
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for independent advice.

If you have sold or transferred all your shares in SOCAM Development Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser(s) or the transferee(s), or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



瑞安建業有限公司*

SOCAM Development Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 983)

CONTINUING CONNECTED TRANSACTIONS

NEW FRAMEWORK AGREEMENT

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



A letter from the Board is set out on pages 4 to 8 of this circular. A letter from the Independent Board Committee containing its recommendation is set out on pages 9 and 10 of this circular. A letter from Investec, the Independent Financial Adviser, containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 22 of this circular.

A notice convening the special general meeting to be held at Room 103, 1st Floor, Shui On Centre, 6-8 Harbour Road, Hong Kong, on Friday, 20 January 2012 at 4:00 p.m. is set out on pages 31 and 32 of this circular. A form of proxy for the meeting is enclosed. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the head office of the Company at 34th Floor, Shui On Centre, 6-8 Harbour Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof (as the case may be), should you so wish.

* For identification purpose only

Hong Kong, 3 January 2012

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Letter from the Independent Board Committee	9
Letter of advice from Investec	11
Appendix — General Information	23
Notice of Special General Meeting	31

DEFINITIONS

In this circular, the following expressions respectively shall have the meanings set out below unless the context requires otherwise:

“associate(s)”, “connected person(s)”, “subsidiary(ies)”	each has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Caps”	has the meaning ascribed to it under the section headed “Annual Caps”;
“Company”	SOCAM Development Limited, a company incorporated in Bermuda with limited liability and listed on the main board of the Stock Exchange (stock code: 983);
“Construction Services”	the construction services, including but not limited to civil engineering, electrical work and fitting-out work for building construction and decoration and renovation work, all in respect of property development projects of SOL Group in the PRC;
“Construction Services Framework Agreement”	the construction services framework agreement dated 4 June 2006 entered into between SOL and SSOC in respect of the provision of Construction Services as supplemented by the supplemental agreement dated 15 December 2008;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the committee of the Board comprising Mr. Gerrit Jan de Nys, Ms. Li Hoi Lun, Helen, Mr. David Gordon Eldon, Mr. Chan Kay Cheung and Mr. Tsang Kwok Tai, Moses, each being an independent non-executive Director, formed to advise the Independent Shareholders on whether the terms and conditions of the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) are fair and reasonable;

DEFINITIONS

“Independent Financial Adviser” or “Investec”	Investec Capital Asia Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the New Framework Agreement and the transactions contemplated thereunder (together with the Caps), and a corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO;
“Independent Shareholders”	Shareholders other than Mr. Lo and his associates;
“Latest Practicable Date”	28 December 2011, being the latest practicable date for ascertaining certain information for inclusion into this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Lo”	Mr. Lo Hong Sui, Vincent;
“New Framework Agreement”	the construction services framework agreement dated 9 December 2011 entered into between SOL and SOC in respect of the provision of Construction Services;
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“Resolution”	the ordinary resolution to be proposed at the SGM as set out in the notice of SGM on pages 31 and 32 of this circular;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	the special general meeting to be convened by the Company to consider and, if appropriate, to approve the New Framework Agreement and the transactions contemplated thereunder (together with the Caps);
“Shareholders”	holders of the Shares;
“Shares”	ordinary shares of nominal value HK\$1.00 each in the capital of the Company;

DEFINITIONS

“SOC”	Shui On Contractors Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company;
“SOC Group”	SOC and its subsidiaries;
“SOL”	Shui On Land Limited, a company incorporated in the Cayman Islands with limited liability and listed on the main board of the Stock Exchange (stock code: 272);
“SOL Group”	SOL and its subsidiaries;
“SSOC”	Shui On Construction Co., Ltd., a company organised under the laws of the PRC and an indirect non-wholly owned subsidiary of SOC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“m ² ”	square metres; and
“%”	per cent.

For the purpose of this circular and for illustration purpose only, unless otherwise stated, conversion of RMB to HK\$ is based on the exchange rate of RMB0.82:HK\$1.00. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates.

LETTER FROM THE BOARD



瑞安建業有限公司*

SOCAM Development Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 983)

Executive Directors:

Mr. Lo Hong Sui, Vincent
Mr. Choi Yuk Keung, Lawrence
Mr. Wong Kun To, Philip
Mr. Wong Fook Lam, Raymond

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Director:

Mr. Wong Yuet Leung, Frankie

*Head Office and Principal Place of
Business in Hong Kong:*

34th Floor
Shui On Centre
6-8 Harbour Road
Hong Kong

Independent Non-executive Directors:

Mr. Gerrit Jan de Nys
Ms. Li Hoi Lun, Helen
Mr. David Gordon Eldon
Mr. Chan Kay Cheung
Mr. Tsang Kwok Tai, Moses

3 January 2012

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

NEW FRAMEWORK AGREEMENT

INTRODUCTION

References are made to (a) the announcement dated 15 February 2007 and the circular dated 8 March 2007 issued by the Company; and (b) the joint announcement of the Company and SOL dated 15 December 2008 and the circular dated 5 January 2009 of each of the Company and SOL relating to the Construction Services Framework Agreement entered into between SOL and SSOC on the provision of Construction Services by SSOC to SOL Group.

* For identification purpose only

LETTER FROM THE BOARD

The term of the Construction Services Framework Agreement ended on 31 December 2011. As disclosed in the announcement issued by the Company on 9 December 2011, SOL and SOC, a wholly-owned subsidiary of the Company, entered into the New Framework Agreement on 9 December 2011 to provide new guidelines and basis of annual caps on the provision of Construction Services by SOC Group, including SSOC as one of its members, to SOL Group for a further term of three financial years to 31 December 2014.

The purpose of this circular is to provide you, amongst other things, with (i) further details in connection with the New Framework Agreement and the transactions contemplated thereunder (together with the Caps); (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from Investec, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the SGM.

