瑞 安 建 業 有 限 公 司*
SHUI ON CONSTRUCTION AND MATERIALS LIMITED
(Incorporated in Bermuda with limited liability)

FOR IMMEDIATE RELEASE

SOCAM Posts HK$903 Million Profit for 2010
Making Solid Progress in Property Business

(Hong Kong, 30 March 2011) Shui On Construction and Materials Limited ("SOCAM" or the "Company", stock code: 983) today announced the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2010. Highlights are as follows:

Financial Highlights for 2010 Annual Results (for the year ended 31 December 2010)	
Turnover:	HK$8,044 million, up 151%
Profit attributable to shareholders:	HK$903 million, up 12%
Basic earnings per share:	HK$1.85, down 5.6%
Total dividends per share:	HK$0.6, up 71%
At 31 December 2010	
Total assets:	HK$21.0 billion (31 December 2009: HK$18.6 billion)
Net assets:	HK$9.2 billion (31 December 2009: HK$9.0 billion)
Net asset value per share:	HK$18.8 (31 December 2009: HK$18.5)
Net gearing:	51% (31 December 2009: 53%)

The Directors recommended the payment of a final dividend of HK$0.40 per share to shareholders, compared to HK$0.25 per share in 2009. Including the interim dividend of HK$0.2 per share, the total dividends for the year ended 31 December 2010 will amount to HK$0.60 per share (2009: HK$0.35 per share).

The Group's property business recorded a significant increase in revenue in 2010. The en-bloc disposal of four property projects during the year generated meaningful cash flows and profits on its quick asset turnover model. The turnover from construction also increased substantially during the year on the strength of a considerably expanded workload in Hong Kong and the Mainland, while cement sales posted a slight decrease in revenue largely attributable to the decrease in selling prices.

"Our focus to consolidate our core business to re-define our long-term growth began to bear fruits. SOCAM continued to take advantage of market opportunities by unlocking the value of its property portfolio, while making timely acquisitions. Strategies for expansion in the property business have been carefully mapped out," said Mr. Vincent H. S. Lo, Chairman of SOCAM.

Timely acquisition and sale of projects

The Group successfully acquired the 21st Century Tower in December 2010, a premium commercial property situated at the heart of Lujiazui financial district in Pudong. SOCAM owns 70% of the hotel and serviced apartment portion of the building with a GFA of 51,000 square metres, and will cooperate with the renowned Four Seasons Hotels and Resorts Group to provide world-class luxurious branded residence and hotel accommodation. When completed in 2012, the project is poised to become a landmark in Shanghai.

SOCAM continued to expedite asset turnover, and disposed of four property projects in Chengdu, Beijing and Chongqing on an en-bloc basis. The Group has agreed to dispose of another project in Chongqing in January 2011. The residential and office units of Creative Concepts Center, a property project in Chongqing completed during the year, were progressively handed over. Construction was progressing well on other properties in the Group's diverse portfolio with a total attributable GFA of 1.7 million square metres. Sales activities for two upmarket residential projects in Guangzhou and Beijing are planned for 2011.

Dalian Tiandi, in which SOCAM is the managing partner, made notable progress in 2010. The first batch of tenants moved into its software offices which were completed towards the end of 2010, and attained an occupancy rate of approximately 65%. Villas and residential apartments with a total GFA of 21,000 square metres were sold. Leasing of the office space in Dalian Tiandi progressed well, and major tenant groups being prominent information technology corporations and leading educational services provider including IBM, Chinasoft, EtonHouse and Ambow. The project currently has close to 1 million square metres GFA of offices, residential blocks and commercial premises under construction, with sales and leasing activities set to increase in the year ahead.

Forging new partnerships

The Group has moved ahead with its visionary plans to develop strategic partnerships to penetrate niche market segments for long-term sustainable growth. Several collaborations are already in place. In early 2011, the Group formed a partnership with two prestigious institutional investors which will commit a total of approximately US$200 million to jointly invest in attractive special situation properties. SOCAM will contribute an equal amount when suitable projects are identified.

The Group progressed well with two other strategic partnerships during the year, including the joint ventures with Tsinghua Science Park for the development of an integrated knowledge community in Nanjing, and Mitsui Fudosan Residential Company from Japan to participate in developing six parcels of land in Dalian Tiandi for residential and retail use.

