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**SHUI ON CONSTRUCTION AND MATERIALS CO LTD**  
**CHINA CENTRAL PROPERTIES LIMITED**

12 April 2007

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**Shui On Construction And Materials Limited (SOCAM) launches new company – China Central Properties Limited (CCP) - to focus on investments in partially completed China property developments with the intention of listing CCP on an internationally recognized stock exchange**

## **HIGHLIGHTS**

- Shui On Construction And Materials Co Ltd ("SOCAM") and its partners have all agreed to exchange their interests in a portfolio of partially completed property projects for shares in China Central Properties Limited ("CCP" or "the Company") upon listing of CCP.
- Upon listing of CCP, SOCAM will also subscribe for shares in CCP equivalent of up to HK\$1,200 million.
- CCP will focus on the acquisition of partially completed properties, which will be upgraded and upon completion either sold or leased. This business profile is different from that of Shui On Group companies.
- The management of CCP believes that the partially completed property model is attractive as the late stage involvement in these projects results in shorter project cycles and less cash-flow requirements than traditional greenfield developments.
- SOCAM Asset Management Limited, a 100% subsidiary of SOCAM, will be the investment manager of CCP which will enable the Company to benefit from the talent pool, skills and resources of the Shui On Group.
- CCP will have an independent board with extensive property experience and good corporate governance standards.

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Today, together with its investment partners JP Morgan, Spinnaker Group, Value Partners, V Ventures and Yida Group, SOCAM announced that they had entered into asset injection agreements whereby, on listing of CCP, the entire interests in the five projects in Beijing, Dalian, Qingdao and Chengdu, will be transferred to CCP in consideration for the issue and allotment of new shares in CCP.

CCP intends to carry out an institutional offering of ordinary shares and to have the shares listed on an internationally recognized stock exchange. Upon listing, SOCAM will also subscribe for shares in CCP equivalent of up to HK\$1,200 million.

CCP will appoint SOCAM Asset Management Limited (“SAM”) as its Investment Manager and during the term of the Investment Management Agreement, SOCAM will not directly or indirectly acquire, develop or deal in any interest in partially completed property projects in the PRC. SAM has assembled an investment management team which has many years of experience in the Mainland Chinese property market and which will leverage off the construction, property development and financial structuring expertise of SOCAM.

CCP will focus on medium to large partially completed property projects in major and secondary cities in the PRC where such projects become available as a result of their owners' financial constraints. Once acquired, the projects will be upgraded and upon completion, either sold or leased.

The management of CCP believes that the partially completed property model is attractive as the late stage involvement in these projects results in shorter project cycles and less cash-flow requirements than traditional greenfield developments. This business model is different from that of Shui On Group companies.

The majority of the directors on CCP's board will be independent non-executive directors. All of the proposed directors have extensive business and property experience and the board intends to achieve the highest levels of corporate governance.

Mr Vincent H.S. Lo, Chairman of SOCAM and proposed Chairman of CCP, commented today: “I am pleased to announce the asset injection agreements which will pave the way for the proposed listing of China Central Properties Limited. We and our partners believe that this is the right time to focus our attention on the exciting opportunities in the market for partially completed properties in China.

“I am confident about CCP's future. SAM has assembled a team of experienced China property project managers, most of whom have been a part of the Shui On family for many years. In addition the company will be led by an experienced board comprising of directors with extensive contacts and knowledge and, most importantly, will guarantee that the company's activities will be aligned with the highest levels of corporate governance.”

Deutsche Bank AG has been appointed to advise CCP on its proposed listing.

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Information contained in this announcement may include 'forward-looking statements'. All statements other than statements of historical facts included in this announcement including, without limitation, those regarding CCP's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to CCP's products) are forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties and other important facts that could cause the actual results, performance or achievements of CCP to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding CCP's present and future business strategies and the environment in which CCP will operate in the future. These forward-looking statements speak only as at the date of this announcement. CCP expressly disclaims any obligations or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this announcement to reflect any changes in CCP's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Information contained in this announcement cannot be relied upon as a guide to future performance.