NEW FRAMEWORK AGREEMENT

Date: 9 December 2011

Parties: (1) SOL; and
(2) SOC

Term: Three financial years to 31 December 2014

Subject: To provide new guidelines and basis of annual caps on the provision of Construction Services by SOC Group to SOL Group

For the Construction Services with a contract sum of less than RMB5 million (equivalent to approximately HK\$6 million):

- (a) SOC Group may provide to SOL Group the Construction Services on such normal commercial terms as they may agree with each other from time to time in accordance with the prevailing market rates or, if there is no prevailing market rate available, fair and reasonable prices based on arm's length negotiations with reference to the prevailing rates for materials and labour as published in the relevant provincial or city guidelines; and
- (b) both SOL Group and SOC Group are not bound to contract with each other for the Construction Services and both have the right to obtain or provide the Construction Services from and to independent third parties at their discretion.

For the Construction Services with a contract sum of RMB5 million (equivalent to approximately HK\$6 million) or more:

- (a) SOC Group (or its agent) may bid for contracts for the Construction Services put out to tender by SOL Group in accordance with its tendering procedures from time to time in place on the same terms as offered to the other independent third parties; and

LETTER FROM THE BOARD

- (b) if any contract for the Construction Services is granted to SOC Group as a result of a successful bid, SOC Group will provide the Construction Services to SOL Group based on the terms of the successful bid.

ANNUAL CAPS

The maximum aggregate annual sum for all the Construction Services provided and to be provided during the relevant financial year by SOC Group to SOL Group which would be recognised as revenue of SOC Group for each of the three financial years ending 31 December 2012, 31 December 2013 and 31 December 2014 shall not exceed RMB970 million (equivalent to approximately HK\$1,183 million), RMB1,060 million (equivalent to approximately HK\$1,293 million) and RMB1,250 million (equivalent to approximately HK\$1,524 million) respectively (the “Caps”).

The total amount of revenue recognised by SSOC for all the Construction Services provided to SOL Group for the two financial years ended 31 December 2010 amounted to approximately RMB196 million (equivalent to approximately HK\$239 million) and RMB527 million (equivalent to approximately HK\$643 million) respectively. The total amount of revenue recognised by SSOC for the Construction Services provided to SOL Group for the nine months ended 30 September 2011 amounted to approximately RMB622 million (equivalent to approximately HK\$759 million).

The Caps are determined based on the estimated amount of work done to be certified, which will be recognised as revenue upon progressive completion of the outstanding construction services under the contracts previously awarded to SSOC, and with reference to the expected increase in the Construction Services for the three financial years ending 31 December 2014 which will be performed for new contracts that may be awarded by SOL Group to SOC Group, in light of the volume of new contracts under negotiation, and the existing and possible growth in the property development project portfolio of SOL Group in the coming financial years.

THE REASON FOR AND BENEFIT OF THE CONTINUING CONNECTED TRANSACTIONS

With SOL Group’s active participation in the property development market in the PRC and considering the track record, experience and expertise of SOC Group who understands well the construction requirements and standards of SOL, the New Framework Agreement allows both SOL and the Company to fully capitalise on their respective strength and expertise for the development of their businesses.

The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the New Framework Agreement are in the ordinary and usual course of business of the Group, the New Framework Agreement (together with the Caps) has been agreed on normal commercial terms after arm’s length negotiations between the parties, and the terms of the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) are fair and reasonable and in the interests of the Shareholders as a whole.

The Shareholders should note that the Caps represent reasonable estimates made by the Company and SOL of the aggregate annual amount of the relevant transactions based on the information currently available. The Caps bear no direct relationship to, nor should they be taken to have any

LETTER FROM THE BOARD

direct bearing on, the financial or potential financial performance of the Group and SOL Group as SOL Group may or may not engage SOC Group for the Construction Services up to the level of the Caps, if at all, and both have the right to obtain or provide the Construction Services from and to independent third parties at their discretion.

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. 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, SOL is an associate of a connected person of the Company. Accordingly, the transactions contemplated under the New Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules calculated for the Company with reference to the Caps exceed 5%, the Company is required to comply with the announcement, Independent Shareholders' approval, annual review and reporting requirements under Chapter 14A of the Listing Rules.

In view of Mr. Lo's interest in SOL, he is considered to have a material interest in the transactions contemplated under the New Framework Agreement and was required to abstain from voting on the resolutions passed by the Board approving the New Framework Agreement and the transactions contemplated thereunder (together with the Caps). Other than Mr. Lo, none of the Directors has a material interest in the transactions contemplated under the New Framework Agreement and thus no other Director was required to abstain from voting on the said resolutions.

In view of Mr. Lo's interest as set out above, Mr. Lo and his associates shall also abstain from voting at the SGM.

The Company will take such steps as may be appropriate to ensure compliance with the Listing Rules if the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) are not approved by the Independent Shareholders at the SGM.

GENERAL

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

SOC Group, a construction arm of the Company, is principally engaged in building construction and maintenance, interior fitting-out and management contracting services.

SOL Group is one of the leading property developers in the PRC. SOL Group engages principally in the development, sale, leasing, management and long-term ownership of high-quality residential, office, retail, entertainment and cultural properties in the PRC.

LETTER FROM THE BOARD

SPECIAL GENERAL MEETING

A notice convening the SGM to be held at Room 103, 1st Floor, Shui On Centre, 6-8 Harbour Road, Hong Kong on Friday, 20 January 2012 at 4:00 p.m. is set out on pages 31 and 32 of this circular. At the SGM, the Resolution will be proposed to, amongst other things, approve the New Framework Agreement and the transactions contemplated thereunder (together with the Caps).

A form of proxy for the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the head office of the Company at 34th Floor, Shui On Centre, 6-8 Harbour Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM and any adjourned meeting (as the case may be) if you so wish.

In accordance with Rule 13.39(4) of the Listing Rules, the chairman of the SGM will demand a poll for the Resolution. The results of the voting will be announced after the SGM.

