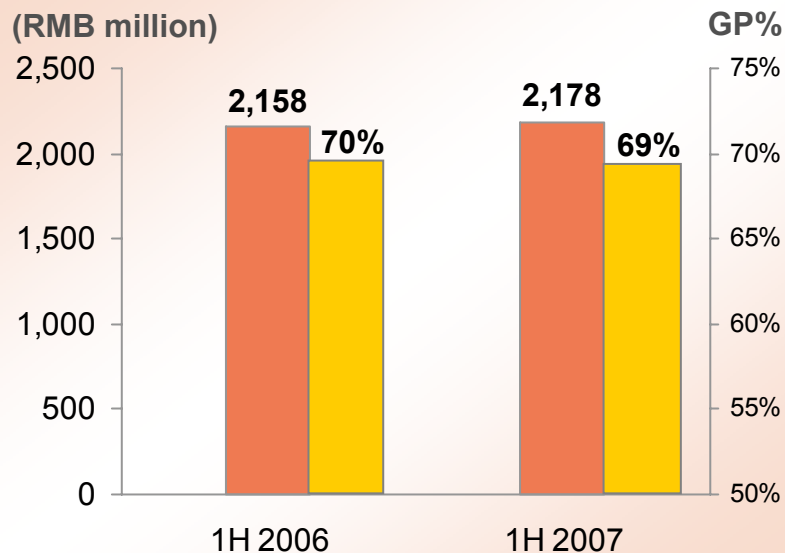
RMB million	For the six months ended 30 June		
	2007	2006	Changes
Profit attributable to equity holders of the Company	1,098	558	▲ 97%
<i>Excluding the effect of a non-recurring deferred tax credit adjustment, profit attributable to equity holders of the Company</i>	746	558	▲ 34%
Less:			
a. Revaluation increase on investment properties (net of deferred tax effect and share of minority interests)	182	110	
b. Fair value adjustments on derivative financial instruments	(14)	15	
Profit attributable to equity holders of the Company before (i) revaluation of investment properties and (ii) fair value adjustment on derivative financial instruments	930	433	▲ 115%
<i>Excluding the effect of a non-recurring deferred tax credit adjustment, profit attributable to equity holders of the Company before (i) revaluation of investment properties and (ii) fair value adjustment on derivative financial instruments,</i>	578	433	▲ 33%
Earnings per share (RMB cents)	26	31	▼ 16%
Interim dividend per share declared (HK cents)	●*	Nil	

* To be announced after the Board Meeting

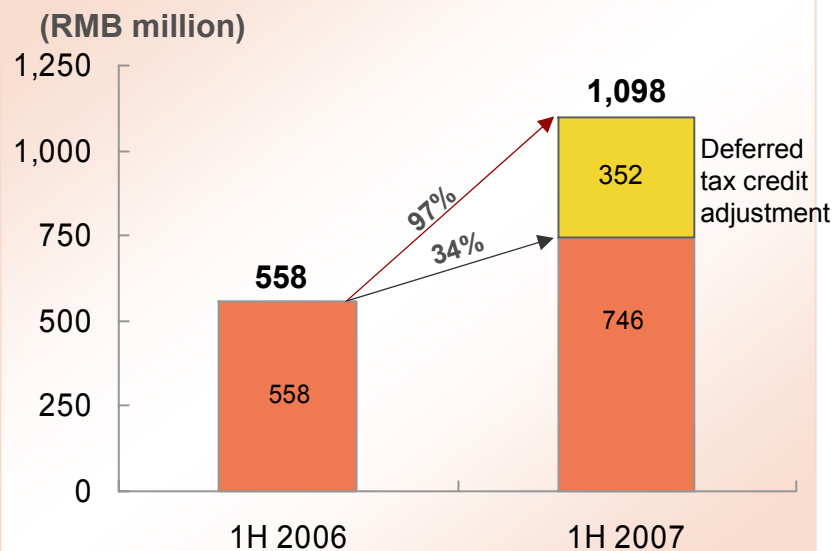


Continued strong profitability

Turnover and gross margin



Profit attributable to shareholders¹



- Lakeview Regency continued to be our key contributor during the period.
- Deferred tax credit adjustment reflects the effect of the new Enterprise Income Law of the PRC, which stipulates a change in tax rate from 33% to 25% from 1 January 2008 for certain corporations.



