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瑞安建業有限公司*

SOCAM Development Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 983)

CONNECTED TRANSACTIONS

LOAN ARRANGEMENTS FOR SHENYANG PROJECT PHASE I

The Board announces that on 22 November 2016, (i) the Offshore Borrower (an indirect wholly-owned subsidiary of the Company) entered into the Offshore Facility Agreement with the Offshore Lender whereby the Offshore Lender has agreed to grant the Offshore Loan Facility of HK\$270 million to the Offshore Borrower; and (ii) the Onshore Borrower (an indirect wholly-owned subsidiary of the Company) entered into the Onshore Facility Agreement with the Onshore Lender whereby the Onshore Lender has agreed to grant the Onshore Loan Facility of RMB50 million (equivalent to approximately HK\$56 million) to the Onshore Borrower.

As an associate of the Lenders is a substantial shareholder of a subsidiary of the Company, both Lenders are connected persons of the Company at the subsidiary level. As such, the entering into of the Loan Arrangements under the Facility Agreements and the Security Documents constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Despite that certain applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Loan Arrangements exceed 5%, the entering into of the Loan Arrangements by the Group with the Lenders, being connected persons at the subsidiary level, is subject to the reporting and announcement requirements only but exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

THE LOAN ARRANGEMENTS

The Board announces that on 22 November 2016, (i) the Offshore Borrower (an indirect wholly-owned subsidiary of the Company) entered into the Offshore Facility Agreement with the Offshore Lender whereby the Offshore Lender has agreed to grant the Offshore Loan Facility to the Offshore Borrower; and (ii) the Onshore Borrower (an indirect wholly-owned subsidiary of the Company) entered into the Onshore Facility Agreement with the Onshore Lender whereby the Onshore Lender has agreed to grant the Onshore Loan Facility to the Onshore Borrower.

The principal terms and conditions of the Facility Agreements are set out as follows:

Purpose:	To refinance the existing bank loans of the Group granted in relation to the Shenyang Project Phase I
Principal amount:	<u>For the Offshore Loan Facility</u> HK\$270 million <u>For the Onshore Loan Facility</u> RMB50 million (equivalent to approximately HK\$56 million)
Term:	<u>For both the Offshore Loan Facility and Onshore Loan Facility</u> 36 months (subject to repayment by 12 quarterly instalments starting from 3 months from the date of drawdown in accordance with the stipulated repayment schedules)
Interest rate:	<u>For the Offshore Loan Facility</u> 3-month Hong Kong Inter-bank Offered Rate plus 3% per annum, which shall be accrued and settled on quarterly basis after the first drawdown of the Offshore Loan Facility

For the Onshore Loan Facility

130% of the relevant benchmark lending rate as promulgated by the People's Bank of China (currently 4.75% per annum), which shall be accrued and settled on monthly basis after the first drawdown of the Onshore Loan Facility

Non-refundable loan arrangement fee:

For the Offshore Loan Facility only

HK\$4,050,000, being 1.5% flat on the principal amount of the Offshore Loan Facility, payable by the Offshore Lender within 7 days from the date of the Offshore Facility Agreement or on the drawdown date (whichever is earlier)

Security:

For the Offshore Loan Facility

- (i) guarantee of the Company in favour of the Offshore Lender to secure the payment obligations of the Offshore Borrower under the Offshore Loan Facility, pursuant to the terms of the Offshore Facility Agreement;
- (ii) fixed and floating charges over all the assets of the Offshore Borrower, pursuant to the debenture to be executed by the Offshore Borrower in favour of the Offshore Lender;
- (iii) charge over all the issued shares of the Offshore Borrower, pursuant to the share charge to be executed by Honest Joy in favour of the Offshore Lender; and
- (iv) pledge over all the equity interests in the Onshore Borrower, pursuant to the equity pledge to be executed by the Offshore Borrower in favour of the Offshore Lender.

For the Onshore Loan Facility

- (i) guarantee of the Company to secure the payment obligations of the Onshore Borrower under the Onshore Loan Facility, pursuant to the guarantee dated 22 November 2016 executed by the Company in favour of the Onshore Lender;
- (ii) pledge over the retail portion of the Shenyang Project Phase I with a total gross floor area of approximately 62,214 square metres (the “**Property**”), pursuant to the pledge agreement dated 22 November 2016 executed by the Onshore Borrower in favour of the Onshore Lender;
- (iii) pledge over all the receivables of the Onshore Borrower, including but not limited to the rental income, from the Property, pursuant to the receivables pledge agreement dated 22 November 2016 executed by the Onshore Borrower in favour of the Onshore Lender; and
- (iv) pledge over a cash deposit in an amount of RMB20 million (equivalent to approximately HK\$22 million) to be placed in the designated account of the Onshore Borrower maintained with the Onshore Lender, pursuant to the deposits pledge agreement dated 22 November 2016 executed by the Onshore Borrower in favour of the Onshore Lender.

