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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

RESTRUCTURING OF THE GUARANTEE IN RELATION TO THE BANK LOAN TO BEIJING ZHONGTIAN HONGYE REAL ESTATE CONSULTING CO., LTD.

Reference is made to the Announcements of the Company dated 16 June 2006 and 3 April 2007 and the Circulars of the Company dated 5 July 2006 and 24 April 2007 relating to, among other things, the provision of the Guarantee with respect to the Bank Loan, which constituted a discloseable transaction of the Company.

As disclosed in the Announcements and the Circulars, the Company, which previously owned a 50% attributable interest in the Borrower through Holdco at the time, entered into the Guarantee on 2 April 2007 in favour of the Bank as further security for the Bank Loan. Subsequently, the Company's entire indirect interest in Holdco was disposed of to a third party in February 2008, but the Company remained as the guarantor for the Bank Loan under the Guarantee following such disposal.

The Company received notice from the Bank that, on 19 October 2011, the Bank entered into the Loan Purchase Agreement with the New Lender to sell all its rights and interests under the Bank Loan and the related securities, including the Guarantee, to the New Lender.

Subsequent to the entering into of the Loan Purchase Agreement, the Company, on 19 October 2011:

- (i) entered into the Guarantee Restructuring Deed with the New Lender, whereby the New Lender has, in consideration of the Company paying a Compensation Fee of up to 15% of the outstanding principal amount of the Bank Loan, i.e. approximately RMB81.4 million (equivalent to approximately HK\$99.3 million), to the New Lender, agreed not to demand fulfilment of the Company's guaranteed obligations under the Guarantee initially for one year subject to the terms as set out therein, unless a receiver is appointed in respect of the assets of the Borrower. The Company and the New Lender shall discuss the extension of the term of the arrangement as and when required subject to compliance with the applicable Listing Rules at the relevant time; and
- (ii) entered into the Financial Consultancy (Business) Deed and the Financial Consultancy Deed with the New Lender and the Advisor respectively, whereby the Company would pay an aggregate Consultancy Fee of approximately RMB27.1 million (equivalent to approximately HK\$33.0 million), for the provision of consultancy services to the Company in respect of certain business operations of the Group and in restructuring the Guarantee.

The applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Compensation Fee and the Consultancy Fee are less than 5%. When aggregated with the maximum exposure of the Company under the Guarantee, the applicable percentage ratios are also less than 25% and accordingly the Guarantee remains a discloseable transaction of the Company. This announcement is made to provide information on the Guarantee following the restructuring pursuant to Rule 14.36 of the Listing Rules.

THE GUARANTEE RESTRUCTURING DEED

Date: 19 October 2011

Parties: (1) the Company
(2) the New Lender

Subject: the New Lender agreeing not to demand fulfilment of the Company's guaranteed obligations under the Guarantee

Term: one year

Fee: Compensation Fee of up to 15% of the outstanding principal amount of the Bank Loan, i.e. approximately RMB81.4 million (equivalent to approximately HK\$99.3 million)

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the New Lender and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Subsequent to the entering into of the Loan Purchase Agreement, the Company, on 19 October 2011, entered into the Guarantee Restructuring Deed with the New Lender, whereby the New Lender has, in consideration of the Company paying a Compensation Fee of up to 15% of the outstanding principal amount of the Bank Loan, i.e. approximately RMB81.4 million (equivalent to approximately HK\$99.3 million), to the New Lender, agreed not to demand fulfilment of the Company's guaranteed obligations under the Guarantee initially for one year subject to the terms as set out therein, unless a receiver is appointed in respect of the assets of the Borrower. The Company and the New Lender shall discuss the extension of the term of the arrangement as and when required subject to compliance with the applicable Listing Rules at the relevant time.

In addition, the Company has also engaged the New Lender and the Advisor to provide consultancy services in respect of certain business operations of the Group and in restructuring the Guarantee for an aggregate Consultancy Fee of approximately RMB27.1 million (equivalent to approximately HK\$33.0 million).

The Compensation Fee and the Consultancy Fee were determined after arm's length negotiations between the parties with reference to the prevailing market interest rates in the Mainland and the scope of the consultancy services under the Financial Consultancy (Business) Deed and the Financial Consultancy Deed, and will be funded by the internal resources of the Company.

REASONS FOR AND BENEFITS OF THE RESTRUCTURING OF THE GUARANTEE

Reference is made to the Announcements of the Company dated 16 June 2006 and 3 April 2007 and the Circulars of the Company dated 5 July 2006 and 24 April 2007 relating to, among other things, the provision of the Guarantee with respect to the Bank Loan, which constituted a discloseable transaction of the Company.

As disclosed in the Announcements and the Circulars, the Company, which previously owned a 50% attributable interest in the Borrower through Holdco at the time, entered into the Guarantee on 2 April 2007 in favour of the Bank as further security for the Bank Loan. Subsequently, the Company's entire indirect interest in Holdco was disposed of to a third party in February 2008, but the Company remained as the guarantor for the Bank Loan under the Guarantee following such disposal.

The Company received notice from the Bank that, on 19 October 2011, the Bank entered into the Loan Purchase Agreement with the New Lender to sell all its rights and interests under the Bank Loan and the related securities, including the Guarantee, to the New Lender.

