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瑞安建業有限公司\*  
**SOCAM Development Limited**  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 983)

## **DISCLOSEABLE TRANSACTION**

### **Acquisition of 20% share interest in Broad Wise Limited**

#### **ACQUISITION**

The Board announces that on 29 December 2011, the Company, SOCCP (an indirect wholly-owned subsidiary of the Company), Spinnaker and Broad Wise entered into the S&P Deed pursuant to which SOCCP agreed to acquire and Spinnaker agreed to sell (i) the Sale Shares, representing 20% of the entire issued share capital of Broad Wise; and (ii) the Spinnaker Shareholders' Loans, at a total consideration of RMB273 million (equivalent to approximately HK\$335.8 million).

Prior to the Acquisition, Broad Wise was an indirect 80%-owned subsidiary of the Company under the Listing Rules. Its principal asset is the investment in the Shenyang Phase II Project.

#### **LISTING RULES IMPLICATIONS**

Since the applicable percentage ratios as set out in Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constituted a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

Spinnaker was a substantial shareholder of Broad Wise, holding 20% share interest in this company prior to the Acquisition. Therefore, Spinnaker was a connected person of the Company and the Acquisition constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. However, since Broad Wise is qualified as an insignificant subsidiary under Rule 14A.31(9) of the Listing Rules, the Acquisition is exempt from any reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **ACQUISITION**

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## **S&P DEED**

### **Date**

29 December 2011

### **Parties**

Seller:	Spinnaker
Purchaser:	SOCCP
Guarantor:	the Company
Target company:	Broad Wise

## **Assets to be acquired**

The Sale Shares, representing 20% of the entire issued share capital of Broad Wise, and the Spinnaker Shareholders' Loans

## **Consideration**

The Consideration is RMB273 million (equivalent to approximately HK\$335.8 million), being the total consideration for the acquisition of the Sale Shares and the assignment of the Spinnaker Shareholders' Loans. The Consideration was satisfied on completion of the Acquisition by the issuance of non-interest bearing, guaranteed and secured promissory notes, being payable to Spinnaker in full by five equal instalments every six months following the execution of the S&P Deed with the final instalment payment due on 28 June 2014 (the "Maturity Date"). SOCCP shall be entitled to repay the outstanding amount at any time prior to the Maturity Date without penalty.

The Consideration was arrived at after arm's length negotiations between SOCCP and Spinnaker with reference to the underlying value of the Shenyang Phase II Project and the prevailing real estate market in the PRC. The Group intends to finance the Acquisition by its internal resources and banking facilities available to the Group.

## **Completion of the Acquisition**

Completion of the Acquisition has taken place on the date of execution of the S&P Deed, i.e. 29 December 2011. Upon completion, Broad Wise has become an indirect wholly-owned subsidiary of the Company.

## **Guarantee and undertaking**

Pursuant to the term of the S&P Deed, the Company has agreed to irrevocably and unconditionally guarantee and undertake to Spinnaker the punctual performance by SOCCP of all its obligations under the Transaction Documents, and the payment, on demand, whenever SOCCP does not pay, of any amount when due under or in connection with any Transaction Documents, as if it was the principal obligor.

The Company has also agreed to undertake not to sell all or any part of the Group's interest in Broad Wise and its subsidiaries or the Shenyang Phase II Project without the prior written consent of Spinnaker within one year from the date of the S&P Deed.

## **OTHER TRANSACTION DOCUMENTS**

### **Share Mortgage**

Pursuant to the term of the S&P Deed, SOCCP has, on completion of the S&P Deed, executed the Share Mortgage to create an equitable mortgage over the Sale Shares in favour of Spinnaker to secure all obligations owing to Spinnaker by SOCCP and the Company under or pursuant to the Transaction Documents.

### **Subordination Deed**

Pursuant to the term of the S&P Deed, SOCCP and Poly Edge have, on completion of the S&P Deed, executed the Subordination Deed to confirm that certain restrictions are imposed on Broad Wise regarding repayment of any shareholders' loans advanced by SOCCP and Poly Edge to Broad Wise until all obligations owing to Spinnaker by SOCCP and the Company under or pursuant to the Transaction Documents have been satisfied in full and except with the written consent of Spinnaker.

## **FINANCIAL INFORMATION ON BROAD WISE**

At 30 November 2011, the unaudited consolidated net asset value of Broad Wise was approximately US\$17.7 million (equivalent to approximately HK\$137.8 million).

