

Introduction of the Group

Shanghai Real Estate Limited (the “Company”) 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” and “Rich Gate Oasis” 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 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 for the first session in terms of operating results, financial strength, development potential and contribution to the community. In 2003, Shanghai Real Estate Limited was awarded the “Ten largest Real Estate Company in 18 years” in Shanghai by associations including Shanghai Real Estate Association organized for the 18-years Shanghai Real Estate Rating Exercise.

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

Whilst the real estate development business of the Group is focused at Shanghai, the PRC, development opportunities are proactively identified from provinces and cities outside Shanghai, with specific emphasis in second tier cities such as provincial capital and regional centres of greater economic development potential. This will implement the Group’s strategic move outside Shanghai, and gradually establish an enterprise group developing across several provinces.

2006 marks the third year of high growth for the Group. Leveraging on its strategic planning, solid foundation, quality land bank and the steady and rapid development in the economy of the PRC, 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.