



Shui On Land Limited

(stock code: 272 HK)

2008 Interim Results For the six months ended 30 June 2008

August 2008

Agenda

- Major Achievements in the First Half of 2008
- Key Financial Highlights
- Review of Operations
 - Property Sales
 - Property Investment
 - Strategic Partnerships
- Project Schedule
- Debt Schedule & Capital Commitments
- Landbank Analysis & Update on Land Acquisition Plan
- Market Outlook



Major Achievements in the First Half of 2008

Solid sales performance and increasing rental income

- **Turnover** was **RMB2,184 million** or **HK\$2,381 million** (1H07: RMB2,178 million or HK\$2,200 million).
- A total of **36,400 sq.m.** of residential GFA or **224 units** were sold, giving rise to a turnover from property sales of **RMB1,879 million** (1H07: 46,400 sq.m. or 263 units and property sales turnover of RMB1,943 million).
- Property investment turnover increased by **34%** to **RMB287 million** (1H07: RMB214 million). The size of our investment property portfolio increased to 262,000 sq.m. of leasable GFA (31 December 2007: 253,000 sq.m.)
- **Profit attributable to shareholders** was **RMB1,778 million** or **HK\$1,938 million**, an increase of **62%** over 1H07 (1H07: RMB1,098 million or HK\$1,109 million).
- Excluding the effect of revaluation of investment properties and fair value adjustment on derivative financial instruments, the **underlying profit attributable to shareholders** was **RMB1,577 million** or **HK\$1,719 million**, an increase of **70%** over that of the corresponding period in 2007 (1H07: RMB930 million or HK\$939 million).

Note: Except for dividend per share which is originally denominated in HK dollar, all of the HK dollar figures presented above are shown for reference only and have been arrived at based on the exchange rate of RMB1 to HK\$1.09 for the first six months of 2008 and RMB1 to HK\$1.01 for the corresponding period in 2007, being the average exchange rates that prevailed during the respective periods.



Major Achievements in the First Half of 2008

*Increasing earnings per share, dividends, total assets and shareholders equity
Quality landbank and moderate net gearing ratio*

- **Earnings per share** was **RMB42 cents** or **HK46 cents** (1H07: RMB26 cents or HK26 cents), an increase of **62%**
- **Interim dividend** of **HK 7 cents** per share has been declared (1H07: HK5 cents).
- **Total assets** increased to approximately **RMB35 billion**, a **18%** increase over 2007 (31 December 2007: RMB30 billion).
- **Equity attributable to shareholders** of the Company increased to approximately **RMB18 billion** (31 December 2007: RMB16 billion).
- **Landbank** amounted to **13.2 million sq.m.** of GFA (of which **9.8 million sq.m.** are attributable to the Group) as of 30 June 2008, comprising **8 projects over 6 cities**, namely Shanghai, Hangzhou, Chongqing, Wuhan, Dalian and Foshan.
- **Net gearing ratio** increased moderately to **29%** as of 30 June 2008 (31 December 2007: 20%).

Note: Except for dividend per share which is originally denominated in HK dollar, all of the HK dollar figures presented above are shown for reference only and have been arrived at based on the exchange rate of RMB1 to HK\$1.09 for the first six months of 2008 and RMB1 to HK\$1.01 for the corresponding period in 2007, being the average exchange rates that prevailed during the respective periods.