Deutsche Bank is acting for CCP and no one else in connection with the proposed listing and will not be responsible to anyone other than CCP for providing the protections afforded to clients of Deutsche Bank nor for providing advice in connection with the proposed listing.

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**Notes to editors**

**SOCAM:**

SOCAM, which is part of the Shui On Group, is a leading Hong Kong company engaged in construction, cement production, property development and venture capital investment in Hong Kong, Macau, and the Chinese Mainland. SOCAM was listed on the Main Board of the HKSE in 1997 and is chaired by Mr. Vincent Lo.

SOCAM owns approximately 17.8% of Shui On Land ("SOL"), which is a property developer in the Chinese Mainland, and with a track record in developing large-scale, mixed-used city-core development projects and integrated residential development projects. SOL currently has six projects in various stages of development in the city centres of Shanghai, Chongqing, Wuhan and Hangzhou.

In 2005, SOCAM began to invest in partially completed property in the PRC in order to capitalise on the opportunities which arose following austerity measures undertaken by the PRC government, and eventually SOCAM developed this business as a separate business division.

The Shui On Group places importance on good corporate governance standards. Mr. Lo, as the Chairman of SOCAM, was presented the Director of the Year Award by the Hong Kong Institute of Directors in 2002.

**Board of Directors and Management**

On listing, CCP's Board of directors will be made up of: Mr. Frankie Wong, Mr. David Wong, Mr. Raymond Wong, Mr. David Eldon, Mr. Nicholas Brooke, Mr. Kay-Cheung Chan and Mr Alexander Hamilton and Mr Moses Tsang. The board will be chaired by Mr. Vincent Lo.

Brief biographical details of CCP's Board of directors are as follows:

**Mr. Vincent H. S. Lo, GBS, JP**

Non-executive Chairman

Mr. Lo has been the chairman of SOCAM since 1997. He is also chairman of the Shui On Group and chairman and CEO of Shui On Land Limited. He is a member of The Tenth National Committee of Chinese People's Political Consultative Conference, honorary life president of the Business and Professionals Federation of Hong Kong, the president of Shanghai - Hong Kong Council for the Promotion and Development of Yangtze, a vice chairman of All-China Federation of Industry and Commerce, an economic adviser to the Chongqing Municipal Government, a vice chairman of the Chamber of International Commerce Shanghai, a court member of the Hong Kong University of Science and Technology, a director of Great Eagle Holdings Limited, a non-executive director of Hang Seng Bank Limited and an independent non-executive director of China Telecom Corporation Limited.

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**Mr. Frankie Y. L. Wong**

Non-executive Director

Mr. Wong is the CEO of SOCAM and was vice-chairman from 1997 to 2004. He joined the Shui On Group in 1981 and has been managing director of Shui On Holdings Limited since 1991. He was a director of Shui On Land Limited from May 2004 to May 2006. Prior to joining the Shui On Group, he had many years of banking experience with several major international banks in Hong Kong. He is one of the trustees of the Shui On Provident and Retirement Scheme, a non-executive director of CIG Yangtze Ports PLC, Walcom Group Limited (trading on AIM), Cosmedia Group Holdings Limited (trading on AIM) and an independent non-executive director of Solomon Systech (International Limited).

**Mr. David W. K. Wong**

Managing Director

Mr Wong is the managing director of CCP, where he advises the Board on acquisition/disposal proposals. He has over 25 years of experience in international banking and corporate finance and has held various senior management positions in major U.S. banks and a large conglomerate in Hong Kong. He has served as finance director of First Pacific Davies Limited from 1995 to 1998; chief executive officer, Asia Pacific of First Pacific Davies Limited and chairman of First Pacific Davies China Limited from 1998 to 2003 and was from 2000 to 2003 an executive director of Savills PLC, which is listed on the Official List of the London Stock Exchange.

**Mr. Raymond F. L. Wong**

Executive Director

Mr. Wong has been the chief financial officer and an executive director of SOCAM since 1997. He joined the Shui On Group in 1989 and was the finance director between 1992 and 1995. Prior to joining the Shui On Group, he worked with a leading international accounting firm in their London, Melbourne and Hong Kong offices. Mr. Wong is a Fellow of the Institute of Chartered Accountants in England and Wales and of the Hong Kong Institute of Certified Public Accountants, and an Associate of the Institute of Chartered Accountants of Australia. He is one of the trustees of the Shui On Provident and Retirement Scheme.

