

INTRODUCTION OF THE GROUP

Shanghai Real Estate Limited and its subsidiaries (the “Group”) is an integrated real estate developer specializing in property and land development, building construction and housing technology. The “Oasis Garden” developed by the Group enjoys a good reputation in both China and overseas, and was recognized as one of the “Nine most popular property brands in Shanghai” during the first Most Popular Brandname Appraisal Award held in 2002 by the Association of the Shanghai Real Estate Industry and other government and professional bodies. In June 2003, the Group was ranked by the Association of the Shanghai Real Estate Industry one of the top 50 real estate development enterprises in Shanghai in terms of operating results, financial strength, development potential and contribution to the community.

The shares of the Company were listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 10 December 1999.

With 12 years of solid experience in real estate development in Shanghai and supported by a prospering macro-economic environment and stable development of the real estate industry which has become one of the cornerstones of the Chinese economy, the Group has consolidated and commenced numerous property development projects which yielded good results in 2003 after a successful year in 2002. These improvements result from our strategic planning and serve as the foundation for the Group’s development in the next 6 - 8 years. At the same time, significant progress has been made in the municipal construction business of our subsidiaries.

2004 marks the fifth anniversary of the Group’s listing on the Stock Exchange and also the beginning of an era of high growth for the Group. Leveraging on its strategic planning, solid foundation, quality land bank and the steady growth trend of Shanghai’s real estate market, the Group will focus on completing the development and sales of its property projects in a timely and cost-effective manner. The Group will continue to develop its municipal construction projects and housing technology and related products as contributors to the group’s continuing profitability.