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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 TRANSACTION

ACQUISITION OF 15% EQUITY INTEREST IN AN INDIRECT NON-WHOLLY OWNED SUBSIDIARY

ACQUISITION

The Board is pleased to announce that on 8 December 2011, Chongqing Fengde, an indirect wholly-owned subsidiary of the Company, was notified that the tender submitted by Chongqing Fengde to acquire 15% equity interest in SSOC, an indirect 70%-owned subsidiary of the Company as at the date of this announcement, put up for sale by SIG Assets Management in a listing-for-sale process administered by the Shanghai Equity Exchange at a consideration of approximately RMB12.4 million (equivalent to approximately HK\$15.2 million), has been accepted by SIG Assets Management. It is expected that an Equity Transfer Agreement will be entered into by Chongqing Fengde with SIG Assets Management in respect of the Acquisition on or before 20 December 2011. Upon completion of the Acquisition, the Group will hold 85% equity interest in SSOC.

LISTING RULES IMPLICATIONS

SSOC is an indirect non-wholly owned subsidiary of the Company. SIG Assets Management is a substantial shareholder of SSOC, holding 15% equity interest in SSOC as at the date of this announcement. Therefore, SIG Assets Management is a connected person of the Company and the Acquisition constitutes a connected transaction of the Company. Since one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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THE EQUITY TRANSFER AGREEMENT

Expected Date of Execution

On or before 20 December 2011

Parties

Seller : SIG Assets Management

Purchaser : Chongqing Fengde

Asset to be acquired

15% equity interest in SSOC

Consideration

The Consideration is approximately RMB12.4 million (equivalent to approximately HK\$15.2 million) which is equivalent to the base price for listing-for-sale set upon by the Shanghai Equity Exchange. To the best of the knowledge of the Company, the base price was determined with reference to the adjusted net asset value of SSOC pursuant to a valuation report prepared by an independent third party. Such adjusted net asset value was approved by the relevant PRC government authorities.

An amount of RMB3.7 million (equivalent to approximately HK\$4.6 million), which equals to 30% of the Consideration, will be payable by Chongqing Fengde on or before 13 December 2011 as earnest money. The remaining balance of the Consideration in an amount of approximately RMB8.7 million (equivalent to approximately HK\$10.7 million) will be payable within five working days from the date of execution of the Equity Transfer Agreement, provided that the Equity Transfer Agreement has been endorsed by the Shanghai Equity Exchange, and the payment is expected to be made on or before 27 December 2011.

The Consideration will be funded by internal resources of the Group.

The Directors (including the independent non-executive Directors) consider that the Equity Transfer Agreement is on normal commercial terms and the terms of the Acquisition are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Completion of the Acquisition

The Acquisition will be completed upon the completion of the relevant regulatory procedures for the transfer of the 15% equity interest in SSOC from SIG Assets Management to Chongqing Fengde.

Upon completion of the Acquisition, the Group will hold 85% equity interest in SSOC and will continue to account for SSOC as a subsidiary on a consolidation basis.

INFORMATION OF SSOC

SSOC is a limited liability company established in the PRC with a registered capital of RMB50 million (equivalent to approximately HK\$61.3 million). As at the date of this announcement, SSOC is indirectly owned as to 70% by the Company and directly owned as to 15% by 上海建五實業有限公司 (Shanghai Jianwu Industrial Company Limited*) (“Shanghai Jianwu”) and 15% by SIG Assets Management. SSOC is a construction arm of the Company in the PRC and is principally engaged in building construction, decoration and renovation works, facilities installation and provision of services relating to construction materials. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Shanghai Jianwu and SIG Assets Management and their respective ultimate beneficial owners are, save for their interest in SSOC, third parties independent of the Company and its connected persons as defined under the Listing Rules.

As at 30 June 2011, the unaudited net asset value of SSOC was approximately RMB74.1 million (equivalent to approximately HK\$90.9 million).

For the financial year ended 31 December 2009, the audited net profit before and after taxation and extraordinary items of SSOC were approximately RMB2.9 million (equivalent to approximately HK\$3.6 million) and approximately RMB1.9 million (equivalent to approximately HK\$2.3 million) respectively.

For the financial year ended 31 December 2010, the audited net profit before and after taxation and extraordinary items of SSOC were approximately RMB7.9 million (equivalent to approximately HK\$9.7 million) and approximately RMB5.7 million (equivalent to approximately HK\$7.0 million) respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in property development, asset management, cement production and construction in Hong Kong and the PRC. The Group has been engaged in building construction and maintenance, decoration and renovation works and management contracting services in the PRC via SSOC. The Company considers that the Acquisition will represent an opportunity for the Group to further strengthen its management control over SSOC and to enhance the development of the construction business of the Group in the PRC.

SIG Assets Management, a state-owned enterprise, is principally engaged in direct investment and asset management in the PRC.

LISTING RULES IMPLICATIONS

SSOC is an indirect non-wholly owned subsidiary of the Company. SIG Assets Management is a substantial shareholder of SSOC, holding 15% equity interest in SSOC as at the date of this announcement. Therefore, SIG Assets Management is a connected person of the Company and the Acquisition constitutes a connected transaction of the Company. Since one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As none of the Directors has any material interest in the Acquisition, no Director is required to abstain from voting on the resolutions passed by the Board to approve the Acquisition.

DEFINITIONS

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

“Acquisition”	the acquisition of 15% equity interest in SSOC by Chongqing Fengde from SIG Assets Management via a listing-for-sale process administered by the Shanghai Equity Exchange;
“Board”	the board of Directors of the Company;
“Chongqing Fengde”	重慶豐德豪門實業有限公司 (Chongqing Fengde Haomen Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;
“Company”	SOCAM Development Limited, a company incorporated in Bermuda, whose shares are listed on the main board of the Stock Exchange (stock code: 983);
“Consideration”	the total consideration for the Acquisition, being approximately RMB12.4 million (equivalent to approximately HK\$15.2 million);
“Directors”	the directors of the Company;
“Equity Transfer Agreement”	上海市產權交易合同 (Shanghai Equity Interest Transaction Agreement*) expected to be entered into on or before 20 December 2011 between SIG Assets Management as seller and Chongqing Fengde as purchaser in respect of the Acquisition;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan);
“RMB”	Renminbi, the lawful currency of the PRC;

“Shanghai Equity Exchange”	Shanghai United Assets and Equity Exchange (上海聯合產權交易所), a platform for assets and equity transaction as approved by the Shanghai Municipal Government;
“SIG Assets Management”	SIG Assets Management Co., Ltd. (上海國際集團資產管理有限公司), a state-owned enterprise established in the PRC holding 15% equity interest in SSOC as at the date of this announcement;
“SSOC”	瑞安建築有限公司 (Shui On Construction Co., Ltd.), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

For the purpose of this announcement, the exchange rate at HK\$1:RMB0.815 has been used for illustrative purpose only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate.

By order of the Board
SOCAM Development Limited
Wong Kun To, Philip
Managing Director and Chief Executive Officer

Hong Kong, 8 December 2011

At the date of this announcement, the executive Directors 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 is Mr. Wong Yuet Leung, Frankie; and the independent non-executive Directors 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