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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

ENGAGEMENT OF CONTRACTOR FOR FIT-OUT WORKS

The Board announces that on 12 August 2016, Jiangsu Jiu Xi (a joint venture company indirectly owned as to approximately 50% by the Company and a subsidiary of the Company under the Listing Rules) confirmed, by way of the Letter of Acceptance, the engagement of Shanghai Pat Davie (an indirect wholly-owned subsidiary of SOL) as a contractor to carry out the Fit-out Works for a total contract sum of approximately RMB2.46 million (equivalent to approximately HK\$2.85 million).

Mr. Lo, who is the Chairman of the Company, and his associates are together entitled to control the exercise of more than 30% of the voting power at general meetings of the Company. Accordingly, Mr. Lo is a connected person of the Company. Mr. Lo, who is also the Chairman of SOL, and his associates are together entitled to control the exercise of more than 30% of the voting power at general meetings of SOL. Therefore, Shanghai Pat Davie, being a subsidiary of SOL and hence an associate of Mr. Lo, is a connected person of the Company. As such, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the total amount of the Transaction and the Previous Transactions exceeds HK\$3 million but all the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of these transactions on an aggregate basis are less than 5%, the Transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Board announces that on 12 August 2016, Jiangsu Jiu Xi confirmed, by way of the Letter of Acceptance, the engagement of Shanghai Pat Davie as a contractor to carry out the Fit-out Works.

Jiangsu Jiu Xi and Shanghai Pat Davie will subsequently enter into the Fit-out Contract to set out the detailed terms and conditions upon which the Fit-out Works shall be carried out by Shanghai Pat Davie in furtherance of the Letter of Acceptance.

THE LETTER OF ACCEPTANCE

Date

12 August 2016

Parties

- (1) Jiangsu Jiu Xi, a joint venture company indirectly owned as to approximately 50% by the Company and a subsidiary of the Company under the Listing Rules, as employer
- (2) Shanghai Pat Davie, an indirect wholly-owned subsidiary of SOL, as contractor

Subject matter

Jiangsu Jiu Xi, as employer, confirmed the engagement of Shanghai Pat Davie as a contractor to carry out the fit-out works (i.e. the interior decoration and electrical works, including procurement of materials and installation, project management and coordination, and other ancillary services) for a show flat of the Nanjing Project (the “**Fit-out Works**”).

Contract sum and payment terms

The total contract sum payable by Jiangsu Jiu Xi to Shanghai Pat Davie for the Fit-out Works is approximately RMB2.46 million (equivalent to approximately HK\$2.85 million) (the “**Contract Sum**”), which includes a contingency provision of RMB200,000 (equivalent to approximately HK\$232,000) for any variation of the Fit-out Works as approved by Jiangsu Jiu Xi.

The Contract Sum shall be settled by Jiangsu Jiu Xi in the following manner:

- (1) 30% of the Contract Sum shall be payable to Shanghai Pat Davie after signing of the Fit-out Contract;

- (2) 65% of the Contract Sum shall be payable to Shanghai Pat Davie within 6 months after completion of the Fit-out Works pursuant to the provisions of the Fit-out Contract; and
- (3) 5% of the Contract Sum will be withheld as retention money and be released to Shanghai Pat Davie within 50 days after the later of (i) the expiry of a 12-month defects liability period following completion of the Fit-out Works; and (ii) the date on which the certificate of completion of defects rectification work is issued.

The Fit-out Works were awarded to Shanghai Pat Davie through a private tendering process initiated by Jiangsu Jiu Xi. The Contract Sum offered by Shanghai Pat Davie was accepted by Jiangsu Jiu Xi after due consideration of the comparable rates offered by the other independent third party contractors tendering for the Fit-out Works.

