



FOR IMMEDIATE RELEASE

**Shui On and Mitsui announce strategic partnership
in developing residential and retail properties in Dalian Tiandi**

(Hong Kong, 28 February 2011) Shui On Construction and Materials Limited (“SOCAM”, stock code: 983) is pleased to announce today that Richcoast Group Limited (“Richcoast”) has formed a new strategic partnership with Mitsui Fudosan Residential Co. Ltd. (“Mitsui”), a leading real estate developer in Japan, to jointly develop six parcels of land in Dalian Tiandi into residential and retail properties with a total gross floor area of about 206,000 square metres. Richcoast is a joint venture established among SOCAM, Shui On Land Limited (“SOL”) and Yida Group Company Limited for the development of Dalian Tiandi. SOCAM is playing the role of managing partner of the Dalian Tiandi project.

Aiming at setting new heights for the development of knowledge communities in China, the collaboration will bring together the partners’ compatible strengths, expertise and experiences, and is well poised to create optimum synergies. It leverages SOL’s successful track record in master planning, SOCAM’s expertise and solid experience in project management, and Mitsui’s vision in creating values for Japanese buyers, tenants and other stakeholders.

Under the agreement signed by Richcoast and Mitsui, Mitsui will have a 30% interest in the partnership and participate in the development of six parcels of land in Hekou Bay and Huang Ni Chuan districts. Total GFA of the residential and retail properties on these sites will be approximately 158,600 square metres and 47,200 square metres respectively. The properties are expected to be completed by 2014.

“The strategic collaboration with Mitsui brings an exciting new dimension to Shui On’s commitment in developing Dalian Tiandi,” said Mr Vincent H S Lo, Chairman of Shui On Group. “Both Shui On and Mitsui are committed to quality and are sharing a common vision of building sustainable developments. The partnership with Mitsui will bring about visionary developments in the years to come that form part of a leading, world-class knowledge community for the sprouting IT industries in Dalian as well as in the Asian Region.”

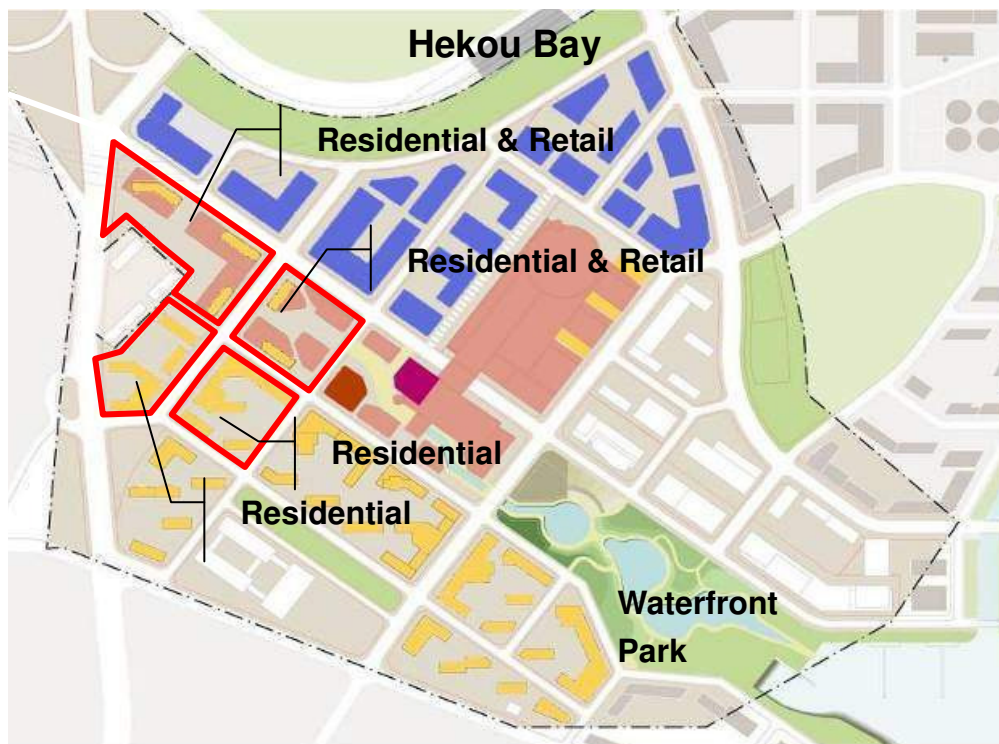
Established in 1941, Mitsui develops and invests in various types of properties, including housing, retail, resorts, hotels and office buildings, with presence in Asia, US and Europe. Dalian Tiandi is its third investment in China, signifying that this project has drawn strong interest from substantial international investors.