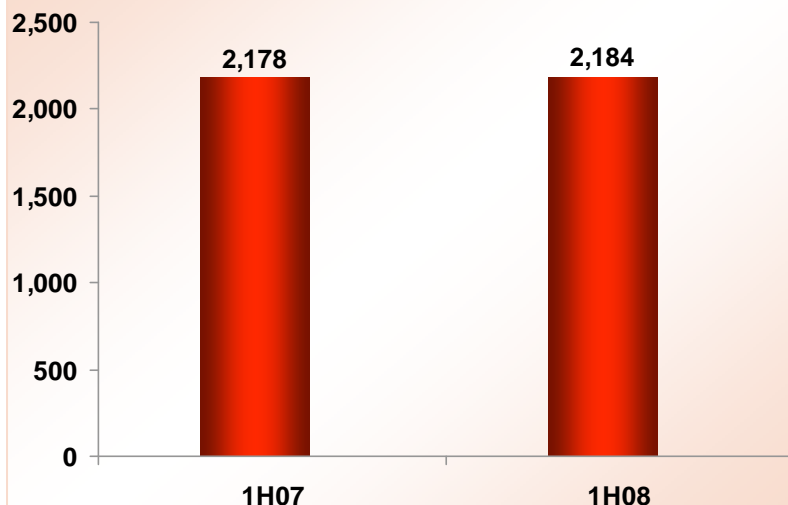


Major achievements in the First Half of 2008

Solid turnover and record profits

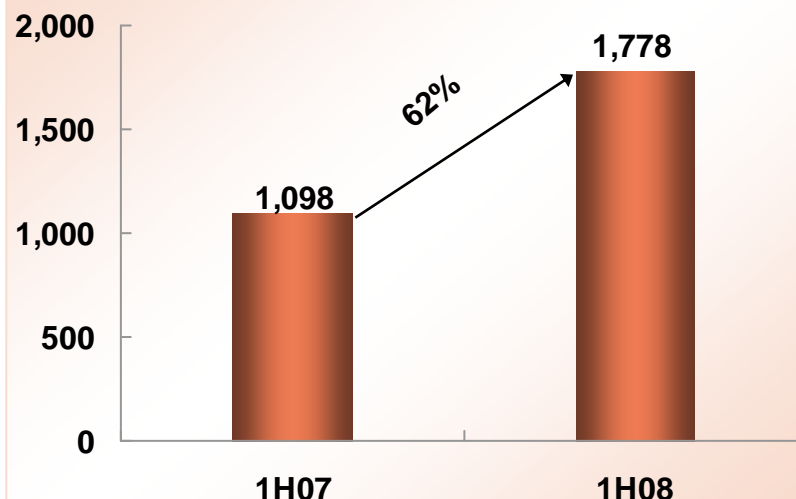
Turnover

(RMB million)



Net profit attributable to shareholders

(RMB million)



Excluding the effect of revaluation of investment properties and fair value adjustments on derivative financial instruments, the **underlying profit attributable to shareholders** was **RMB1,577 million**, an increase of **70%** over 1H07 (1H07: RMB930 million).



Key Financial Highlights

| (RMB million) | For the six months ended 30 June | |
|--|----------------------------------|--------------|
| | 2008 | 2007 |
| Turnover | 2,184 | 2,178 |
| Net profit attributable to shareholders of the Company | 1,778 | 1,098 |
| Less: Revaluation increase on investment properties * | (208) | (182) |
| Loss on change in fair value of derivative financial instruments | 7 | 14 |
| Underlying profit attributable to shareholders of the Company | 1,577 | 930 |
| EPS (HK cents) | 46 | 26 |
| Interim DPS (HK cents) | 7 | 5 |

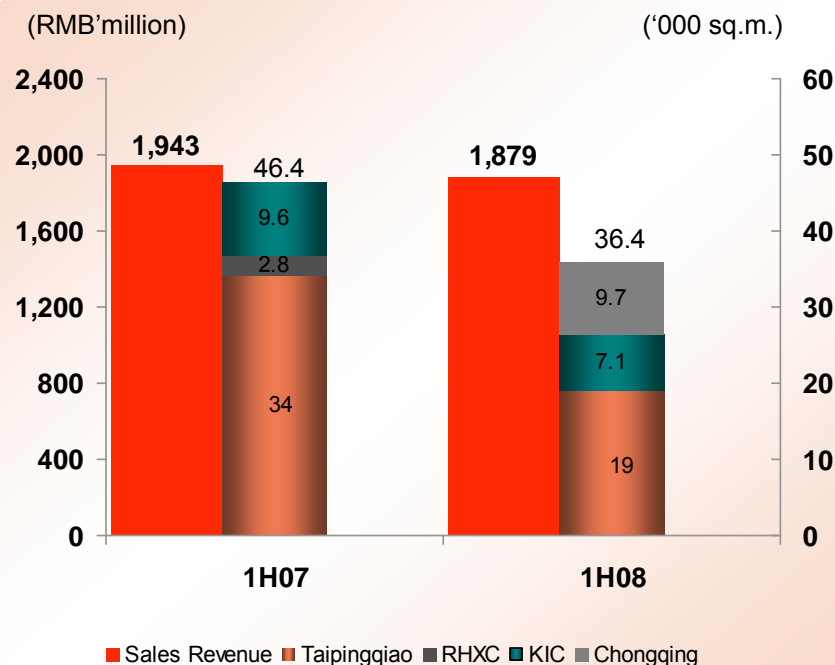
| (RMB million) | as of 30 June | as of 31 December |
|-----------------------|---------------|-------------------|
| | 2008 | 2007 |
| Total assets | 35,354 | 29,879 |
| Total liabilities | 16,692 | 13,173 |
| Total equity | 18,662 | 16,706 |
| Net debt | 5,440 | 3,375 |
| Net gearing ratio (%) | 29% | 20% |

* Net of deferred tax effect and share of minority interest.