¹ Net profit attributable to shareholders is after revaluation of investment properties and fair value adjustment on derivative financial instruments.

Debt schedule and capital commitments

(RMB million)			
	Total	Current	Non-current
Bank loans	4,184	2,273	1,911
Notes	2,734	-	2,734
Total	6,918	2,273	4,645

- Total undrawn banking facilities available to the Group as at 30 June 2007 is RMB 1,454 million. Subsequent to 30 June 2007, additional banking facilities of RMB 1,574 million have been arranged, bringing the total available banking facilities to RMB 3,028 million.
- Net gearing ratio remained at a low level of 10% making us well positioned to consider various funding options for new projects as the needs arise.
- Capital and other commitment as at 30 June 2007 comprise RMB 4,472 million for existing projects and RMB1,120 million for Dalian project, totaling RMB 5,592 million. Of which, total land and relocation costs amounted to RMB4,507 million or 81% of total commitments.
- As future projects are taken on, there will be additional capital commitments and the associated financing requirements will be considered.

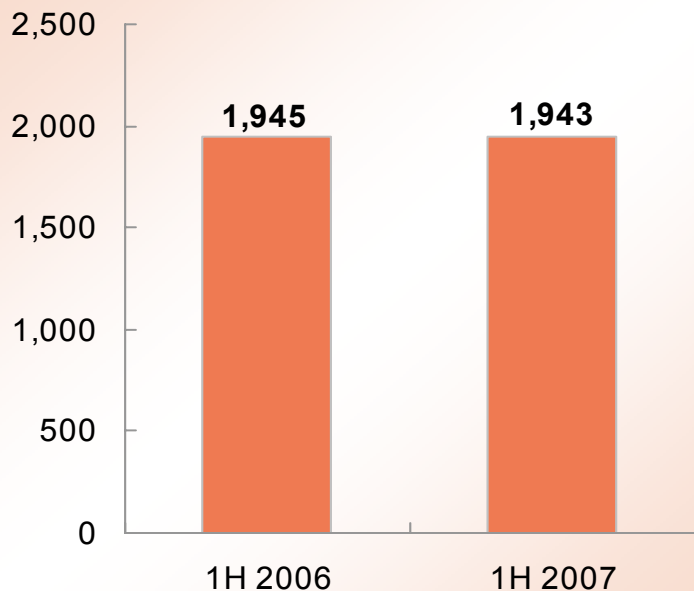


Property sales performance

For the six months ended 30 June 2007

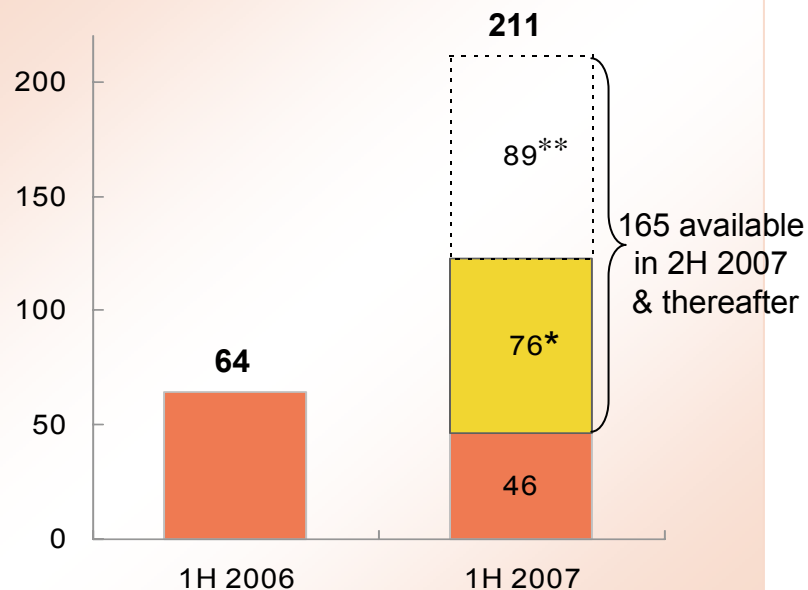
Property sales revenue

(RMB million)



GFA sold & expected GFA available for sale

(000' s.q.m.)



