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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 other 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 accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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瑞安建業有限公司*

SOCAM Development Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 983)

MAJOR TRANSACTION

**DISPOSAL OF ENTIRE SHARE INTERESTS IN
LEAD WEALTHY INVESTMENTS (SINGAPORE) PTE. LTD. AND
JOLLY SUCCESS HOLDINGS LIMITED**

A letter from the Board is set out on pages 6 to 14 of this circular.

A notice convening the special general meeting of the Company to be held at Monaco Room, Basement 1, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Thursday, 18 June 2015 at 3:00 p.m. is set out on pages 35 and 36 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 meeting and any adjournment thereof (as the case may be), should you so wish.

* For identification purpose only

Hong Kong, 26 May 2015

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DEFINITIONS

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

“21C Hotel Co”	Shanghai 21st Century Hotel Co., Ltd., a wholly foreign-owned enterprise organised under the laws of the PRC, which is a wholly-owned subsidiary of Shorewood and holds all the necessary licences for the operation of the Four Seasons Hotel
“21C Project Co”	Shanghai 21st Century Real Estate Co., Ltd., a wholly foreign-owned enterprise organised under the laws of the PRC, which is a wholly-owned subsidiary of Lead Wealthy Singapore and the sole owner of the 21C Target Properties
“21C Target Properties”	the Four Seasons Hotel and the unsold branded units with a total gross floor area of approximately 13,673 sq.m. plus 131 unsold car parking spaces in Shanghai Four Seasons Place
“Advisory Agreement”	the advisory engagement letter dated 24 April 2015 entered into between the Vendor and ViCap in respect of the Vendor’s engagement of ViCap as its financial adviser with respect to the Disposal
“associate(s)”, “close associates”, “connected persons”, “controlling shareholder”, “substantial shareholder” and “subsidiary(ies)”	each shall have the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bright Jade”	Bright Jade Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company, which owns at the date of this circular 70% share interest in the Vendor (to be increased to 80% following completion of the acquisition of Remparts’ 10% share interest in the Vendor, details of which have been set out in the announcement dated 31 December 2014 and the circular dated 27 April 2015 issued by the Company)
“Business Day(s)”	a day (other than a Saturday, a Sunday or a public holiday) on which banks are open for commercial business in Hong Kong, Singapore and Shanghai
“Colliers”	Colliers International (Hong Kong) Ltd.

DEFINITIONS

“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)
“Completion”	completion of the Disposal in accordance with the terms of the S&P Agreement
“Completion Accounts”	the unaudited completion accounts of the Target Group for the period from 1 January 2015 to the date of Completion to be prepared by the Vendor in accordance with the terms of the S&P Agreement, which shall be audited by KPMG if requested by the Purchaser
“Condition(s)”	the condition(s) precedent to Completion as set out in the S&P Agreement
“Deposit”	has the meaning given to it under the section headed “Consideration for the Sale Shares and payment terms” in the letter from the Board contained in this circular
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal by the Vendor of the Lead Wealthy Singapore Sale Shares and the Jolly Success Sale Share to the Purchaser and settlement of the Intercompany Loans by the Purchaser pursuant to the terms and conditions of the S&P Agreement
“Four Seasons Hotel”	Four Seasons Hotel Pudong situated at the 21st Century Tower located in the Pudong District, Shanghai, the PRC
“Four Seasons Hotel Management Group”	FS Shanghai at Pudong BV and its relevant affiliates, which have been engaged by the 21C Project Co to operate and manage the day-to-day business of the Four Seasons Hotel
“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 People’s Republic of China
“HPL Holdings”	HPL Leisure Holdings Pte Ltd, a company incorporated in Singapore with limited liability, which owns 20% share interest in the Vendor at the date of this circular

DEFINITIONS

“Intercompany Loans”	the unsecured interest-free loans owed by the Target Group to the Vendor and/or its affiliates (excluding any members of the Target Group) of approximately RMB690.8 million (equivalent to approximately HK\$873.7 million) at the date of Completion
“Jolly Success”	Jolly Success Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Vendor
“Jolly Success Sale Share”	one ordinary share of Jolly Success, representing its entire issued share capital
“Latest Practicable Date”	21 May 2015, being the latest practicable date for ascertaining certain information referred to in this circular prior to its printing
“Lead Wealthy” or “Vendor”	Lead Wealthy Investments Limited, a company incorporated in Hong Kong with limited liability, which is a joint venture owned as to 70% by Bright Jade, 20% by HPL Holdings and 10% by Remparts at the date of this circular and a subsidiary of the Company under the Listing Rules
“Lead Wealthy Singapore”	Lead Wealthy Investments (Singapore) Pte. Ltd., a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of the Vendor
“Lead Wealthy Singapore Sale Shares”	19,000,100 ordinary shares of Lead Wealthy Singapore, representing its entire issued share capital
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	before 4:00 p.m. on (i) the 60th day from the date of signing of the S&P Agreement; or (ii) where any Condition has not been satisfied and (where applicable) such Condition has not been previously waived, such later date as may be postponed once by either the Vendor or the Purchaser, which must be a Business Day not more than 21 days after the original prescribed date as set out in item (i) above (or the later date as already postponed by the other party); or (iii) such date as may be agreed in writing by the Vendor and the Purchaser
“Mr. Frankie Wong”	Mr. Wong Yuet Leung, Frankie, a former non-executive Director