Property Sales Performance for the six months ended 30 June 2008

Property sales and GFA sold



| Project | Total GFA sold (sq.m.) | Average selling price (RMB/sq.m.) | Group's interest |
|--|------------------------|-----------------------------------|------------------|
| Shanghai Taipingqiao, Lot 113 (Casa Lakeville) | 19,200 | 86,000 | 99.0% |
| Shanghai KIC R1 | 7,100 | 21,000 | 86.8%* |
| Chongqing Tiandi, LotB1-1/01 (The Riviera) | 9,700 | 11,000 | 79.4% |
| Others | 400 | Various | Various |
| Total GFA (sq.m.) | 36,400 | | |

- Sold 36,400 sq.m for total sales proceeds of approximately RMB1.9 billion in 2008. The main contributor is Shanghai Casa Lakeville.

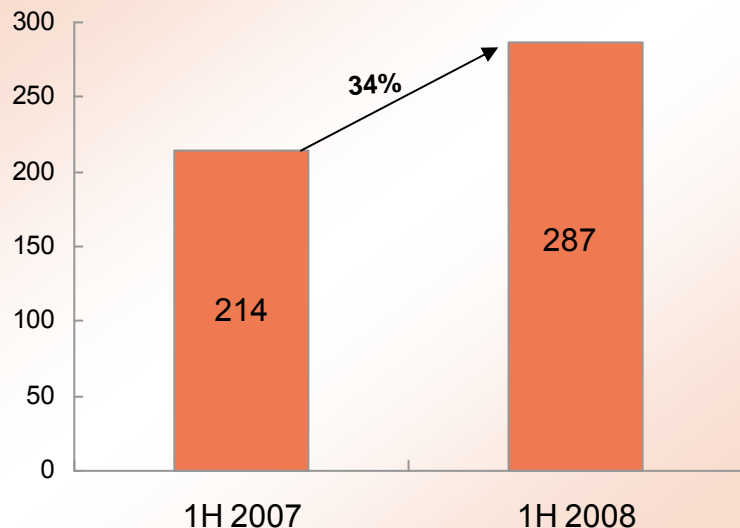


Solid Sales Performance

Investment Property Performance for the six months ended 30 June 2008

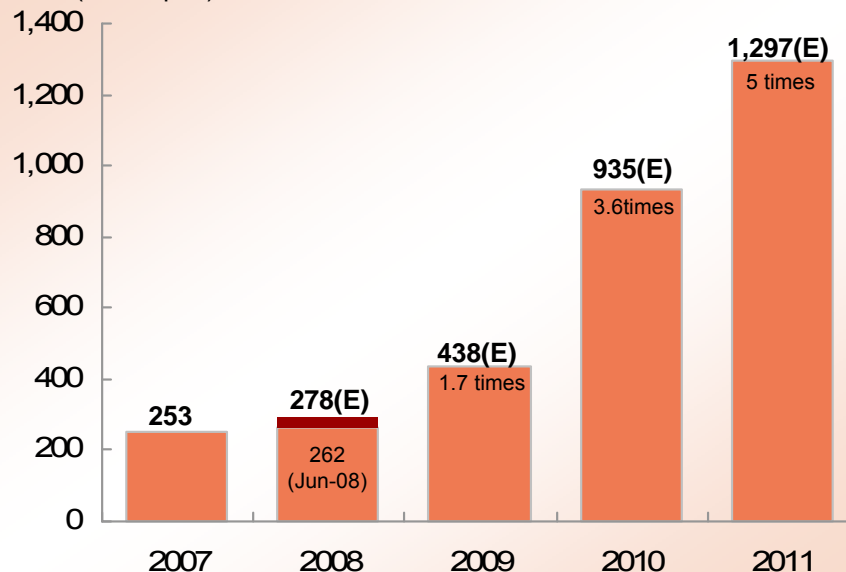
Growth in rental income

(RMB million)



Expanding Investment Property Portfolio

GFA ('000 sq.m.)