For the financial year ended 31 December 2010, the audited consolidated net loss before and after taxation and extraordinary items of Broad Wise were approximately US\$4.3 million (equivalent to approximately HK\$33.5 million) and approximately US\$4.3 million (equivalent to approximately HK\$33.5 million) respectively.

For the financial year ended 31 December 2009, the audited consolidated net loss before and after taxation and extraordinary items of Broad Wise were approximately US\$7.8 million (equivalent to approximately HK\$60.7 million) and approximately US\$7.8 million (equivalent to approximately HK\$60.7 million) respectively.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Company considers that the Acquisition represents an opportunity for the Group to further strengthen its management control over Broad Wise and to enhance the development of the Shenyang Phase II Project.

The Directors consider that the S&P Deed is on normal commercial terms and the terms of the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Since the applicable percentage ratios as set out in Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constituted a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

Spinnaker was a substantial shareholder of Broad Wise, holding 20% share interest in this company prior to the Acquisition. Therefore, Spinnaker was a connected person of the Company and the Acquisition constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. However, since Broad Wise is qualified as an insignificant subsidiary under Rule 14A.31(9) of the Listing Rules, the Acquisition is exempt from any reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL INFORMATION**

The Group is principally engaged in property development, asset management, cement production and construction in Hong Kong and the PRC.

As far as the Company is aware of and after making reasonable enquiries, the principal business of Spinnaker is emerging markets investment management with investments covering all classes of sovereign and corporate securities and related products. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Spinnaker and its ultimate beneficial owners are, save for their share interests or directorships held in Broad Wise and its subsidiaries prior to the Acquisition, third parties independent of the Company and its connected persons as defined under 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 the Sales Shares and the Spinnaker Shareholders’ Loans by SOCCP from Spinnaker pursuant to the S&P Deed;
“Board”	the board of Directors;
“Broad Wise”	Broad Wise Limited, a company incorporated in the British Virgin Islands with limited liability;
“connected person”, “substantial shareholder” and “subsidiary”	each has the meaning ascribed to it under the Listing Rules;
“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);
“Consideration”	the total consideration for the Acquisition, being RMB273 million (equivalent to approximately HK\$335.8 million);
“Directors”	the directors of the Company;
“Group”	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 PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Poly Edge”	Poly Edge Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company holding 40% share interest in Broad Wise;
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan);
“RMB”	Renminbi, the lawful currency of the PRC;
“S&P Deed”	the deed for the sale and purchase of the Sale Shares and the Spinnaker Shareholders’ Loans entered into between the Company, SOCCP, Spinnaker and Broad Wise on 29 December 2011;
“Sale Shares”	the 20 fully-paid ordinary shares of US\$1.00 each in the issued share capital of Broad Wise;
“Share Mortgage”	the equitable share mortgage entered into between SOCCP (as chargor) and Spinnaker (as the secured parties and the security trustee) on 29 December 2011 in respect of the Sale Shares;
“Shenyang Phase II Project”	the Shenyang Central Plaza Phase II Project, a “construction in progress” development located at East of Bailongjiang Street, Huanggu District, Shenyang, Liaoning Province, the PRC;
“SOCCP”	Shui On China Central Properties Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company holding 40% share interest in Broad Wise prior to the Acquisition;
“Spinnaker”	Spinnaker Global Emerging Markets Fund Ltd., Spinnaker Global Opportunity Fund Ltd. and Spinnaker Global Strategic Fund Ltd., companies all incorporated in the British Virgin Islands with limited liability;

“Spinnaker Shareholders’ Loans”	loans granted by Spinnaker to Broad Wise in an aggregate amount of US\$29.9 million (equivalent to approximately HK\$233.0 million);
“Subordination Deed”	the subordination deed entered into between Spinnaker, SOCCP, the Company, Poly Edge and Broad Wise on 29 December 2011 in respect of the shareholders’ loans advanced to Broad Wise;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction Documents”	the S&P Deed, the Share Mortgage, the promissory notes, the Subordination Deed and any other documents entered or to be entered into in connection with the Acquisition;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	percentage.

*For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of RMB1:HK\$1.23 and US\$ is converted into HK\$ at the rate of US\$1:HK\$7.788. No representation is made that any amounts in RMB and US\$ have been or could be converted at the above rates or at any other rates.*

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

Hong Kong, 29 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](http://www.socam.com)