These partnerships provide a good momentum for the Group to further expand its property portfolio with timely quality investments, and strengthen its market positioning by integrating knowledge, expertise as well as financial resources of its partners on special situation and knowledge community projects, which will be the cornerstone of the Group's long-term growth.

Challenging operating conditions on cement and construction

The Group's joint venture, Lafarge Shui On Cement (LSOC), posted less than satisfactory results this year due to considerable price pressure in Sichuan and Chongqing where competition is severe as a result of significantly excessive cement capacities coming on the market, and increase in the prices of coal and power. Total annual production capacity reached approximately 30 million tonnes at the end of 2010, as compared with 24 million tonnes a year ago, driven by the commissioning of the three new plants in Sichuan, Chongqing and Guizhou in the fourth quarter of 2010. Sales volume was 23.1 million tonnes, dropped slightly by 2% from 2009, largely due to the closure of two old plants in Sichuan during the year while the three new dry kilns contributing very limited volume during initial production towards the year-end.

The injection by LSOC of its 50% interest in the Dujiangyan plants into the Shenzhen-listed Sichuan Shuangma Cement obtained final approval from the Mainland regulatory authority in January 2011, and this cleared a major hurdle in LSOC's expansion plans.

The construction business recorded a better profit and much higher turnover in 2010 due to the buoyant market, despite keen market competition and increasing costs that exerted growing pressure on margins. At 31 December 2010, the Group had outstanding workload of HK$6.7 billion.

Looking ahead

While major western economies continue to recover from the lingering impacts of the global financial crisis, China's growth continued to be robust, on the strength of a widening economic base and increasing domestic consumption.

"Economic growth under the directives of China's 12th Five-Year Plan should ensure that growth will follow a sustainable path. The austerity measures recently implemented by the Central Government to curb the overheated economy will steer the development of the Chinese Mainland in the right direction, and the property market will emerge in the not too distant future in a healthier and more balanced state. Accelerating urbanisation, increasing infrastructure investment and private consumption under the Five-Year Plan, coupled with the progressive phase-out of backward capacities, will continue to support optimism towards a sustainable growth in cement market in China. The Group will capitalise on the encouraging progress made in 2010 to seek further expansion in our core business and capture new market opportunities. SOCAM, when fully transformed to a developer in the niche property sectors, should perform well and deliver increasing value to our shareholders," concluded Mr. Lo.

Summary of Financial Results for the Year Ended 31 December 2010

In HK$ million	Year ended 31 December **2010**	2009
Property		
Project fee income	**52**	108
Profit from property sales and net rental income	**501**	-
Fair value gain on investment properties, net of deferred tax provision	**363**	73
Dalian Tiandi – overheads and interest	**(13)**	(10)
Share of profit of CCP prior to privatisation	**-**	96
Discount on acquisition of interest in CCP	**-**	648
Operating expenses	**(133)**	(175)
	770	740
Investment in SOL		
Dividend income	**60**	8
Net gain on disposal of shares	**373**	-
Gain on scrip option	**4**	-
	437	8
Cement operations		
LSOC	**104**	309
Guizhou cement	**(9)**	28
Impairment and disposal losses	**(99)**	(52)
	(4)	285
Construction	**84**	69
Venture capital investments	**29**	10
Convertible bonds	**-**	(27)
Net finance costs	**(216)**	(186)
Corporate overheads and others	**(110)**	(83)
Taxation	**(72)**	(4)
Non-controlling interests	**(15)**	(5)
Total	**903**	807

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About Shui On Construction and Materials Limited (SOCAM)

Listed on the Hong Kong Stock Exchange in February 1997, Shui On Construction and Materials Ltd (HKSE Stock Code: 00983) is a member of the Shui On Group, and is principally engaged in property, cement and construction businesses, with operations covering strategic areas and major cities in the Chinese Mainland, Hong Kong and Macau. SOCAM is a constituent of the Hang Seng Composite Index.

SOCAM is visionary in its planning and precise in its moves. Its core businesses – property development and cement production in China – are built on solid business models seeking to capitalise on, and contribute to, one of the world's fastest growing economies.

This press release will be posted to SOCAM's website www.socam.com.

For media enquiries, please contact:
Vanessa Wo / Nick Fung
Corporate Communications
Tel: (852) 2398 4725 / 6113 2113
Email:vanwps@shuion.com.hk / nick.fung@shuion.com.hk