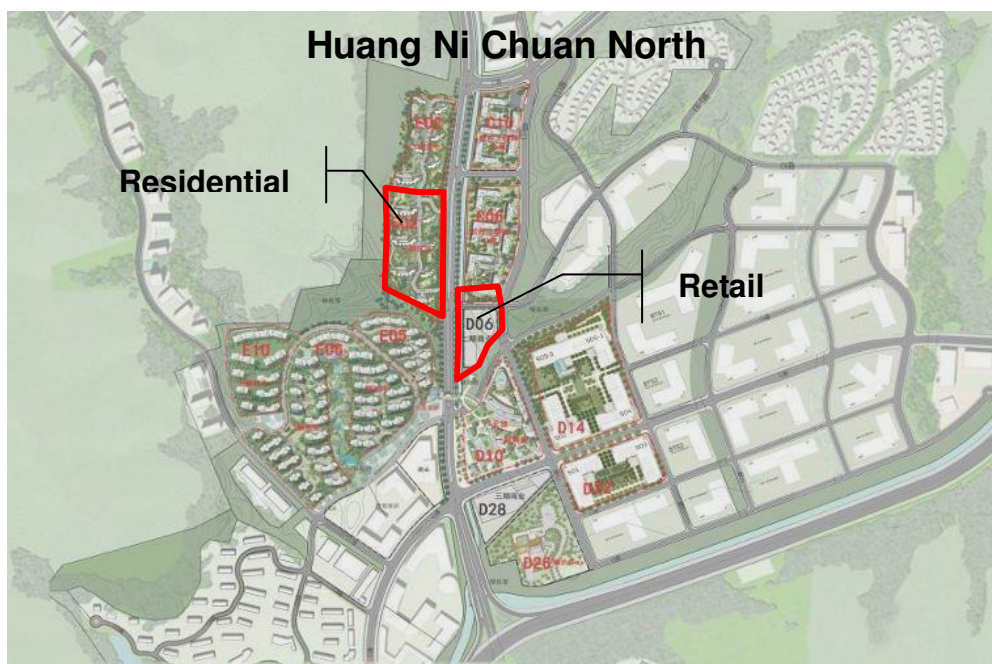


Mr Takeshi Suzuki, Managing Director of Mitsui Fudosan Residential commented, “Mitsui is delighted to join forces with Shui On and we regard the partnership as a major milestone in our investment in China. Dalian Tiandi is a unique and well-rounded community in Northeast China and is well placed to become a top-notch technological innovation and integrated hub for professionals in pursuit of a successful work-live-learn-play model. Given the success of the project to date and its vision, we are confident of its growing prospects over the long term.”

Building a Knowledge Community in Dalian

Dalian Tiandi is a visionary knowledge community project in the burgeoning coastal city of Dalian in Northeast China. Launched in September 2007, this large-scale, integrated-use project focuses on attracting talents from the global software and business process outsourcing industries through providing world-class working and living environment. Knowledge workers and families enjoy the convenience and sustainable lifestyle endowed by a master plan that combines the "work-live-learn-play" functions into one. Comprising approximately 3.33 million square metres of gross floor area, this modern community will bring together businesses, IT and software development centres, commercial and residential properties, educational and research facilities, as well as outdoor recreational and other public amenities.





*Mr Takeshi Suzuki, Managing Director of Mitsui Fudosan Residential, (first from left),
Mr. Mitsuhiro Matsumoto, CEO of Mitsui Fudosan Residential,
Mr Philip Wong, CEO of SOCAM, (second from right), and
Mr. Charles Chan, Project Director—Projects of SOL (first from right),
signed the agreement to earmark the launch of the cooperation.*

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瑞安建業有限公司
SHUI ON CONSTRUCTION AND MATERIALS LIMITED
(Incorporated in Bermuda with limited liability)

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 principal profit drivers – 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.

About Mitsui Fudosan Residential

Established in 2006, Mitsui Fudosan Residential, a member of Mitsui Fudosan Group, focuses on the field of residential housing to conduct integrated business comprising sales, contract consulting, after-sales service, site acquisition, planning and development, and quality control. Mitsui Fudosan Residential is also engaged in consignment sales business of various types of properties. Mitsui Fudosan Group develops and invests in wide range of properties in Asia, US and Europe, and is also one of the core companies of Mitsui Group, one of the largest conglomerates in Japan.

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

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