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the New Framework Agreement are in the ordinary and usual course of business of the Group, the New Framework Agreement (together with the Caps) has been agreed on normal commercial terms after arm's length negotiations between the parties, and the terms of the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the Resolution.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 9 and 10 of this circular which contains its recommendation to the Independent Shareholders on the New Framework Agreement and the transactions contemplated thereunder (together with the Caps); (ii) the letter of advice from Investec, the Independent Financial Adviser, set out on pages 11 to 22 of this circular which contains the Independent Financial Adviser's advice and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the New Framework Agreement and the transactions contemplated thereunder (together with the Caps); and (iii) the general information set out in the Appendix to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation from the Independent Board Committee which was prepared for the purpose of inclusion in this circular.



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

3 January 2012

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

NEW FRAMEWORK AGREEMENT

INTRODUCTION

We refer to the circular of the Company dated 3 January 2012 (the “Circular”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context requires otherwise.

We have been appointed by the Board to form the Independent Board Committee to advise the Independent Shareholders on whether, in our opinion, the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) are in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Investec has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same respect.

We wish to draw your attention to the letter from the Board set out on pages 4 to 8 of the Circular which contains information about the New Framework Agreement and the letter of advice from Investec, the Independent Financial Adviser, set out on pages 11 to 22 of the Circular which contains its advice and recommendation in respect of the New Framework Agreement and the transactions contemplated thereunder (together with the Caps).

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the advice of Investec, we consider that the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) are in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and we recommend the Independent Shareholders to vote in favour of the Resolution.

Yours faithfully,
For and on behalf of
Independent Board Committee
Chan Kay Cheung
Independent non-executive Director

LETTER OF ADVICE FROM INVESTEC

Set out below is the text of the letter of advice from Investec to the Independent Board Committee and the Independent Shareholders in relation to the New Framework Agreement prepared for inclusion in this circular.



Investec Capital Asia Ltd
Room 3609, 36/F, Two International Finance Centre
8 Finance Street, Central, Hong Kong
香港中環金融街8號國際金融中心二期36樓3609室
Tel/電話: (852) 3187 5000
Fax/傳真: (852) 2501 0171
www.investec.com

3 January 2012

*To the Independent Board Committee and the Independent Shareholders of
SOCAM Development Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS NEW FRAMEWORK AGREEMENT

I. INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the New Framework Agreement, details of which are set out in the letter from the Board (the “Letter from the Board”) contained in the circular to the Shareholders dated 3 January 2012 (the “Circular”), of which this letter forms part. This letter contains our advice to the Independent Board Committee and the Independent Shareholders in respect of the New Framework Agreement and the transactions contemplated thereunder. Unless the context otherwise requires, terms used in this letter have the same meanings as those defined in the Circular.

On 4 June 2006, the Construction Services Framework Agreement was entered into between SSOC, a non-wholly owned subsidiary of the Company, and SOL in respect of the provision by SSOC of the Construction Services to the SOL Group and to provide the maximum amount for all the Construction Services provided by SSOC to SOL Group for each of the three financial years ended 31 December 2008. The Construction Services Framework Agreement was supplemented by a supplemental agreement dated 15 December 2008 to extend the term for another three financial years to 31 December 2011.

On 9 December 2011, the New Framework Agreement was entered into between SOC, a wholly-owned subsidiary of the Company, and SOL to provide new guidelines and basis of annual caps on the provision of Construction Services by SOC Group, including SSOC as one of its members, to SOL Group for a further term of three financial years to 31 December 2014.

LETTER OF ADVICE FROM INVESTEC

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. He, 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. SOL is therefore an associate of a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the New Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules calculated for the Company with reference to the Caps exceed 5%, the entering into of the New Framework Agreement is subject to announcement, independent shareholders' approval, annual review and reporting requirements under Chapter 14A of the Listing Rules.

II. THE INDEPENDENT BOARD COMMITTEE

The Board currently consists of four executive Directors, namely Mr. Lo Hong Sui, Vincent, Mr. Choi Yuk Keung, Lawrence, Mr. Wong Kun To, Philip and Mr. Wong Fook Lam, Raymond; one non-executive Director, namely Mr. Wong Yuet Leung, Frankie; and five independent non-executive Directors, namely Mr. Gerrit Jan de Nys, Ms. Li Hoi Lun, Helen, Mr. David Gordon Eldon, Mr. Chan Kay Cheung and Mr. Tsang Kwok Tai, Moses.

The Independent Board Committee comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders on whether the terms of the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) are fair and reasonable.

We have been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) are in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to give our opinion in relation to the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) for the Independent Board Committee's consideration when making their recommendation to the Independent Shareholders.

III. BASES AND ASSUMPTIONS OF THE ADVICE

In formulating our advice, we have relied solely on the statements, information, opinions and representations for matters relating to the Group contained in the Circular and the information and representations provided to us by the Group and/or its senior management staff and/or its directors. We have assumed that all such statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular or otherwise provided or made or given by the Group and/or its senior management staff and/or its directors and for which it is/they are solely responsible were true and accurate and valid at the time they were made and given and continue to be true and valid as at the date of the Circular. We have assumed that all the opinions and representations for matters relating to the Group made or provided by its directors and/or the senior

LETTER OF ADVICE FROM INVESTEC

management staff of the Group contained in the Circular have been reasonably made after due and careful enquiry. We have also sought and obtained confirmation from the Group and/or its senior management staff and/or its directors that no material facts have been omitted from the information provided and referred to in the Circular.

We consider that we have reviewed all currently available information and documents which are available to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinions. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Group and/or its senior management staff and/or its directors and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. We have not, however, carried out an independent verification of the information provided, nor have we conducted an independent investigation into the business and affairs of the Company or any of its subsidiaries.

IV. PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our recommendation, we have taken into consideration the following principal factors and reasons:

1. Background to and reasons for the New Framework Agreement

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

Set out below is a summary of financial highlights of the Group for the two financial years ended 31 December 2009 and 2010 and the six months ended 30 June 2011, as extracted from the annual report of the Company for the financial year ended 31 December 2010 and the interim report of the Company for the six months ended 30 June 2011.