* Completed GFA at 30 June 2007 that can be made available for sale in second half of 2007.

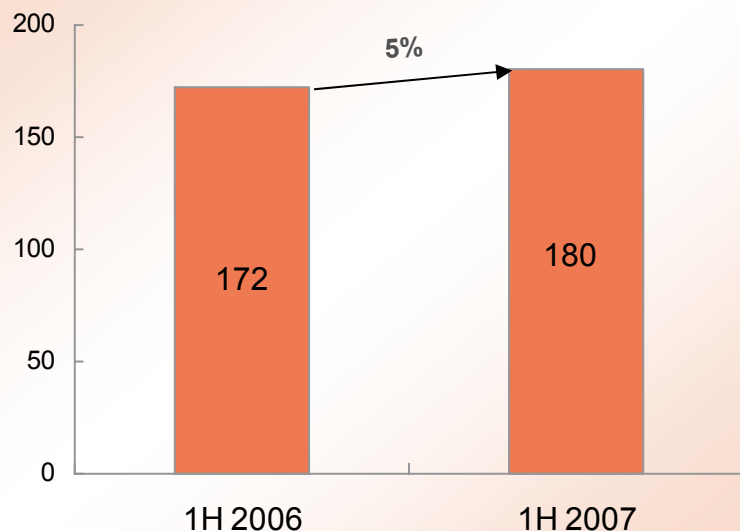
** GFA with construction expected to be completed and made available for sale in the second half of 2007 and beyond.

Investment property performance

For the six months ended 30 June 2007

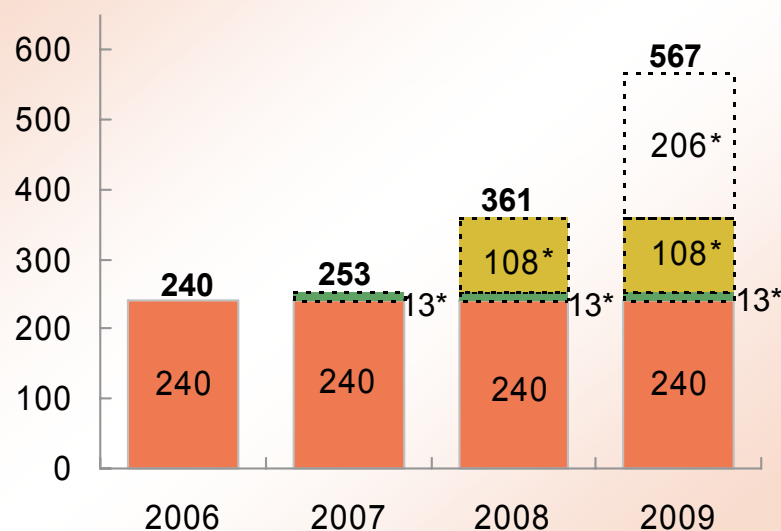
Growth in rental income

(RMB million)



Expanding investment property portfolio

GFA ('000 sq.m.)