The Borrower acquired a piece of land, together with the incomplete building structures erected thereon, situate in the Dongcheng District of Beijing, PRC in 2006 and developed it into the Property which is a commercial development comprising two 24-storey office towers on a nine-level retail podium with basement car parking spaces. The Property was completed in 2008 and is expected to be held by the Borrower for sale pending the receipt of the relevant title certificate and other necessary permits required to effect such sale. It is in the interest of the Company to enter into the Guarantee Restructuring Deed to allow time for the Borrower to properly dispose of the Property at the best available price to settle the amount due to the New Lender so that the Guarantee can be released.

Having considered the above, the Directors consider that it is in the best interest of the Company and its shareholders as a whole to enter into the Guarantee Restructuring Deed. The Directors also believe that the terms of the Guarantee Restructuring Deed, the Financial Consultancy (Business) Deed and the Financial Consultancy Deed are on normal commercial terms, and are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Compensation Fee and the Consultancy Fee are less than 5%. When aggregated with the maximum exposure of the Company under the Guarantee, the applicable percentage ratios are also less than 25% and accordingly the Guarantee remains a discloseable transaction of the Company. This announcement is made to provide information on the Guarantee following the restructuring pursuant to Rule 14.36 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.

The New Lender is a PRC company and is principally engaged in the business of debt collection and swapping, asset leasing, and the acquisition, management and disposal of non-performing assets.

The Advisor is a company incorporated in Hong Kong and is principally engaged in provision of financial advisory services.

DEFINITIONS

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

“Advisor”	Cinda International Capital Limited, a licensed corporation to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) of regulated activities under the Securities and Futures Ordinance, the ultimate holding company of which is China Cinda Asset Management Co., Ltd.
“Announcements”	the announcements of the Company dated 16 June 2006 and 3 April 2007 relating to, among other things, the provision of the Guarantee with respect to the Bank Loan
“Bank”	the Beijing branch of a PRC-incorporated foreign bank which is, to the best of the knowledge of the Directors, an independent third party not connected with the Company
“Bank Loan”	the bank loan in an amount of RMB730 million advanced by the Bank to the Borrower to fund the acquisition and construction of the Property by the Borrower, the outstanding principal amount of which is approximately RMB542.4 million (equivalent to approximately HK\$661.8 million) and its accrued interest up to 24 October 2011 is approximately RMB8.4 million (equivalent to approximately HK\$10.2 million)

“Board”	the board of Directors
“Borrower”	北京中天宏業房地產諮詢有限責任公司 Beijing ZhongTian HongYe Real Estate Consulting Co., Ltd., a wholly-foreign owned enterprise in the PRC which is, to the best of the Directors’ knowledge, owned by an independent investor not connected with the Company
“Circulars”	the circulars of the Company dated 5 July 2006 and 24 April 2007 relating to, among other things, the provision of the Guarantee with respect to the Bank Loan
“Company”	SOCAM Development Limited, a company incorporated in Bermuda, whose shares are listed on the main board of the Stock Exchange (stock code: 983)
“Compensation Fee”	a compensation fee of up to 15% on the outstanding principal amount of the Bank Loan, i.e. approximately RMB81.4 million (equivalent to approximately HK\$99.3 million), payable by the Company to the New Lender pursuant to the Guarantee Restructuring Deed
“Consultancy Fee”	a total fee of approximately RMB27.1 million (equivalent to approximately HK\$33.0 million) payable by the Company to the New Lender and the Advisor for the provision of consultancy services to the Company in respect of certain business operations of the Group and in restructuring the Guarantee pursuant to the Financial Consultancy (Business) Deed and the Financial Consultancy Deed respectively
“Directors”	directors of the Company
“Financial Consultancy Deed”	the deed dated 19 October 2011 entered into between the Company and the Advisor for the provision of consultancy services in restructuring the Guarantee
“Financial Consultancy (Business) Deed”	the deed dated 19 October 2011 entered into between the Company and the New Lender for the provision of consultancy services in respect of certain business operations of the Group

“Group”	the Company and its subsidiaries
“Guarantee”	the corporate guarantee dated 2 April 2007 entered into by the Company in favour of the Bank
“Guarantee Restructuring Deed”	the deed dated 19 October 2011 entered into between the Company and the New Lender to revise the terms of the Guarantee as described in this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holdco”	holding company of the Borrower
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Purchase Agreement”	the agreement dated 19 October 2011 entered into between the Bank and the New Lender for the sale of the rights and interests of the Bank under the Bank Loan and the related securities, including the Guarantee, to the New Lender
“New Lender”	China Cinda Asset Management Co., Ltd., Beijing Branch 中國信達資產管理股份有限公司北京市分公司, a branch company of China Cinda Asset Management Co., Ltd.
“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 PRC)
“Property”	means Huapu Centre which is situated at the northwest corner of the Dongsi Shitiao Bridge, Dongcheng District, Beijing, PRC
“RMB”	Renminbi, the lawful currency of the PRC

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

Percentage

For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of HK\$1.00 : RMB0.81965. 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 Kun To, Philip

Managing Director and Chief Executive Officer

Hong Kong, 19 October 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