Table A: Financial highlights of the Group

	For the six months ended 30 June 2011	For the year ended 31 December	
	<i>HK\$ million</i>	<i>2010</i>	<i>2009</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
Revenue			
- Construction and building maintenance	1,985	4,812	3,065
- Other segments	<u>732</u>	<u>3,232</u>	<u>135</u>
	2,717	8,044	3,200
Profit before tax	479	1,098	828
Profit for the year/period	468	918	812

LETTER OF ADVICE FROM INVESTEC

For the year ended 31 December 2010, the revenue of the Group was approximately HK\$8,044 million, representing an increase of approximately 151.4% over the previous year. The increase in revenue was driven by the en-bloc disposal of four property projects in the PRC by the Group's property operations and the growth of workload in Hong Kong and the PRC for the construction and building maintenance segment. After taking into account the operating costs and tax expenses, the Group's profit for the year was approximately HK\$918 million (2009: approximately HK\$812 million).

For the six months ended 30 June 2011, revenue of the Group was approximately HK\$2,717 million, representing a decrease of approximately 9.1% over that of same period in 2010. The revenue from construction and building maintenance was steady following substantial expansion of workload in Hong Kong and PRC during 2010. Profit for the Group for the six months ended 30 June 2011 was approximately HK\$468 million, representing a decrease of approximately 10.7% compared to the same period in 2010.

The construction and building maintenance segment remains an important area of operations for the Group, accounting for approximately 95.8% and 59.8% of the Group's revenue for the two years ended 31 December 2009 and 2010 respectively and approximately 73.1% for the six months ended 30 June 2011. The management of the Company is of the view that the entering into of the New Framework Agreement secures a potential source of contracting work and revenue for the Group.

SOL is one of the leading property developers in the PRC. SOL Group engages principally in the development, sale, leasing, management and long-term ownership of high-quality residential, office, retail, entertainment and cultural properties in the PRC.

On 4 June 2006, SSOC, a non-wholly owned subsidiary of the Company, and SOL entered into the Construction Services Framework Agreement in respect of the provision of the Construction Services by SSOC to the SOL Group which was supplemented by a supplemental agreement dated 15 December 2008. The Construction Services Framework Agreement expired on 31 December 2011. Details of the Construction Services Framework Agreement are set out in the circulars of the Company dated 8 March 2007 and 5 January 2009, respectively.

Given (i) the past satisfactory experience with the SOL Group on the provision of Construction Services, the Group will continue to enjoy a fair chance to involve in the Non-tender Contracts (as defined below) and/or to participate in the tendering process of the Tender Contracts (as defined below) for construction works in the PRC; and (ii) the strategic benefit (in terms of business flow) to the Group vis-à-vis the future expansion of SOL's property development business in the PRC, the management of the Company is of the view that the entering into of the New Framework Agreement is in line with the Group's corporate strategy to engage in construction works in cities with growth potential.

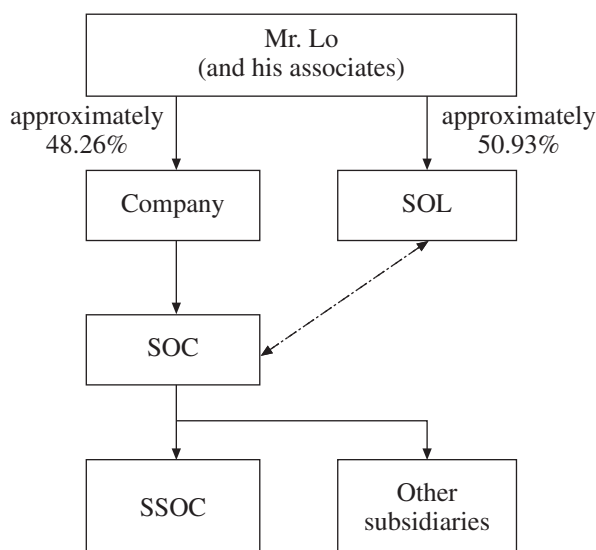
Since one of the principal businesses of the Group is related to construction and contracting and SOL Group is engaged in property development in the PRC, we concur with the Directors' view that the entering into of the New Framework Agreement and the transactions contemplated thereunder fall within the ordinary and usual course of business of the Group.

LETTER OF ADVICE FROM INVESTEC

2. The New Framework Agreement and the Caps

2.1 Terms of the New Framework Agreement

The New Framework Agreement has a term of three years and would be valid until 31 December 2014. The following diagram sets out the shareholding and corporate structure of the Company, SOL and SOC:



The principal terms of the New Framework Agreement are set out below:

For the Construction Services with a contract sum of less than RMB5 million (equivalent to approximately HK\$6 million) (“Non-tender Contracts”):

- (a) SOC Group may provide to SOL Group the Construction Services on such normal commercial terms as they may agree with each other from time to time in accordance with the prevailing market rates or, if there is no prevailing market rate available, fair and reasonable prices based on arm’s length negotiations with reference to the prevailing rates for materials and labour as published in the relevant provincial or city guidelines; and
- (b) both SOL Group and SOC Group are not bound to contract with each other for the Construction Services and both have the right to obtain or provide the Construction Services from and to independent third parties at their discretion.

We have discussed with the management of the Company and understand that the majority of the Non-tender Contracts are further outsourced to independent subcontractors. We have reviewed samples of the Non-tender Contracts and the relevant supporting schedules and noted that the profit margin under the sample Non-Tender Contracts is no less favourable to the Group than sample contracts with other independent parties.

LETTER OF ADVICE FROM INVESTEC

For the Construction Services with a contract sum of RMB5 million (equivalent to approximately HK\$6 million) or more (“Tender Contracts”):

- (a) SOC Group (or its agent) may bid for contracts for the Construction Services put out to tender by SOL Group in accordance with its tendering procedures from time to time in place on the same terms as offered to the other independent third parties; and
- (b) if any contract for the Construction Services is granted to SOC Group as a result of a successful bid, SOC Group will provide the Construction Services to SOL Group based on the terms of the successful bid.

We understand from the Company that the quantity surveying department of SOL Group is responsible for inviting pre-qualified contractors to submit their tender for construction works. The decision to award is vested with the procurement committee of SOL Group for the relevant project and is made on the basis of capability to satisfy contract requirements, qualifications, reliability, quality and price (the “Tendering Procedures”).