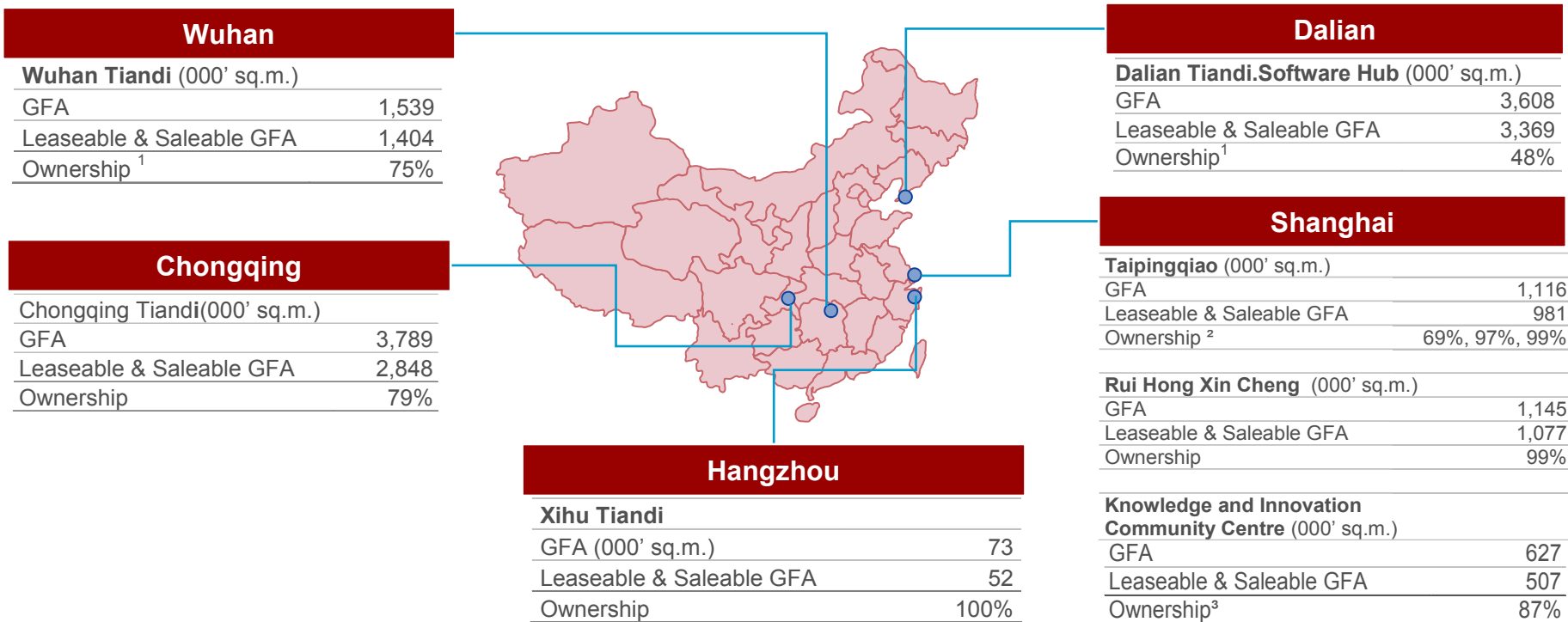


Except for Yangpu KIC, the average occupancy rate during the six months ended 30 June 2007 for Shanghai Xintiandi, Shanghai Corporate Avenue, Rui Hong Xin Cheng Commercial Complex and Hangzhou Xihu Tiandi remained high at 90% and above.



*Expected to complete construction and made available for lease in second half of 2007 and there after.

Expanding landbank



Total GFA⁴ is 11.9 million sq.m. / Attributable GFA is 8.7 million sq.m.
(31 December 2006: Total GFA was 8.4 million sq.m. / Attributable GFA was 7.3 million sq.m.)

¹ Invested into Dalian Tiandi-Software Hub in Jun 2007

² Except for Shanghai Taipingqiao Lot 116 in which we have a 50% interest and Wuhan Tiandi in which we have a 75% interest after the sale of a 48% and 25% interest respectively to a strategic partner in July 2007

³ Agreement has been reached to increase the Group's interest in KIC from 70% to 86.8%, subject to approval by the relevant government authorities

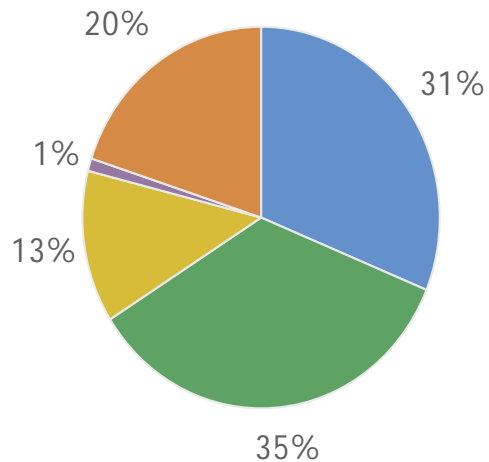
⁴ Includes approximately 1.7 million sq.m. of open area and public facilities