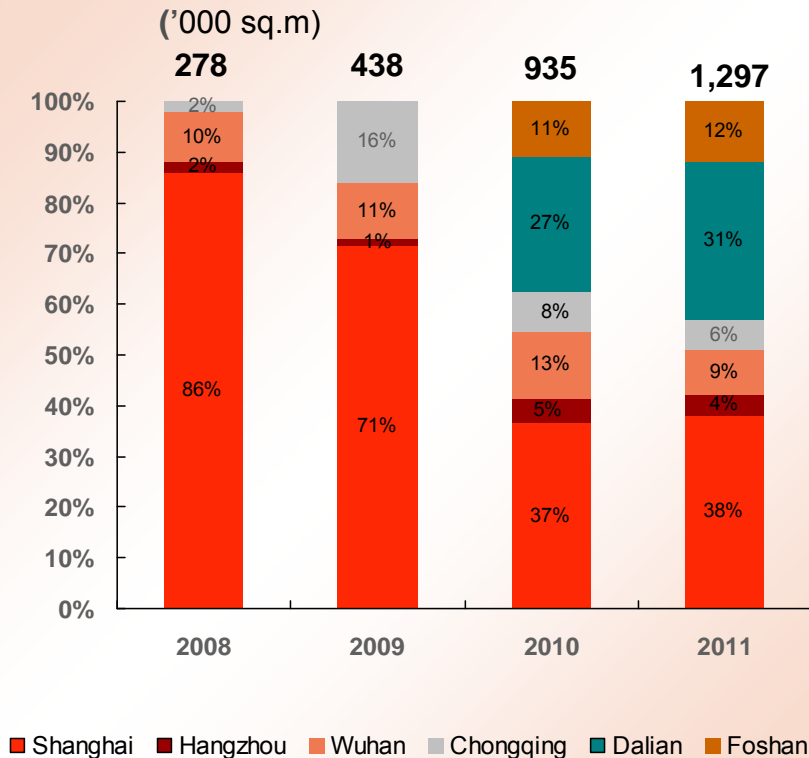


- Shanghai Xintiandi and Corporate Avenue continued to be key contributors of our rental income.
- The occupancy rate of Shanghai Xintiandi, Corporate Avenue, Shanghai KIC Plaza Phase 1 and Wuhan Tiandi were 98%, 98%, 95% and 62%, respectively. The occupancy rate of other investment properties has improved in line with our expectation.
- Investment property portfolio is expected to grow to 438,000 sq.m; 935,000 sq.m.; and 1,297,000 sq.m by the end of 2009, 2010, and 2011. In that event, the size of our investment property portfolio will be **1.7 times; 3.6 times; 5.0 times** that of the size as of 30 June 2008 by the end of **2009, 2010 and 2011**, respectively.