In tendering for the Tender Contracts, the SOC Group prepares estimates based on:

- the quantum of the work specified in the tender documents;
- the labour, materials and management required to deliver the work to the standards specified within the contract period set out in the tender documents;
- the costs at which it can obtain the materials and labour and, if appropriate, the rates of inflation in these inputs expected to occur during the contract period that may be applicable;
- reasonable allowances for wastage and rework;
- contract administration costs; and
- profit margin based on costs that is competitive with the market place for similar types of work in the specific location.

We have discussed with the management of the Company and understand that the SOC Group will prepare their tender for construction work for both the Tender Contracts and other contracts with other independent parties based on similar criteria as stated above. We have also obtained samples of the Tender Contracts and the relevant supporting schedules from the Company and compared the profit margin of the sample Tender Contracts against contracts with other independent parties and noted that the profit margin under the sample Tender Contracts is no less favourable to the Group than sample contracts with other independent parties.

LETTER OF ADVICE FROM INVESTEC

Taking into account (i) the background to and reasons for the New Framework Agreement set out above; (ii) the provision of Construction Services is in the ordinary and usual course of business of the Group, granted on normal commercial terms and negotiated on an arm's length basis as described above; (iii) the contract price for Non-tender Contracts is based on prevailing market rates and arm's length negotiations with reference to prevailing rates for material and labour costs as published in the relevant provincial or city guidelines; (iv) the award of the Tender Contracts is based on the Tendering Procedures; (v) the pricing under the samples of the Tender Contracts and Non-Tender contracts were no less favourable to the Group than contracts with independent parties, we concur with the Directors' view that the transactions contemplated under the New Framework Agreement are on normal commercial terms and such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2.2 Annual caps for the three years ended 31 December 2011

The following table set out (i) the annual caps for the Construction Services under the Construction Services Framework Agreement for the three years ended 31 December 2011 as stated in the circular of the Company dated 5 January 2009; (ii) the revenue recognised by SSOC for the Construction Services provided to SOL Group as extracted from the Letter from the Board; and (iii) the respective utilisation.

Year	Annual caps (RMB in million)	Revenue recognised by SSOC for the Construction Services provided to SOL Group (RMB in million)	Utilisation rate
2009	410	196	47.8%
2010	561	527	93.9%
2011	845	622*	73.6%

* For the nine months ended 30 September 2011.

We have discussed with the management of the Company and understand that given its increasing competitiveness, proven work quality and the nature of works which was suitable for SSOC, increased amount of the Construction Services was successfully awarded to SSOC by the SOL Group during the two financial years ended 31 December 2010 and the nine months ended 30 September 2011. This explained the increase in revenue recognised by SSOC for the Construction Services provided to the SOL Group for the respective financial years / period. We note that the revenue recognised by SSOC for the Construction Services was approximately 47.8% of the cap for the year ended 31 December 2009. We have discussed with the management of the Company and understand that the relatively low utilisation rate for the year ended 31 December 2009 was mainly due to factors including (i) the amount of Tender Contracts available for SSOC to tender during the year ended 31 December 2009 was less than the amount anticipated in estimating the annual cap; and (ii) changes in the schedules for construction works on awarded contracts and therefore the schedules for works performed. The

LETTER OF ADVICE FROM INVESTEC

corresponding revenue recognised for the year ended 31 December 2010 and the nine months ended 30 September 2011 was in line with the cap for the two years ended 31 December 2011.

2.3 Annual caps for the three years ending 31 December 2014

The following table sets out the proposed annual caps for the Construction Services to be provided by SOC Group to SOL Group for the three years ending 31 December 2014:

Year	The Caps <i>(RMB in million)</i>
2012	970
2013	1,060
2014	1,250

According to the Company, the Caps are determined based on:

- (i) the estimated amount of work done to be certified, which will be recognised as revenue upon progressive completion of the outstanding construction services under the contracts previously awarded to SSOC; and
- (ii) the expected increase in the Construction Services for the three financial years ending 31 December 2014 which will be performed for new contracts that may be awarded by SOL Group to SOC Group, in light of the volume of new contracts under negotiation, and the existing and possible growth in the property development project portfolio of SOL Group in the coming financial years.

We were provided by the Company with the information on (i) construction contracts on hand awarded to SSOC by the SOL Group; and (ii) construction contracts for potential projects that might be awarded to the SOC Group by the SOL Group for the three years ending 31 December 2014. As reviewed, there are contracts (i) with construction works completed, which will be certified by independent quantity surveyors and revenue to be recognised in 2012 and 2013; (ii) with construction works commenced, which are expected to be completed and revenue to be recognised in 2012; (iii) with construction works to be commenced and revenue to be recognised during the period from 2012 to 2014; and (iv) with construction works for property development projects under planning by SOL Group which may commence during the period from 2012 to 2014. We have also discussed with the management of the Company and understand that the estimated amount of construction works that may be awarded by the SOL Group to the SOC Group for the three years ending 31 December 2014 was based on discussions between the management of SOC Group and SOL Group on SOL Group's estimated amount of works to be commenced during the relevant years based on its internal work schedule and future business plans.

LETTER OF ADVICE FROM INVESTEC

SOL is one of the leading property developers in the PRC. According to SOL's interim report for the six months ended 30 June 2011, SOL has a land bank of about 13.1 million m² gross floor area ("GFA") consisting of nine development projects spanning over Shanghai, Hangzhou, Wuhan, Chongqing, Foshan and Dalian. These include completed properties held for investment of approximately 0.85 million m² GFA and properties under development and properties held for future development in an aggregate of approximately 12.3 million m² GFA ("Development Area").

In order to assess the reasonableness of the amounts for the Caps, we have also considered certain information relating to the real estate markets in Shanghai, Chongqing, Foshan and Dalian in which SOL, according to its interim report for the six months ended 30 June 2011, had properties held for development and properties held for future development with an aggregate GFA accounted for approximately 89% of the Development Area.

Overall real estate market in Shanghai

Shanghai is one of the four municipalities in the PRC under direct administration of the PRC central government. According to the Shanghai Statistics Bureau, as at 31 December 2010, Shanghai had a population of approximately 23.0 million.