Landbank geographic and product diversification

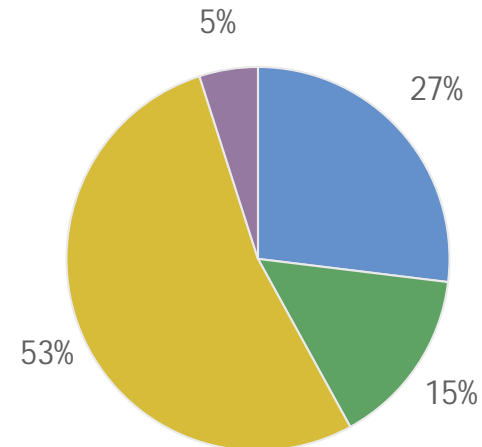
GFA by geographic diversification

- Shanghai
- Chongqing
- Wuhan
- Hangzhou
- Dalian



GFA by usage

- Office
- Retail
- Residential
- Hotel/service apartment/clubhouse



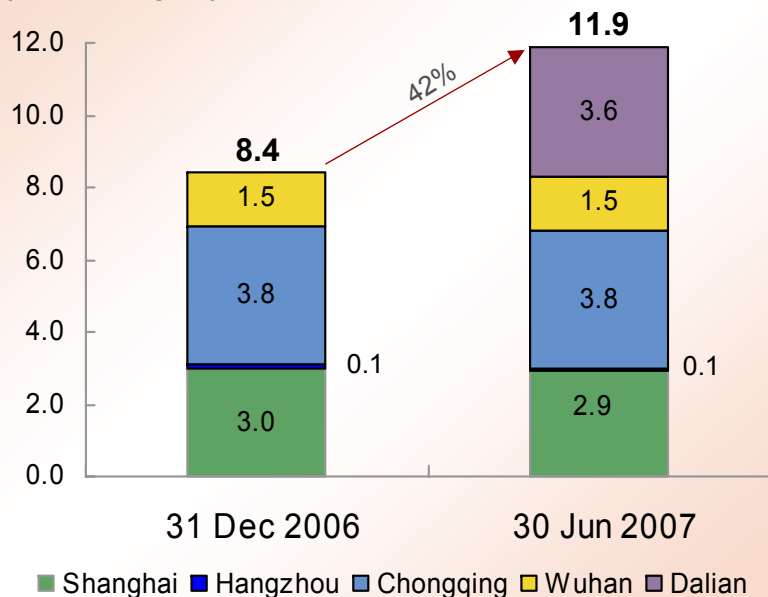
Sufficient landbank for the next 8 to 10 years of development



Continuing to grow our landbank

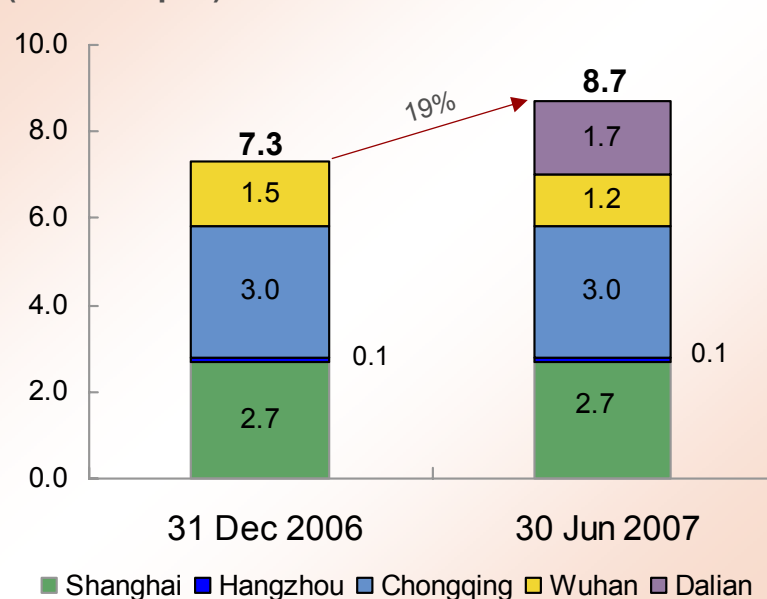
Total GFA

(million sq.m.)



