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瑞安建業有限公司\*

**SOCAM Development Limited**

(Incorporated in Bermuda with limited liability)

(Stock Code: 983)

## **SUPPLEMENTAL ANNOUNCEMENT**

### **TERMINATION OF JOINT VENTURE AGREEMENT**

References are made to the announcement dated 19 January 2011 and the circular dated 9 February 2011 issued by the Company in relation to the Joint Venture Agreement entered into amongst the Company, Ally Plus (a wholly-owned subsidiary of the Company), Tsinghua SP and Shanghai Jianwei on 19 January 2011 for the formation of a joint venture to undertake knowledge community projects in the PRC. The formation of the Joint Venture and the incidental acquisition and disposal of assets by the Group as contemplated under the Joint Venture Agreement would constitute major and notifiable transactions of the Company. Terms used in this announcement shall have the same meanings as defined in the announcement dated 19 January 2011.

The Board wishes to announce that on 3 November 2011, the Company and Ally Plus agreed with Tsinghua SP and Shanghai Jianwei to terminate the Joint Venture Agreement with effect from 1 November 2011.

Pursuant to the Joint Venture Agreement, the Group will, amongst other things, acquire Site No. 2 Land on terms to be agreed with the Joint Venture Partners and then inject it into the JV Company to be established in the PRC by the Joint Venture Partners. In September 2011, the relevant PRC governmental body put certain parcels of Site No.2 Land up for sale, with final closing date on 1 November 2011, at a base price of approximately RMB3.2 billion (equivalent to approximately HK\$3.9 billion). In light of the prevailing uncertainties in the global financial markets and the various austerity measures currently implemented by the Central Government that impact adversely the property and banking sectors in the PRC, the Board has considered it financially imprudent for the Group to make such a very substantial

capital commitment at this moment, and decided not to participate in this land sale. The Company subsequently learnt from a PRC government website that, on 1 November 2011, the JV Company made a successful bid and acquired the aforementioned parcels of Site No. 2 Land at a consideration of approximately RMB3.2 billion (equivalent to approximately HK\$3.9 billion).

On 3 November 2011, the Group agreed with the Joint Venture Partners to terminate the Joint Venture Agreement with effect from 1 November 2011. The Group has not yet provided any part of the Term Loan nor made any capital contribution into the JV Company, pending completion of the Reorganisation of the JV Company by the Joint Venture Partners as stipulated in the Joint Venture Agreement. The Group has no equity interest in the JV Company and following the termination of the Joint Venture Agreement, will also cease to have any commitment to invest in the JV Company or to participate in the acquisition of Site No. 2 Land.

The Board considers that the termination of the Joint Venture Agreement will not have any material adverse impact on the existing business or financial position of the Group. The Company continues to hold a strong belief in the potential growth and prospects of the innovation and knowledge-oriented industry in the PRC, and remains committed to developing a unique and sustainable model in knowledge community business. The Company will pursue suitable opportunities in this niche business in the PRC again when the global financial situation becomes stable, and explore co-operation with selected strategic partners, including the Joint Venture Partners.

By Order of the Board  
**SOCAM Development Limited**  
**Wong Kun To, Philip**

*Managing Director and Chief Executive Officer*

Hong Kong, 3 November 2011

*For the purpose of illustration only, the exchange rate at HK\$1 = RMB0.82 has been used in this announcement. It does not constitute a representation that any amount has been, could have been or may be exchanged at the above rate.*

*At the date of this announcement, the executive directors of the Company are Mr. Lo Hong Sui, Vincent, Mr. Choi Yuk Keung, Lawrence, Mr. Wong Kun To, Philip and Mr. Wong Fook Lam, Raymond; the non-executive director of the Company is Mr. Wong Yuet Leung, Frankie; and the independent non-executive directors of the Company are Mr. Gerrit Jan de Nys, Ms. Li Hoi Lun, Helen, Mr. David Gordon Eldon, Mr. Chan Kay Cheung and Mr. Tsang Kwok Tai, Moses.*

*\* For identification purpose only*

Website: [www.socam.com](http://www.socam.com)