Shanghai experienced substantial gross domestic product ("GDP") growth rates for the five years from 2006 to 2010. In 2010, Shanghai's GDP reached approximately RMB1,716.6 billion. According to the Shanghai Statistics Bureau, total investment in real estate was approximately RMB198.1 billion for the year ended 31 December 2011. The table below sets out selected economic statistics of Shanghai for the periods indicated:

	2006	2007	2008	2009	2010
Nominal GDP (<i>RMB in billion</i>)	1,057.2	1,249.4	1,407.0	1,504.6	1,716.6
Nominal GDP growth rate (%)	14.3	18.2	12.6	6.9	14.1
Per capita GDP (<i>RMB</i>)	54,858	62,041	66,932	69,164	76,074

Source: Shanghai Statistical Yearbook 2011, Shanghai Statistics Bureau

According to the Shanghai Statistics Bureau, a total GFA of approximately 14.0 million m² of residential properties was completed in Shanghai in 2010, representing a decrease of 9.3% over 2009. The average selling price per m² of residential properties in Shanghai increased from RMB2,924 in 2009 to approximately RMB3,844 in 2010.

According to the Shanghai Statistics Bureau, a total GFA of approximately 1.51 million m² of office properties was completed in Shanghai in 2010, representing an increase of 11.6% over 2009. The average selling price per m² of office properties in Shanghai decreased from RMB6,051 in 2009 to approximately RMB4,926 in 2010.

LETTER OF ADVICE FROM INVESTEC

Overall real estate market in Chongqing

Chongqing lies to the east of Sichuan Province. According to the Chongqing Statistics Bureau, Chongqing had a population of approximately 33.0 million as at 31 December 2010. In 2010, the nominal GDP of Chongqing was approximately RMB792.6 billion, representing a per capita GDP of approximately RMB27,596. The table below sets out selected economic statistics of Chongqing for the periods indicated:

	2006	2007	2008	2009	2010
Nominal GDP (<i>RMB in billion</i>)	390.7	467.6	579.4	653.0	792.6
Nominal GDP growth rate (%)	12.7	19.7	23.9	12.7	21.4
Per capita GDP (<i>RMB</i>)	13,939	16,629	20,490	22,920	27,596

Source: Chongqing Statistical Yearbook 2011

According to the Chongqing Statistics Bureau, total investment in real estate in Chongqing rose significantly from approximately RMB123.9 billion in 2009 to RMB162.0 billion in 2010, representing an increase of 30.8% over 2009. A total GFA of approximately 39.9 million m² of residential properties was sold in Chongqing in 2010, representing an increase of approximately 5.7% from 2009. In 2010, the total revenue from sales of commodity properties in Chongqing increased to approximately RMB184.7 billion, up 34.1% from 2009. Of total revenue from commodity property sales, approximately RMB161.0 billion was for residential property, representing an increase of approximately 30.7% over 2009.

Overall real estate market in Foshan

Foshan is located in the Guangdong Province. According to the Foshan Statistics Bureau, as at 31 December 2010, there were approximately 1.1 million residents in Foshan. In 2010, Foshan's GDP was approximately RMB565.2 billion, representing a growth of 14.3% over 2009. The table below sets out selected economic statistics of Foshan for the periods indicated:

	2006	2007	2008	2009	2010
Nominal GDP (<i>RMB in billion</i>)	292.7	358.9	433.3	481.4	565.2
Nominal GDP growth rate (%)	23.0	22.6	20.7	11.1	17.4
Per capita disposable income [^] (<i>RMB</i>)	18,894	21,754	22,494	24,578	27,245

Source: Foshan Statistics Bureau

[^] GDP per capita for Foshan is not publicly available from the Foshan Statistics Bureau. Per capita disposable income is disclosed for information purposes.

LETTER OF ADVICE FROM INVESTEC

According to the Foshan Statistics Bureau, a total GFA of approximately 8.9 million m² of commodity properties was sold in Foshan in 2010, representing an increase of 13.6% over the previous year. The sales revenue of commodity properties was RMB66.8 billion in 2010, up 37.0% from 2009.

Overall real estate market in Dalian

Dalian is a coastal city in northeast China's Liaoning province. According to the Dalian Statistics Bureau, as at 1 November 2010, there were approximately 5.86 million residents in Dalian. In 2010, Dalian's GDP was approximately RMB515.8 billion, representing a growth of 16.7% over 2009. The table below sets out selected economic statistics of Dalian for the periods indicated:

	2006	2007	2008	2009	2010
Nominal GDP (<i>RMB in billion</i>)	257.0	313.1	385.8	441.8	515.8
Nominal GDP growth rate (%)	12.0	21.8	23.2	14.5	16.7
Per capita disposable income [^] (<i>RMB</i>)	13,350	15,109	17,500	19,014	21,293

Source: Dalian Statistics Bureau

[^] *GDP per capita for Dalian is not publicly available from the Dalian Statistics Bureau. Per capita disposable income is disclosed for information purposes.*

According to the Dalian Statistics Bureau, a total GFA of approximately 1.33 million m² of residential properties was sold in Dalian in 2010, representing an increase of 9.3% over the previous year. The sales revenue of commodity properties was RMB85.6 billion in 2010, up 18.8% from 2009; of which residence sales was RMB76.2 billion, representing an increase of 12.8% over the previous year.

We also noted that promotion of urbanisation remains one of the main objectives of the PRC government under its twelfth five year plan* (十二五規劃), which sets out the overall direction of PRC governmental policies from 2011 to 2015. Pursuant to the twelfth five year plan, the PRC government has set the target for the urbanisation rate by 2015 at 51.5%, an increase from approximately 47.5% recorded at the beginning of the twelfth five year plan.

Given the continued growth in economic activities and real estate market of the Development Area and the potential favourable government policies to achieve urbanisation target, we concur with the view of the management of the Company that the real estate market in the PRC would be further developed.