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**Mr. David Eldon, CBE, JP**

Independent Non-executive Director

Mr. Eldon's career in banking spans over forty years, including senior positions with an Australian banking group, HSBC Bank Middle East (formerly The British Bank of the Middle East), and The Saudi British Bank. In 1992 he returned to The Hongkong and Shanghai Banking Corporation where he served as executive director from January 1994, CEO from January 1996 and chairman from January 1999. He also served as chairman of Hang Seng Bank from 1996 is a director of HSBC Holdings plc. He is Chairman of the Hong Kong General Chamber of Commerce, Dubai International Financial Centre Authority, Noble Group Limited, Deputy Chairman of the Hong Kong Jockey Club, Director of the Mass Transit Railway Corporation in Hong Kong, Founding Member and past Chairman of the Seoul International Business Advisory Council, an International Council Member of the Bretton Woods Committee and an Adviser to Unisys.

**Mr. Nicholas Brooke, JP**

Independent Non-executive Director

Mr. Brooke is the chairman of Professional Property Services Limited. Previously, he served as president of the Royal Institution of Chartered Surveyors, deputy chairman of the Hong Kong Town Planning Board and member of the Hong Kong Housing Authority. He currently sits on the boards of the Hong Kong Science and Technology Parks Corporation, the Hong Kong Cyberport Management Company Limited and is a member of the Hong Kong Harbour-front Enhancement Committee, and is the chairman of the Hong Kong Coalition of Service Industries. Mr. Brooke is a non-executive director of Shanghai Forte Land Company Limited, Majid Al Futtaim Properties and VinaLand.

**Mr. Kay-Cheung Chan**

Independent Non-executive Director

Mr. Chan is an executive director and deputy chief executive of the Bank of East Asia, Limited. He is a fellow member of the Hong Kong Institute of Bankers, advisory committee member on the Quality Migrant Admission Scheme of the Hong Kong Immigration Department, China trade advisory committee member of Hong Kong Trade Development Council and international senior economic consultant of The People's Government of Shanxi Province. He is also an independent non-executive director of China Electronics Corporation Holdings Company Limited, Chu Kong Shipping Development Company Limited and Four Seas Food Investment Holdings Limited, as well as Vice Chairman Designate of The Bank of East Asia (China) Limited.

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**Mr. Alexander Hamilton**

Independent Non-Executive Director

Mr. Hamilton commenced his career at Touche Ross & Company in Glasgow and later joined Price Waterhouse / Lowe Bingham & Matthews in Hong Kong in 1965 and was a partner from 1970 - 1986. He became the executive secretary of Employers Federation of Hong Kong in 1988 and retired from his role in 1992. He is a member of Institute of Chartered Accountants of Scotland, fellow of Hong Kong Institute of Certified Public Accountants, and fellow of Institute of Directors. He currently sits as a director on the boards of China Cosco Holdings Co. Ltd., Transpac Capital Pte. Ltd., Shangri-La Asia Ltd., Octopus Cards, Ltd., Loyalty Pacific (HK) Ltd., Vitagreen Health Products Ltd., Esprit Holdings Ltd., JF China Region Fund Inc. and Citic Pacific Ltd.

**Mr. Moses K. T. Tsang**

Independent Non-Executive Director

Mr. Tsang has been the chairman and managing partner of Ajia Partners since 2003 and the chairman and chief executive officer of EC Investment Services Limited since 2000.

Prior to joining EC Investment Services Limited, he was a general partner of Goldman Sachs Group where he led the establishment of the fixed income group in Tokyo and headed the debt syndicate Group in London. He served as the chairman of Goldman Sachs (Asia) LLC between 1989 and 1994. Mr. Tsang sits as a non-executive director on the board of Fubon Bank in Hong Kong, and is a trustee of the Hong Kong Centre for Economic Research and the University of Hong Kong.