Completion

The Fit-out Works to be carried out by Shanghai Pat Davie shall be completed within 90 calendar days from the work commencement date, which is expected to be 12 August 2016, and Shanghai Pat Davie shall pay damages of RMB5,000 (equivalent to approximately HK\$5,800) per calendar day for any delay in completion of the Fit-out Works, the total amount of which shall not exceed 50% of the Contract Sum.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Shanghai Pat Davie was a former subsidiary of the Company, which was disposed of to SOL in October 2014. It has engaged in interior decoration, fit-out and refurbishment business in the PRC for numerous years. As such, the Directors believe that the engagement of Shanghai Pat Davie to carry out the Fit-out Works will allow Jiangsu Jiu Xi to fully capitalise on the expertise of Shanghai Pat Davie and to ensure that the Fit-out Works are completed up to the usual high standards and quality.

The Directors (including the independent non-executive Directors but other than Mr. Lo, who has a material interest in the Transaction given his indirect interest in Shanghai Pat Davie and had abstained from voting on the relevant Board resolutions approving the Transaction) consider that the terms of the Transaction are fair and reasonable, the Transaction is on normal commercial terms and in the ordinary and usual course of business of the Group and is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Mr. Lo, who is the Chairman of the Company, and his associates are together entitled to control the exercise of more than 30% of the voting power at general meetings of the Company. Accordingly, Mr. Lo is a connected person of the Company. Mr. Lo, who is also the Chairman of SOL, and his associates are together entitled to control the exercise of more than 30% of the voting power at general meetings of SOL. Therefore, Shanghai Pat Davie, being a subsidiary of SOL and hence an associate of Mr. Lo, is a connected person of the Company. As such, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the total amount of the Transaction and the Previous Transactions exceeds HK\$3 million but all the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of these transactions on an aggregate basis are less than 5%, the Transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

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

DEFINITIONS

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

“associate(s)”, “connected person” and “subsidiary(ies)”	each has 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)
“Contract Sum”	has the meaning ascribed to it under the section headed “THE LETTER OF ACCEPTANCE - Contract sum and payment terms” of this announcement

“Directors”	the directors of the Company
“Fit-out Contract”	the formal contract to be entered into between Jiangsu Jiu Xi and Shanghai Pat Davie, setting out the detailed terms and conditions upon which the Fit-out Works shall be carried out by Shanghai Pat Davie in furtherance of the Letter of Acceptance
“Fit-out Works”	has the meaning ascribed to it under the section headed “THE LETTER OF ACCEPTANCE — Subject matter” of this announcement
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jiangsu Jiu Xi”	江蘇九西建設發展有限公司 (Jiangsu Jiu Xi Development Co., Ltd.*), a joint venture company established in the PRC with limited liability, which is indirectly owned as to approximately 50% by the Company and a subsidiary of the Company under the Listing Rules
“Letter of Acceptance”	the letter of acceptance issued by Jiangsu Jiu Xi on 12 August 2016 and acknowledged by Shanghai Pat Davie on the same date in respect of the engagement of Shanghai Pat Davie as a contractor to carry out the Fit-out Works
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lo”	Mr. Lo Hong Sui, Vincent
“Nanjing Project”	a property project known as “Nanjing Scenic Villa” located in Jiangning District, Nanjing, the PRC
“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)

“Previous Transactions”	the engagement of fit-out services from Shanghai Pat Davie for the Nanjing Project pursuant to the contracts entered into between Jiangsu Jiu Xi and Shanghai Pat Davie in the last 12 months for an aggregate sum of approximately RMB1.62 million (equivalent to approximately HK\$1.88 million), which constituted de minimis transactions under Rule 14A.76 of the Listing Rules and were exempted from the shareholders’ approval and all disclosure requirements under Chapter 14A of the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Pat Davie”	上海德建裝飾工程有限公司 (Shanghai Pat Davie Limited*), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of SOL
“SOL”	Shui On Land Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 272)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transaction contemplated under the Letter of Acceptance
“%”	per cent

For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of RMB1 : HK\$1.16. 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, 12 August 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