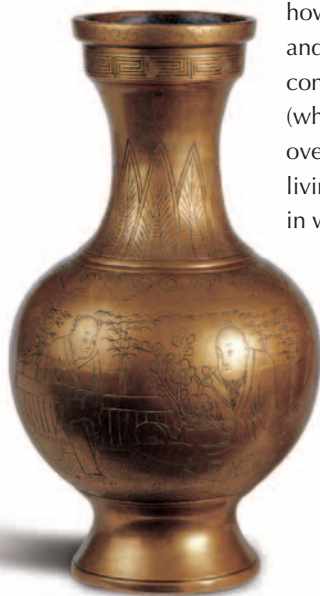


Market Outlook

We are one of the leading property developers with the experience required for managing large-scale, complex, long-term projects in China. We are further expanding our unique business model from comprehensive city-core integrated projects to include knowledge communities and tourism facilitated developments as we see huge growth potential in China's information technology and tourism sectors.

Market Factors

The subprime mortgage crisis in the United States and Europe, and its severe impact on the financial markets, have received a lot of attention. The Chinese Government has also implemented a number of measures that have stemmed the rapid increases in residential property prices but, we believe, such measures have promoted the healthy development of the property market in the Chinese Mainland. This creates some uncertainties as to property market conditions in the Chinese Mainland in 2008, which could impact on demand for properties and attendant prices. We remain optimistic, however, about the Chinese Mainland's property market, and believe that China's economic growth momentum will continue in 2008. We believe that demand for our properties (which are all very well located) is driven in large part by the overall economic development and increasing standards of living in China, particularly in Shanghai and the other cities in which we operate.





Shanghai Corporate Avenue

The Road Ahead

China's plan for continuing strong economic growth and improving living standards of the fast-growing urban community should generate significant economic value for China and for well capitalized and proven property companies such as Shui On Land. We believe in pursuing our strategy of enhancing our existing portfolio in Shanghai, Hangzhou, Chongqing, Wuhan, Dalian and Foshan and expanding strategically in other fast growing cities in the Chinese Mainland, management and financial resources permitting. We believe, with increasing urbanization and an affluent population aspiring to pursue a higher quality of life, demand for high quality housing and commercial properties such as ours will remain strong. To this end, we will continue our discussions with the governments of a number of cities with a view to working with them in the master planning of transformation of their urban centres. Ultimately, the control of supply in the Chinese Mainland will continue to stimulate demand since relocation of populations can only proceed at a very measured space. Development of the residential sector will therefore benefit the market in general and promote stability, which in turn will support the Group's sustainable growth plan.

A Vision Based on Experience

We are one of the leading property developers with the requisite experience in managing large-scale, complex, long-term projects in China. We are further expanding our unique business model from comprehensive city-core integrated projects to include knowledge communities and tourism facilitated developments as we see huge growth potential in China's information technology and tourism sectors. We are also one of the few leading property companies that holds a quality portfolio of properties that we have developed as strategic, long-term investments. We have consolidated our position as one of the Chinese Mainland's most innovative and visionary property developers while strengthening our platform for further strategic growth. We believe that the prospects and future success of the projects undertaken by Shui On Land are all excellent. We will continue to apply our successful business models and leverage our premium branding to take advantage of new opportunities that arise from 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.