Attributable GFA

(million sq.m.)



We intend to continue growing organically by pursuing more property development projects through competitive bids or auctioning to diversify the geographical span of our projects to selected regions in new cities.



Income pipeline

For second half of 2007

The Company is expecting to continue pursuing the strategy of :

- enhancing our existing portfolio in Shanghai, Chongqing, Wuhan, Dalian and Hangzhou
- expanding strategically in other fast growing cities in the Chinese Mainland.

Property for sales:

Shanghai : continue to sell the remaining completed saleable GFA at Lakeville Regency; and Knowledge and Innovation Community; and expect to launch the third phase of the premium Lakeville residential development in the second half of 2007.

Chongqing and Wuhan : the first phase of their respective residential development should be launched towards the end of 2007 in the case of Wuhan Tiandi or early next year in the case of Chongqing Tiandi.

Property for lease:

Wuhan : the first phase of the retail development at Wuhan Tiandi has been completed in the second half of 2007 and is being leased to tenants according to our plan.



Construction pipeline For second half of 2007 to 2009

Saleable and leaseable GFA ('000 sq.m.) expected to be completed in the coming years

Project	2H 2007	2008	2009
Shanghai Taipingqiao	59	53	-
Shanghai Rui Hong Xin Cheng	-	35	110
Shanghai Knowledge and Innovation Community	-	46	206
Chongqing Tiandi	-	166	139
Wuhan Tiandi	43	50	118
Hangzhou Xihu Tiandi	-	-	46
Total	102	350	619
<i>For sale</i>	89	242	413
<i>For lease</i>	13	108	206

Note: Figures presented above may be subject to changes depending on the actual progress of construction.



Strategic partnerships

- 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.
- In July 2007, Trophy Property Development, L.P. ("**Trophy Fund**") was brought in as a strategic partner through the transfer of a **25% interest in Wuhan Tiandi** and a **48% interest in Lot 116 of Shanghai Taipingqiao** projects. Total consideration and estimated gain from these transactions are RMB1,609 million and RMB835 million, respectively.
- Subsequent to June 2007, the Group entered into an agreement with the existing strategic partners to buy out their 30% equity interest in the company holding Lakeville Regency for a cash consideration of US\$116 million. This allows the Group the flexibility to carry on further development of other phases of the Shanghai Taipingqiao project using the same vehicle and to retain the RMB proceeds from the sales of Lakeville Regency to be reinvested in the Group's other projects in the Chinese Mainland.

**Unlocking the value of our prime property portfolio
Delivering returns to our shareholders**



Land banking strategy

- We will continue to screen more cities including the eight cities which we have identified and will seek to push ahead with our strategic land banking strategy

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.



Our outlook on the market remains bullish

- In the Chinese Mainland, strong economic growth and the continuously improving living standards of the fast-growing urban community are major forces driving the healthy growth of the property sector.
- Various government authorities in the Chinese Mainland have, over the past year, introduced and enforced new macro policies to curb the rapid increases in residential property prices and to promote healthy development of the property market in the Chinese Mainland.
- Looking ahead, the Company is optimistic of the prospects and future success of the projects in the cities where we are located. At the same time, we will apply our successful business model and leverage our premium branding to take advantage of the new opportunities opened up by the increasing affluence and urbanization in the Chinese Mainland.
- We will continue to pursue our aspiration to be the premium innovative property developer in the Chinese Mainland, the most exciting property market in the world.

We strive to be the premier innovative property developer in China



Questions and Answers



Thank You