

Press Release

Shui On Launches "DALIAN TIANDI. software hub"

A Unique and Optimized "Tiandi" Community Defining New Industrial Trends A Multi-purpose Outsourcing Base Targeting the Entire Asia

[Dalian, 18 June 2008] The master plan of "DALIAN TIANDI.software hub" will be unveiled during "China International Software & Information Service Fair" on June 19, 2008. It will showcase the positioning as the optimum global ITO/BPO community.

Jointly developed by Shui On Land, Yida Group of Dalian, one of North China's leading property developers, and Shui On Construction, "DALIAN TIANDI.software hub" is situated on the southwest of Dalian spanning a vast area between the Hekou Bay District in the east to Huangnichuan tunnel at Lushun south road in the west. Capitalizing Shui On's unique "Tiandi" concept, the hub is spearheaded to be China's and Asia's first multi-purpose community for work, live, play and learn. The total investment is expected to exceed RMB 15 billion while the land area totaling 26.5 square kilometers, and the first office building is expected to open in December 2009.

Vincent H.S. Lo, Chairman of Shui On Group, is very confident that "DALIAN TIANDI.software hub" will help Dalian to become a leading centre of IT and software service in Northeast Asia, by remarking: "It is the goal of Dalian Municipal Government to transform the city into an electronic information and software industrial base. Shui On will take its role as an experienced large-scale project developer to co-work with Yida Group on building a world-class comprehensive software hub, where IT businessmen and practitioners can find themselves perfect workplaces and cozy homes. Thus, we will make further contributions to switching Dalian's software and outsourcing industrial developing pattern from a discredited rapid growing mode to a sustainable development track."

A Well-equipped Hub to Support the Rapid Growth of IT Industry

Located in the central of Northeast Asia, Dalian enjoys a geographical edge that it takes no more than 2 hours to fly to either big cities like Beijing and Shanghai, or main neighboring countries like Japan and Korea. Together with preferential policies and language competitiveness (especially Japanese and Korean), the city has gained worldwide recognition as the most favorable places in China to develop IT industry, catching professional eyes from both China and overseas. Meanwhile, the Asia-Pacific software outsourcing markets, including China, are embracing an unprecedented opportunity, as more and more multi-national flagships have begun to relocate themselves in Asia-Pacific area.

Chinese government has clarified in its “11th Five Year Plan” the leading position of software and service outsourcing in the country’s future economic growth. While Dalian’s software outsourcing enjoys a significant developing pace as its annual output value increased from RMB 980 million in 2000 to the current RMB 21.5 billion, with outsourcing export volume hitting USD 720 million. Statistics show that Dalian accounts for 8.4% of the country’s aggregate software export volume and a third of the entire software services are realized in outsourcing.^① On top of all these, Dalian Municipal Government has always been providing convenience to software and outsourcing industry in terms of infrastructure development, information security and policy support.

The past decade since 1998 witnessed a continuous accumulation of both hard and soft assets for the city. So far Dalian has a professional IT work force of close to 60,000 practitioners, consisting of considerable experienced IT engineers, which is recognized as No.1 in both quantity and quality. Dalian is now on top of Chinese cities and placed No.5 around the world, revealed in the latest IDC Global Offshore Delivery Index ranking. The city’s role in global software and outsourcing division chain has been lifted to a large extent so that an increasing number of multi-national corporations are starting to see Dalian as their important destination of software outsourcing.

^① Source: Xinhua Net http://www.xinhuanet.com/chinanews/2007-10/20/content_11451681.htm

The compound growth rate is projected to reach 37.9% for China's offshore software outsourcing markets in a few years^②, way higher than the international market growth rate, and China's software outsourcing market size will surge to USD 4.696 billion by 2009^③. However, expedited market expansion poses great challenges to infrastructure building, human resource development and logistical support, etc, thus how the city is to meet these challenges and stay appealing to those IT businesses and practitioners proves the key to its sustainable development.

“DALIAN TIANDI software hub” is a combination of IT industrial zone and sustainable developing community, bringing together diversified functions of living, working, entertaining, and learning with ecological buildings. The Hub consists of a giant IT business headquarter and R&D center, a compound industrial center, a core ITO/BPO operating area, an education and training center, a social area and high-end residences with premium living environment and comfort. All in all, the Hub is dedicated to offering one-stop solutions to the city’s software outsourcing businesses and making itself a livable place for IT practitioners to live and work.

Human Resource Development and Sustainable Growth

In addition to the comprehensive infrastructure, IT and software outsourcing industry relies greatly on human resource development and an ecological balance with neighboring communities.

Talent development is the greatest asset in the sustainable growth of IT industry. “DALIAN TIANDI software hub” has made an agreement with NIIT, a global leading IT learning solution provider, on establishing training organizations inside the Hub to help generate excellent IT practitioners. Apart from this agreement, the Hub co-founded with Dalian Municipal Government an “IT Talent Fund” by a donation of RMB 25 million in September 2007 in a hope to bring more excellent IT practitioners to Dalian. Moreover, a hundred some university IT department deans will be invited to the latest CISIS for the brainstorming on the training and attraction to excellent IT

^② Source: IDC report “Prediction and Analysis: China Offshore Outsourcing Market 2007-2011”, www.idc.com.cn/about/detail.jsp?id=MzMz

^③ Source: IDC report “China Software Outsourcing Market”, www.idc.com.cn/about/detail.jsp?id=MTg2

practitioners.

As a responsible corporate citizen, Shui On is always concerned about environmental protection and how to requite the society. "DALIAN TIANDI software hub" established the "New Rural Construction Fund" with a donation of RMB 30 million, aiming at helping Huangnichuan area to improve its education standards, medical efficiency, environmental status and community facilities. The Hub has been making continuous efforts in supporting local residents and young people and helping them improve employment competitiveness, and also to realize a harmonious development between the Hub and the economy and society of Huangnichuan area.

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About Shui On Land Limited

For further information about Shui On Land, please visit our website:

<http://www.shuionland.com>.

About China International Software & Information Service Fair (CISIS)

As the only state level software trade fair approved by the State Council, China International Software & Information Service Fair has made itself a top-notch and largest-sized annually held IT trade fair with top effectiveness and highest international reputation across China after five years of continuous efforts. As an international trade fair held on a yearly basis, CISIS manages to attract a multiple of high-ranking governmental officials from different countries, executives from nearly 20 500-fortunes, internationally reputed professionals from best known consultancies and dozens of foreign IT trade unions every year. It thus provides an unmatched platform to promote communications among local and global IT industry players.

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