* *For identification purpose only*

LETTER OF ADVICE FROM INVESTEC

2.4 *Our view*

Based on (i) the information provided by the Company on the estimated amount of projects to be awarded / which may be awarded by the SOL Group to the SOC Group in the coming three years; (ii) SOL's land bank of approximately 13.1 million m² GFA; and (iii) the Group's past satisfactory experience with the SOL Group on the provision of the Construction Services, we are of the view that the proposed amounts of the Caps are fair and reasonable.

V. **RECOMMENDATION**

Having considered the abovementioned factors, we are of the view that terms of the New Framework Agreement and the transactions contemplated thereunder (together with the Caps) were entered into in the ordinary and usual course of business of the Group and were agreed on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and that they are in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend to the Independent Shareholders to vote in favor of the ordinary resolution to approve the New Framework Agreement and the transactions contemplated thereunder (together with the Caps), which will be proposed at the SGM.

Yours faithfully,
For and on behalf of
Investec Capital Asia Limited
Jimmy Chung
Executive Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

At the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO) or the Model Code for Securities Transactions by Directors of Listed Issuers or which were required to be entered in the register required to be kept under section 352 of the SFO were as follows:

(a) Long position in the Shares

Name of Directors	Number of Shares			Total	Approximate percentage of issued share capital of the Company
	Personal interests	Family interests	Other interests		
Mr. Lo Hong Sui, Vincent	—	312,000 (Note 1)	235,981,000 (Note 2)	236,293,000	48.26%
Mr. Choi Yuk Keung, Lawrence	540,000	—	—	540,000	0.11%
Mr. Wong Kun To, Philip	—	192,533 (Note 3)	—	192,533	0.03%
Mr. Wong Fook Lam, Raymond	32,000	—	—	32,000	0.01%
Mr. Wong Yuet Leung, Frankie	600,000	—	—	600,000	0.12%

Notes:

- (1) These Shares were beneficially owned by Ms. Loletta Chu (“Mrs. Lo”), the spouse of Mr. Lo. Under the SFO, Mr. Lo was deemed to be interested in such Shares and both Mr. Lo and Mrs. Lo were also deemed to be interested in the 235,981,000 Shares mentioned in note (2) below.

- (2) These Shares were beneficially owned by Shui On Company Limited (“SOCL”). Of these 235,981,000 Shares beneficially owned by SOCL, 220,148,000 Shares were held by SOCL itself and 15,833,000 Shares were held by Shui On Finance Company Limited (“SOFCL”), an indirect wholly-owned subsidiary of SOCL. SOCL was owned by the Bosrich Unit Trust, the trustee of which was Bosrich Holdings (PTC) Inc. (“Bosrich”). The units of the Bosrich Unit Trust were the property of a discretionary trust, of which Mr. Lo was one of the discretionary beneficiaries and HSBC International Trustee Limited (“HSBC Trustee”) was the trustee. Accordingly, Mr. Lo, Mrs. Lo, HSBC Trustee and Bosrich were deemed to be interested in such Shares under the SFO.
- (3) These Shares were beneficially owned by the spouse of Mr. Wong Kun To, Philip. Under the SFO, Mr. Wong Kun To, Philip was deemed to be interested in such Shares.

(b) *Short position in the Shares*

Name of Director	Number of Shares			Total	Approximate percentage of the issued share capital of the Company
	Personal interests	Family interests	Other interests		
Mr. Lo Hong Sui, Vincent	—	—	1,600,000 (Note)	1,600,000	0.32%

Note: This short position represents the underlying Shares subject to the call option granted by SOCL on 27 August 2002 to Mr. Wong Yuet Leung, Frankie as part of the incentive reward to his services to the Company. Mr. Lo, Mrs. Lo, HSBC Trustee and Bosrich were deemed to have a short position in these Shares under the SFO.

(c) *Share options of the Company*

At the Latest Practicable Date, the following Directors had interests in the share options granted by the Company under the share option scheme adopted by the Company on 27 August 2002 (the “Share Option Scheme”):

Name of Directors	Date of grant	Subscription price per Share HK\$	Period during which share options outstanding are exercisable	Number of Shares subject to the share options outstanding
Mr. Choi Yuk Keung, Lawrence	14-6-2007	20.96	14-12-2007 to 13-6-2012	250,000
	7-5-2008	19.76	7-11-2008 to 6-5-2013	250,000
	9-4-2009	7.63	9-10-2009 to 8-4-2014	250,000

Name of Directors	Date of grant	Subscription price per Share <i>HK\$</i>	Period during which share options outstanding are exercisable	Number of Shares subject to the share options outstanding
Mr. Choi Yuk Keung, Lawrence (Cont'd)	9-4-2009	7.63	9-4-2012 to 8-4-2019	1,000,000
	12-4-2010	12.22	12-10-2010 to 11-4-2015	250,000
	12-4-2010	12.22	12-4-2013 to 11-4-2020	1,000,000
	23-6-2011	10.90	23-12-2011 to 22-6-2016	250,000
	28-7-2011	10.00	1-5-2015 to 27-7-2021	6,500,000
Mr. Wong Kun To, Philip	5-6-2009	11.90	3-1-2010 to 2-1-2012	1,602,000
	5-6-2009	11.90	1-7-2010 to 13-6-2012	88,000
	12-4-2010	12.22	12-10-2010 to 11-4-2015	350,000
	12-4-2010	12.22	12-4-2013 to 11-4-2020	1,500,000
	23-6-2011	10.90	23-12-2011 to 22-6-2016	400,000
	28-7-2011	10.00	1-5-2015 to 27-7-2021	10,800,000