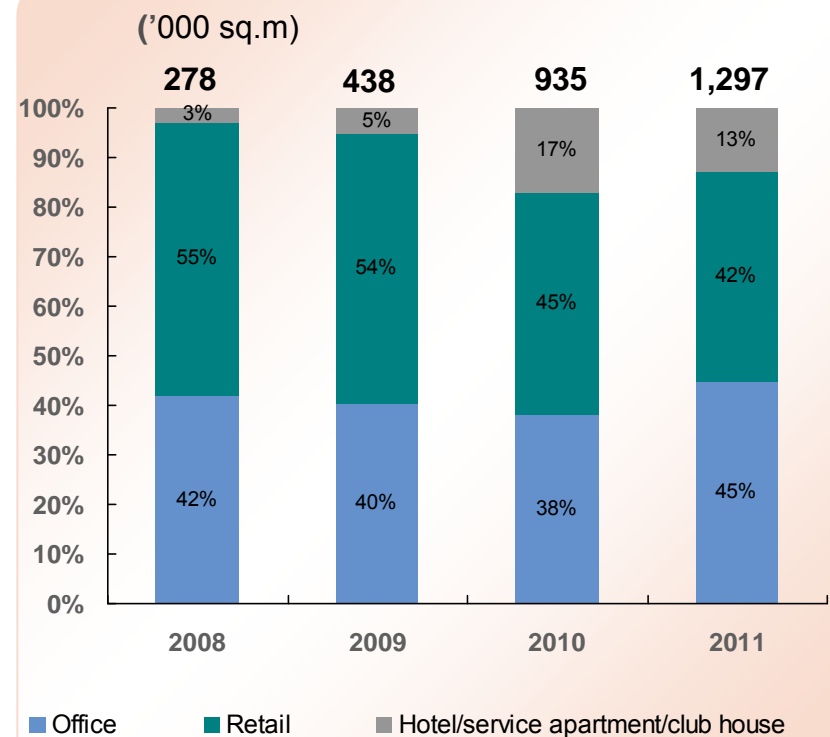


Expected Leasable GFA (2008-2011)

Total Leasable GFA by city



Total Leasable GFA by usage



Diversified and Expanding Portfolio of Investment Properties

Strategic Partnerships

- It remains the Group's strategy to forge strategic partnerships with developers, contractors, consultants and other investors and replicate those relationships in our other projects in the same city or elsewhere, to the extent commercially feasible.
- This will enable the Group to diversify its risks, enhance cashflow, allow access to certain expertise and know how that the partners possess and are beneficial to the future development of the Group's projects, thereby enhancing our operational efficiency.
- **Our track record:**

| Project (RMB million) | Transaction date | Stake disposed | Gross Proceeds (before minority interest) | Attributable Profits | Valuation of project at point of transaction ² |
|-----------------------------------|------------------|-------------------------------------|--|----------------------|---|
| Chongqing Tiandi | Sep-06 | 19.8% | 1,006 | 582 | 5,400 |
| Wuhan Tiandi & Taipingqiao Lot116 | Jun-07 | 25% & 49% | 1,609 | 844 | 4,700 1,900 |
| Rui Hong Xin Cheng | May-08 | 25% ¹ | 1,125 | 862 | 4,500 |
| Chongqing Super High Rise | Aug-08 | 25% ¹ (effective 20%) | 1,021 | 800 | 4,100 ³ |
| Total | | | 4,761 | 3,088 | |

Notes:

1) Option for additional 24% equity interest in Foresight Profits Limited (i.e. Rui Hong Xin Cheng) was granted to strategic partner, Winnington Capital for an expected proceeds and profits of RMB1,134 million and RMB865 million respectively. Another option for additional 25% (20% effective) interest in Rightchina Limited (ie. Chongqing Super High Rise) was granted to strategic partner, Winnington Capital for an expected proceeds and profits of RMB1,072 million and RMB840 million respectively.

2) Source: company's announcements on each transaction.

3) This represents Chongqing Super High Rise with GFA of approximately 685,000 sq.m. only and does not include other buildings in the project.

Construction Pipeline for 2H2008 to 2011

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

| Project | 2H2008 | | | 2009 | | | 2010 | | | 2011 | | |
|------------------------------|--------------|--------------|-----------|--------------|--------------|------------|--------------|--------------|------------|--------------|--------------|--------------|
| | Saleable GFA | Leasable GFA | Total GFA | Saleable GFA | Leasable GFA | Total GFA | Saleable GFA | Leasable GFA | Total GFA | Saleable GFA | Leasable GFA | Total GFA |
| Shanghai Taipingqiao | - | - | - | 17 | - | 17 | 8 | 29 | 37 | - | 137 | 137 |
| Shanghai Rui Hong Xin Cheng | - | - | - | 94 | 2 | 96 | - | - | - | 126 | 13 | 139 |
| Shanghai KIC | - | - | - | 53 | 71 | 124 | 123 | 3 | 126 | - | - | - |
| Hangzhou Xihu Tiandi | - | - | - | - | - | - | - | 42 | 42 | - | - | - |
| Chongqing Tiandi | - | 5 | 5 | 110 | 65 | 175 | 92 | 6 | 98 | 187 | 7 | 194 |
| Wuhan Tiandi | 39 | 11 | 50 | 86 | 22 | 108 | 50 | 68 | 118 | 150 | - | 150 |
| Dalian Tiandi • Software Hub | - | - | - | - | - | - | 100 | 250 | 350 | 150 | 150 | 300 |
| Foshan Lingnan Tiandi | - | - | - | - | - | - | 15 | 99 | 114 | 94 | 55 | 149 |
| Total | 39 | 16 | 55 | 360 | 160 | 520 | 388 | 497 | 885 | 707 | 362 | 1,069 |