(All the above security documents for the Offshore Loan Facility and the Onshore Loan Facility be hereinafter referred to as “**Security Documents**”, collectively.)

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN ARRANGEMENTS

The Loan Facilities serve to refinance the existing bank loans of the Group granted in relation to the Shenyang Project Phase I, which is mainly consisted of the Property being held as investment property for rental purpose.

The respective terms of the Facility Agreements and the Security Documents were agreed between the parties after arm's length negotiations having taken into account the prevailing market interest rates and practices.

The Directors (including the independent non-executive Directors) consider that the respective terms of the Facility Agreements and the Security Documents are fair and reasonable, and the Loan Arrangements contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As an associate of the Lenders is a substantial shareholder of a subsidiary of the Company, both Lenders are connected persons of the Company at the subsidiary level. As such, the entering into of the Loan Arrangements under the Facility Agreements and the Security Documents constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Despite that certain applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Loan Arrangements exceed 5%, the entering into of the Loan Arrangements by the Group with the Lenders, being connected persons at the subsidiary level, is subject to the reporting and announcement requirements only but exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

None of the Directors has any material interest in the Loan Arrangements nor was any of them required to abstain from voting on the resolutions passed by the Board in connection therewith.

GENERAL INFORMATION

The Group principally engages in property development and investment, asset management and construction in Hong Kong and the PRC.

The Offshore Lender is a licensed bank established under the laws of Hong Kong. The Onshore Lender, a wholly-owned subsidiary of the Offshore Lender, is a licensed bank established under the laws of the PRC.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

“associate”, “connected persons”, “subsidiary(ies)” and “substantial shareholder”	each shall have the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	SOCAM Development Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 983);
“Directors”	the directors of the Company;
“Group”	collectively, the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Honest Joy”	Honest Joy Investments Limited, a company incorporated in the British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of the Company and holds all the issued shares of the Offshore Borrower;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Lenders”	collectively, the Offshore Lender and the Onshore Lender;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Facility Agreements”	collectively, the Offshore Facility Agreement and the Onshore Facility Agreement;
“Loan Arrangements”	collectively, the Loan Facilities and the granting of security under the Security Documents;

“Loan Facilities”	collectively, the Offshore Loan Facility and the Onshore Loan Facility;
“Offshore Borrower”	Pacific Hill Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company;
“Offshore Facility Agreement”	the facility agreement dated 22 November 2016 entered into between the Offshore Borrower as borrower, the Offshore Lender as lender and the Company as guarantor in relation to the Offshore Loan Facility;
“Offshore Lender”	Industrial and Commercial Bank of China (Asia) Limited, a licensed bank established under the laws of Hong Kong;
“Offshore Loan Facility”	a term loan facility of HK\$270 million granted by the Offshore Lender to the Offshore Borrower pursuant to the Offshore Facility Agreement;
“Onshore Borrower”	瀋陽華匯房地產有限公司 (Shenyang Hua Hui Properties Co. Ltd.*), a company established under the laws of the PRC with limited liability, which is a wholly-owned subsidiary of the Offshore Borrower;
“Onshore Facility Agreement”	the facility agreement dated 22 November 2016 entered into between the Onshore Borrower as borrower and the Onshore Lender as lender in relation to the Onshore Loan Facility;
“Onshore Lender”	Chinese Mercantile Bank, Guangzhou Branch, a licensed bank established under the laws of the PRC, which is a wholly-owned subsidiary of the Offshore Lender;
“Onshore Loan Facility”	a term loan facility of RMB50 million (equivalent to approximately HK\$56 million) granted by the Onshore Lender to the Onshore Borrower pursuant to the Onshore Facility Agreement;
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Taiwan and the Macao Special Administrative Region of the People’s Republic of China);

“Property”	has the meaning ascribed to it under the section headed “THE LOAN ARRANGEMENTS” of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Security Documents”	has the meaning ascribed to it under the section headed “THE LOAN ARRANGEMENTS” of this announcement;
“Shenyang Project Phase I”	the property project of the Onshore Borrower located at Beiling Street, Huanggu District, Shenyang, Liaoning Province, the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of RMB1 : HK\$1.1245. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates

By order of the Board
SOCAM Development Limited
Wong Fook Lam, Raymond
Managing Director and Chief Financial Officer

Hong Kong, 22 November 2016

At the date of this announcement, the executive Directors are Mr. Lo Hong Sui, Vincent and Mr. Wong Fook Lam, Raymond; the non-executive Directors are Mr. Tsang Kwok Tai, Moses and Mr. Gerrit Jan de Nys; and the independent non-executive Directors are Ms. Li Hoi Lun, Helen, Mr. Chan Kay Cheung and Mr. William Timothy Addison.

** For identification purpose only*

Website: www.socam.com