Name of Directors	Date of grant	Subscription price per Share HK\$	Period during which share options outstanding are exercisable	Number of Shares subject to the share options outstanding
Mr. Wong Fook Lam, Raymond	14-6-2007	20.96	14-12-2007 to 13-6-2012	200,000
	12-4-2010	12.22	12-10-2010 to 11-4-2015	200,000
	12-4-2010	12.22	12-4-2013 to 11-4-2020	1,000,000
	23-6-2011	10.90	23-12-2011 to 22-6-2016	250,000
	28-7-2011	10.00	1-5-2015 to 27-7-2021	6,500,000
Mr. Wong Yuet Leung, Frankie (<i>Note 2</i>)	14-6-2007	20.96	14-12-2007 to 13-6-2012	500,000
	7-5-2008	19.76	7-11-2008 to 6-5-2013	500,000
	9-4-2009	7.63	9-10-2009 to 8-4-2014	750,000
	9-4-2009	7.63	9-4-2012 to 8-4-2019	1,778,000
	12-4-2010	12.22	12-10-2010 to 11-4-2015	350,000
	12-4-2010	12.22	12-4-2013 to 11-4-2020	416,000
	23-6-2011	10.90	23-12-2011 to 22-6-2016	150,000

Notes:

- (1) The vesting of all share options granted to the Directors is subject to the vesting schedules and/or performance conditions as set out in their respective offer letters.
- (2) Mr. Wong Yuet Leung, Frankie has retired from employment of the Company on 1 September 2011. In accordance with the terms of the Share Option Scheme and subject to the terms of the relevant offer letters, the outstanding share options of Mr. Wong Yuet Leung, Frankie are exercisable within a period of 12 months after the date of his retirement.

(d) *Call option over the Shares*

At the Latest Practicable Date, the following Director had a call option granted by SOCL over the Shares pursuant to the arrangement mentioned in the note to item (b) above:

Name of Director	Exercise price per Share HK\$	Exercise period	Number of Shares subject to the call option
Mr. Wong Yuet Leung, Frankie	6.00	27-8-2005 to 26-8-2012 (Note)	1,600,000

Note: The call option was granted by SOCL to Mr. Wong Yuet Leung, Frankie on 27 August 2002 as part of the incentive reward to his services to the Company. Pursuant to a letter of agreement entered into between SOCL and Mr. Wong Yuet Leung, Frankie in July 2010, the exercise period for this call option was extended from 26 August 2010 to 26 August 2011. The exercise period was further extended to 26 August 2012 pursuant to a letter of agreement between the two parties in July 2011.

Save as disclosed above, at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO) or the Model Code for Securities Transactions by Directors of Listed Issuers or which were required to be entered in the register required to be kept under section 352 of the SFO.

Save as disclosed herein, at the Latest Practicable Date, there was no contract or arrangement subsisting in which any of the Directors was materially interested and which was significant in relation to the business of the Group.

Save as disclosed herein and in the announcement of the Company dated 17 June 2011 in respect of the master agreement for leasing of commercial premises by the group companies of SOCL to the Group, at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had since 31 December 2010 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

At the Latest Practicable Date, save as disclosed below, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Directors	Name of companies which had such discloseable interest or short position	Position within such companies
Mr. Lo Hong Sui, Vincent	SOCL and SOFCL	director
Mr. Choi Yuk Keung, Lawrence	SOCL and SOFCL	director
Mr. Wong Fook Lam, Raymond	SOFCL	director
Mr. Wong Yuet Leung, Frankie	SOCL and SOFCL	director

3. SERVICE CONTRACTS

At the Latest Practicable Date, none of the Directors had a service contract or a proposed service contract with any member of the Group (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation)).

4. COMPETING BUSINESS INTERESTS OF DIRECTORS

At the Latest Practicable Date, the following Directors were considered to have interests in the businesses, which competed or were likely to compete, either directly or indirectly, with the businesses of the Group as set out below:

Name of Directors	Name of entity with businesses considered competing or likely to compete with the businesses of the Group	Description of businesses of the entity which are considered to compete or likely to compete with the businesses of the Group	Nature of interest of the Director in the entity
Mr. Lo Hong Sui, Vincent	SOL	Property development in the PRC	director and controlling shareholder
Mr. Wong Yuet Leung, Frankie	SOL	Property development in the PRC	non-executive director

Save as disclosed above, at the Latest Practicable Date, none of the Directors or their respective associates had any interests in the businesses, which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.

5. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion and advice, which is contained in this circular:

Name	Qualification
Investec	a corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

Investec has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

6. EXPERT'S INTEREST

At the Latest Practicable Date, Investec:

- (a) did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (b) did not have any direct or indirect interest in any assets which had since 31 December 2010 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

7. MATERIAL ADVERSE CHANGE

At the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2010, the date to which the latest published audited consolidated financial statements of the Company were made up.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during business hours at the head office of the Company at 34th Floor, Shui On Centre, 6-8 Harbour Road, Hong Kong from the date of this circular up to and including 20 January 2012:

- (a) the Construction Services Framework Agreement; and
- (b) the New Framework Agreement.

9. GENERAL

The English text of this circular shall prevail over the Chinese text.

NOTICE OF SPECIAL GENERAL MEETING



瑞安建業有限公司*

SOCAM Development Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 983)

NOTICE IS HEREBY GIVEN that a special general meeting of SOCAM Development Limited (the “Company”) will be held at Room 103, 1st Floor, Shui On Centre, 6-8 Harbour Road, Hong Kong on Friday, 20 January 2012 at 4:00 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the entering into of the New Framework Agreement (as defined in the circular of the Company dated 3 January 2012, a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder and the implementation thereof be and are hereby approved, ratified and confirmed;
- (b) the Caps (as defined in the abovementioned circular) for the three financial years ending 31 December 2014 be and are hereby approved; and
- (c) the directors of the Company be and are hereby authorised to do all such further acts and things and execute such further documents and take all steps which in their opinion may be necessary, desirable or expedient to implement and/or give effect to the New Framework Agreement and all the transactions contemplated thereunder with any changes as they may consider necessary, desirable or expedient.”

By Order of the Board
Ng Lai Tan, Melanie
Company Secretary

Hong Kong, 3 January 2012

* *For identification purpose only*

NOTICE OF SPECIAL GENERAL MEETING

Notes:

- (1) Any member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
- (2) To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the head office of the Company at 34th Floor, Shui On Centre, 6-8 Harbour Road, Hong Kong not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a member from attending and voting in person at the SGM or any adjourned meeting thereof (as the case may be), should he so wish.
- (3) The ordinary resolution as set out above will be voted by way of poll.