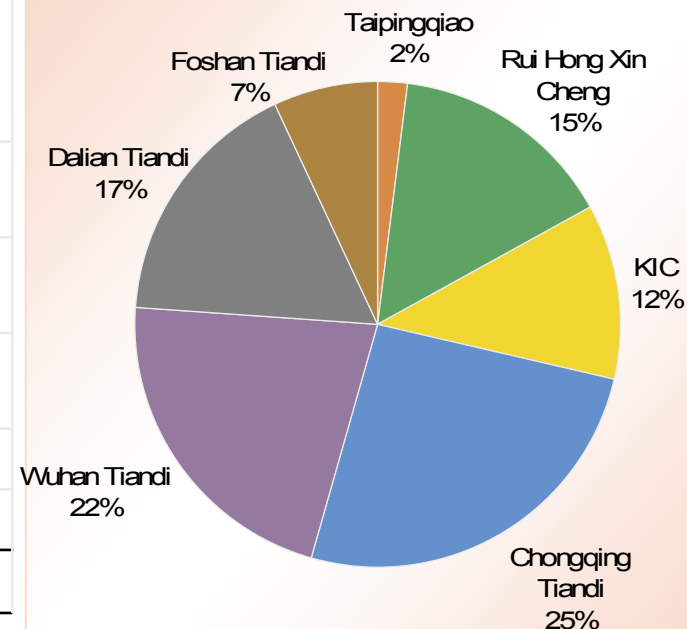


Expected Launch of Residential Properties

GFA available for sale/presale in 2H08 (sq.m.)

| Projects | GFA available for sale/presale as of 1Jan08 | Sold GFA in 1H08 (with S&P agreement or intent letter signed) | GFA available for sale/presale in 2H08 and after | Reference price ¹ |
|---|---|---|--|------------------------------|
| Shanghai Taipingqiao, Lot 113 (Casa Lakeville) | 71,000 | 24,500 | 46,500 | 86,000 |
| Wuhan Tiandi, Lot A7 (The Riverview) | 39,600 | 27,600 | 12,000 | 14,500 |
| Chongqing Tiandi, Lot B1-1/01 (Rivieria) | 107,200 | 11,900 | 95,300 | 11,000 ² |
| Shanghai KIC | 42,200 | 6,500 | 35,700 | 21,000 |
| Others | 400 | 300 | 100 | - |
| Total GFA (sq.m.) | 260,400 | 70,800³ | 189,600 | - |
| Recognized in 1H08 P&L statement | | 36,400 | (Inclusive of 600 sqm GFA sold in 2007 but S&P signed in 2008) | |
| To be recognized in 2H08 or after | | 35,000 | | |

Saleable GFA to be completed (2H08-2011) = 1,494,000 sq.m.



Notes:

- 1) Reference price is based on historical sales price achieved in 1H08.
- 2) The average selling price is quoted based on the net floor area which is the common practice in Chongqing's property market
- 3) Of this, formal sale and purchase agreements for GFA of 8,000sq.m. has yet to be signed as at 30 June 2008, its corresponding revenue and profit, if signed, will likely be recognised in the 2H08 upon completion.



Debt Schedule & Capital Commitments

| | Currency denomination | Total (in RMBequiv) | Due in 2008 | Due in 2009 | Due in 2010 and beyond |
|-------------------|-----------------------|---------------------|--------------|--------------|------------------------|
| Bank Loans | RMB | 2,264 | 570 | 814 | 880 |
| | HK\$ | 5,508 | 574 | 907 | 4,027 |
| Notes | US\$ | 2,546 | 2,546 | - | - |
| Total debt | | 10,318 | 3,690 | 1,721 | 4,907 |

- Cash and bank deposits amounted to **RMB 4,878 million** as of 30 June 2008 (31 December 2007: RMB 3,697 million), which included RMB 1,947million (31 December 2007: RMB 854 million) of deposits pledged to banks.
- The Group's net gearing ratio remained at a low level of **29%** making us well positioned to consider various funding options for new projects as the needs arise.
- Total undrawn banking facilities available to the Group were approximately **RMB622 million** as of 30 June 2008 (31 December 2007: RMB1,718 million). Subsequent to 30 June 2008, additional banking facilities of approximately **RMB376 million** have been arranged. We will continue to adopt a prudent financial policy so as to sustain an optimal level of borrowings to meet our funding requirements.
- The Group's rental income for 1H08 expressed as a percentage of the Group's total interest costs before capitalization to property under development was approximately **72%** (2007: 88%).
- Capital and other commitment as of 30 June 2008 comprise RMB 5,102 million for existing projects, RMB4,854 million for Foshan project and RMB 412million for Dalian project, totaling **RMB 10,368 million** for 2008 and beyond. We will continue to adopt prudent financial policies to meet our funding requirements



