

SOCAM announces sale of its Hong Kong construction materials operations

[Hong Kong - 5 January 2005] Shui On Construction and Materials Limited (SOCAM - HKSE 0983), announced today that a wholly-owned subsidiary, Shui On Building Materials Limited (SOBML), has entered into an agreement whereby SOBML will sell its Hong Kong construction materials operations for a consideration of HK\$ 95 million, plus HK\$15 million for granting the right to excavate rocks at Guishan in Zhuhai in the Chinese Mainland, to Maxking Investments Limited. The buyer Maxking is engaged in investment and the business of construction materials and contracting.

Completion of the transaction will take place on 1 March 2005. It is expected to generate a net gain of approximately HK\$33 million.

Announcing the agreement, SOCAM Chairman, Vincent Lo, said, "This transaction represents a commercial and strategic decision that is in the long-term interest of SOCAM. The construction materials business in Hong Kong is no longer a core business of the Group."

He added, "The sale will enable SOCAM to focus its resources on its core growth businesses. The proceeds will be used for the development of SOCAM's cement production operations and investment in property development in the Chinese Mainland, venture capital, and construction in Hong Kong."

The companies involved in the transaction are Ken On Concrete Co. Ltd., Instant Mortars Ltd., Shui On Cement Co. Ltd., Honest China Ltd., and Shui On Rock Products Limited which are engaged in ready mixed concrete and mortar production, cement trading in Hong Kong and quarrying in Guishan respectively.

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About SOCAM

SOCAM, a member of the Shui On Group, was listed on the Hong Kong Stock Exchange in 1997 and is engaged in construction and construction materials in Hong Kong and the Chinese Mainland. The company also has an interest of more than 20% in Shui On Land Limited.