



瑞安建業有限公司
SHUI ON CONSTRUCTION AND MATERIALS LIMITED

PRESS RELEASE

Shui On Land and Shui On Construction and Materials Ltd Agree to Participate in Developing Dalian Software Park Phase 2

Hong Kong, 28 May 2007 – Shui On Land Limited (“SOL”: HKSE 272), a leading property developer in the Chinese Mainland, and Shui On Construction and Materials Ltd (“SOCAM”: HKSE 983) confirmed that their respective Board of Directors had accepted the invitation from their parent company the Shui On Private Group (“SOG”) to participate in jointly developing Dalian Software Park Phase 2 (“Project”), as provided in the non-binding Memorandum of Understanding (“MOU”) that SOG signed earlier with Yida Group.

The parties signed the Joint Venture Agreement on 25 May, with the terms of the partnership remain as stated in the MOU signed on 19 March. SOL and SOCAM will own a 48% and 22% of the interest in the Project respectively while Yida Group the remaining 30%. With a proven track record in developing large-scale, mixed-used city-core projects, SOL will lead the master planning of the Project. SOCAM will be responsible for project management, quality assurance and sales and marketing of the development while Yida Group will mainly be responsible for construction management.

Mr. Vincent H. S. Lo, Chairman of Shui On Group, said, “I am pleased that the respective Boards of Directors of SOL and SOCAM share the same vision and agree on the value of this project, which will further our strides to expand in the Chinese Mainland market. Key strategic partnership with experienced developers such as Yida Group is important for our long-term growth.”

With a buildable GFA of approximately 3.9 million sq.m., the Dalian project is a large-scale, integrated development project comprising residential, software industry, commercial and retail properties, as well as educational and research, outdoor recreation and environmental facilities and other public amenities.

The Project is planned for development in six phases over a period of eight to ten years, with the land costs, construction costs, and other costs expected to amount to around RMB15 billion in total. After the initial investment, it is expected that no further funding will be required from the partners in relation to the Project. Independent Board Committees of SOL and SOCAM have been established to advise their shareholders in respect of the undertaking of the development of the Project.

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About Shui On Land Limited

Headquartered in Shanghai, Shui On Land (HKSE: 272) is the flagship property company of the Shui On Group in the Chinese Mainland. Shui On Land has a proven track record in developing large-scale, mixed-used city-core development projects and integrated residential development projects. With access to over 8.1 million square metres of gross floor area, open areas and other public facilities, the Company currently has six projects in various stages of development in the city centres of Shanghai, Chongqing, Wuhan and Hangzhou. The Company was listed on The Stock Exchange of Hong Kong on 4 October 2006, representing the largest IPO in China's real estate sector that year.

Shui On Land was included in the MSCI Standard Index Series, MSCI Global Growth Index Series, Hang Seng Composite Index Series and Hang Seng Freefloat Index Series in March 2007.

About Shui On Construction and Materials Limited (SOCAM)

SOCAM (HKSE 983) was listed on the Hong Kong Stock Exchange in 1997, and is principally engaged in distressed property development, construction, cement, and property development and venture capital investment. In 2005, SOCAM began to engage in the acquisition and development of distressed property projects, which has since been established as its new core business and is undertaking five projects in Dalian, Qingdao, Beijing and Chengdu.

About Yida Group

Yida Group is a multi-industry private group comprising more than 30 member enterprises. Yida Group is a conglomerate with interests in property development, construction and furnishing, equipment manufacturing, software park development, platform development for software and information services as well as professional training and education. It is a respectable, experienced local developer in Northern China. Using a "government support, private sector operation" model, Yida Group has successfully developed Dalian Software Park 1 and has built close relationships with the Dalian government.

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