Access to Land in Prime Cities

| | |
|------------------------------------|--------|
| Wuhan— | |
| Population | 8.9 mn |
| GDP Growth | 15.6% |
| Per Capita GDP (RMB/Person) | 35,000 |
| Investment in real estate (RMB Bn) | 46 |

- **Wuhan Tiandi**

- GFA as of 30 June 2008: 1,518
- Ownership 75%

| | |
|------------------------------------|---------|
| Chongqing— | |
| Population | 28.2 mn |
| GDP Growth | 15.6% |
| Per Capita GDP (RMB/Person) | 14,600 |
| Investment in real estate (RMB Bn) | 85 |

- **Chongqing Tiandi**

- GFA as of 30 June 2008: 3,554
- Ownership 79.4%

| | |
|------------------------------------|--------|
| Foshan— | |
| Population | 5.9 mn |
| GDP Growth | 19.2% |
| Per Capita GDP (RMB/Person) | 61,000 |
| Investment in real estate (RMB Bn) | 31 |

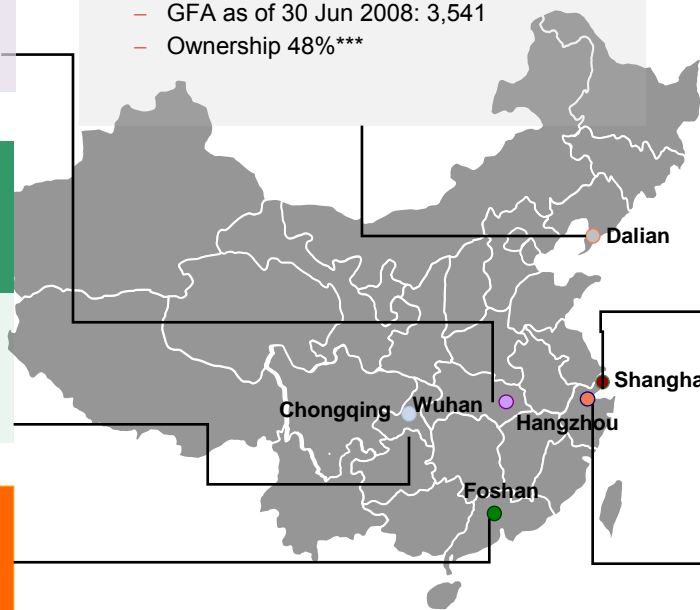
- **Foshan Tiandi**

- GFA as of 30 June 2008: 1,501
- Ownership 100%

| | |
|------------------------------------|--------|
| Dalian— | |
| Population | 6.0 mn |
| GDP Growth | 17.5% |
| Per Capita GDP (RMB/Person) | 42,600 |
| Investment in real estate (RMB Bn) | 41 |

- **Dalian Tiandi • Software Hub**

- GFA as of 30 Jun 2008: 3,541
- Ownership 48%***



| | |
|------------------------------------|---------|
| Shanghai¹ — | |
| Population | 18.2 mn |
| GDP Growth | 13.3% |
| Per Capita GDP (RMB/Person) | 65,500 |
| Investment in real estate (RMB Bn) | 131 |

- **Taipingqiao**

- GFA as of 30 June 2008: 1,233
- Ownership: 69%, 97%, 99%*

- **Rui Hong Xin Cheng**

- GFA as of 30 June 2008: 1,156
- Ownership: 75%

- **Knowledge and Innovation Community**

- GFA as of 30 June 2008: 592
- Ownership 86.8%**

| | |
|------------------------------------|--------|
| Hangzhou— | |
| Population | 7.9 mn |
| GDP Growth | 14.6% |
| Per Capita GDP (RMB/Person) | 52,600 |
| Investment in real estate (RMB Bn) | 52 |

- **Xihu Tiandi**

- GFA as of 30 June 2008: 74
- Ownership 100%

Total landbank: 13.2 mn sqm
Total attributable landbank: 9.8 mn sqm

*: The Group has a 99% interest in the remaining lots within Shanghai Taipingqiao project, except for Lot 116, in which we have a 50% interest after the sale of a 48% interest to a strategic partner in July 2007.

** : Agreement has been reached to increase the interest from 70% to 86.8%, subject to the approval by the relevant PRC government authorities.

***: Dalian Tiandi-Software Hub comprises 23 plots of land with an expected GFA totalling approximately 3,541,000 sq.m. planned for development in phases over a period of 8 to 10 years. It is the intention of the joint venture companies to acquire all 23 plots of the land. As of 30 June 2008, 5 plots of land of approximately 1,765,000 sq.m. of GFA have been acquired with legally binding 14 contracts signed. Acquisition of the remaining 18 plots of land of approximately 1,776,000 sq.m. of GFA will be by way of competitive bidding and there is no assurance that the joint venture companies will be successful in acquiring these lands.

Source: Government Annual Results



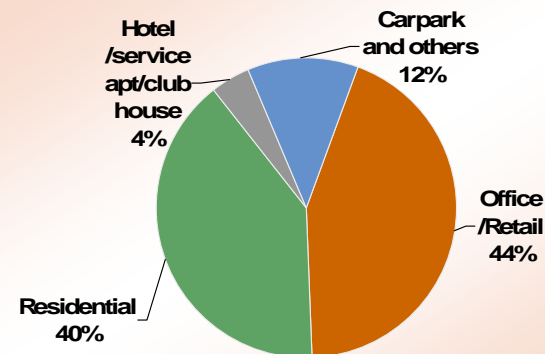
Landbank Analysis as of 30 June 2008

Total GFA and attributable GFA

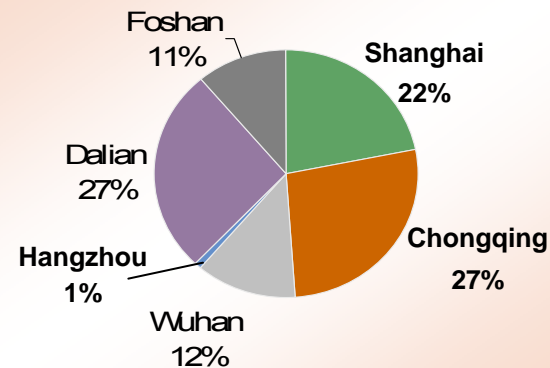
(million sq.m.)



Total GFA by usage



Total GFA by city



Sufficient Landbank for the next 8 to 10 years of Development

Update on Land Acquisition Plan

Yunnan project

| | |
|--------------|---|
| Expected GFA | 6.58 million sq.m. |
| Status | Four non-binding MOU signed for proposed development in Kunming, Dali, Diqing (Shangri-La) and Lijiang |
| Vision | <ul style="list-style-type: none">● To Become Best of the Three Largest Alpine Leisure and Tourism Regions in the world● Create a Four Cities Interactive Tourism Network● Facilitate New Village Community Development in Yunnan |

Lijiang



Kunming



Dali



Shangri-La



Market Outlook

Macro and industry

- 2008 is a challenging year. China's economy slowed down while inflation pressure still exists. Austerity measures has had an effect on property industry as evidenced by price correction in certain cities in South China.
- However, in the longer term, urbanization and people's aspiring to higher quality of life will continue to drive property industry. As such, we remain optimistic in China's property market and our property development projects.

Projects and operation

- We continue to seek out opportunities to enter into strategic partnerships with investors to sell our interests in selected land to share the project development risk, enhance cashflow, allow access to certain expertise and know-how, thereby enhancing our operational efficiency.
- We will continue the sale of Casa Lakeville in Shanghai. Our master-planned community in Taipingqiao, will enable us to deliver good value to our buyers. Furthermore, two world class hotel near Shanghai Xintiandi will start operations by the end of 2008 or early 2009, which will enhance the vibrancy of the vicinity and Xintiandi.
- Sichuan earthquake affected market sentiment in Chongqing, but concerns over building safety will serve to enhance our competitive edge as a quality developer.
- The remaining units in Wuhan and Yangpu KIC will all continue to sell according to plan in 2H08

Our vision

- We will continue to pursue our aspiration to be the premier 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



Thank You

Questions & Answers

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