DEFINITIONS

“Offshore Bank Loan”	the total outstanding sum under a term loan facility in a principal amount of HK\$500 million owed by the Vendor to a bank in Hong Kong at the date of Completion, which amounted to approximately HK\$350 million at 31 March 2015
“Onshore Bank Loans”	the total outstanding sum under certain term loan facilities in an aggregate principal amount of RMB1,180 million owed by the 21C Project Co and the 21C Hotel Co to certain banks in the PRC, which amounted to approximately RMB1,043.7 million (equivalent to approximately HK\$1,320.0 million) at 31 March 2015
“Penta”	Penta Investment Advisers Limited, a company incorporated in the British Virgin Islands with limited liability, which is a substantial shareholder of the Company
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan)
“Purchaser”	Wing Tat Development Limited, a company incorporated in the British Virgin Islands with limited liability
“Remparts”	Remparts Ltd., a company incorporated in the British Virgin Islands with limited liability, which owns 10% share interest in the Vendor at the date of this circular
“Resolution”	the ordinary resolution to be proposed at the SGM as set out in the notice of the SGM on pages 35 and 36 of this circular
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	collectively the Lead Wealthy Singapore Sale Shares and the Jolly Success Sale Share
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held for considering and, if appropriate, approving the S&P Agreement and the transactions contemplated thereunder, including the Disposal
“Shanghai Four Seasons Place”	branded units situated at the 21st Century Tower located in the Pudong District, Shanghai, the PRC

DEFINITIONS

“Shareholders”	holders of the ordinary shares in the issued share capital of the Company
“Share Transfer Price”	has the meaning given to it under the section headed “Consideration for the Sale Shares and payment terms” in the letter from the Board contained in this circular
“Shorewood”	Shorewood Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Jolly Success
“Singapore”	the Republic of Singapore
“SOL”	Shui On Land Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 272)
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S&P Agreement”	the sale and purchase agreement dated 24 April 2015 entered into between the Vendor and the Purchaser in relation to the Disposal
“Target Group”	collectively Lead Wealthy Singapore, Jolly Success, the 21C Project Co, Shorewood and the 21C Hotel Co
“US\$”	United States dollars, the lawful currency of the United States of America
“ViCap”	V I Capital Management Limited, a company incorporated in Hong Kong with limited liability, which is wholly owned by Mr. Frankie Wong
“%”	per cent.

For the purpose of this circular, the exchange rate at RMB1 = HK\$1.2647 has been used for illustrative purpose only and does not constitute a representation that any amount has been or could be exchanged at such rate.

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 Fook Lam, Raymond

Non-executive Directors:

Mr. Wong Kun To, Philip
Mr. Tsang Kwok Tai, Moses

Independent Non-executive Directors:

Mr. Gerrit Jan de Nys
Ms. Li Hoi Lun, Helen
Mr. Chan Kay Cheung

Registered Office:

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2 Church Street
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Bermuda

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of Business in Hong Kong:*

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

26 May 2015

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

DISPOSAL OF ENTIRE SHARE INTERESTS IN LEAD WEALTHY INVESTMENTS (SINGAPORE) PTE. LTD. AND JOLLY SUCCESS HOLDINGS LIMITED

INTRODUCTION

On 24 April 2015, the Board announced that the Vendor (a joint venture indirectly owned as to 70% by the Company at the date of this circular and a subsidiary of the Company under the Listing Rules) and the Purchaser entered into the S&P Agreement pursuant to the terms and conditions of which, amongst other things, (i) the Vendor has agreed to sell and the Purchaser has agreed to acquire the Lead Wealthy Singapore Sale Shares and the Jolly Success Sale Share, representing the entire share interests of the Vendor in Lead Wealthy Singapore and Jolly Success respectively, for a total

* For identification purpose only

LETTER FROM THE BOARD

consideration of RMB632.5 million (equivalent to approximately HK\$799.9 million), subject to adjustment; and (ii) the Purchaser has agreed to settle the Intercompany Loans due by the Target Group, amounting to approximately RMB690.8 million (equivalent to approximately HK\$873.7 million) at the date of Completion.

The purpose of this circular is to provide you with, among other things, (i) further particulars of the Disposal; (ii) the financial information relating to the Group; (iii) the property valuation report from Colliers; and (iv) a notice of the SGM.

THE S&P AGREEMENT

Date

24 April 2015

Parties

- (1) the Vendor: Lead Wealthy Investments Limited, a joint venture indirectly owned as to 70% by the Company at the date of this circular and a subsidiary of the Company under the Listing Rules; and
- (2) the Purchaser: Wing Tat Development Limited

As far as the Company is aware after having made all reasonable enquiries, the Purchaser is a company incorporated in the British Virgin Islands with limited liability and its principal business activity is investment holding.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Subject matters

Pursuant to the S&P Agreement, amongst other things, (i) the Vendor has agreed to sell and the Purchaser has agreed to acquire the Lead Wealthy Singapore Sale Shares and the Jolly Success Sale Share, representing the entire share interests of the Vendor in Lead Wealthy Singapore and Jolly Success respectively; and (ii) the Purchaser has agreed to settle the Intercompany Loans due by the Target Group, subject to the terms and conditions contained therein.

LETTER FROM THE BOARD

Consideration for the Sale Shares and payment terms

Subject to adjustment, the total consideration for disposing of the Sale Shares to the Purchaser is RMB632.5 million (equivalent to approximately HK\$799.9 million) (the “Share Transfer Price”), which comprises the following:

- (i) an amount of RMB568.5 million (equivalent to approximately HK\$719.0 million) for disposal of the Lead Wealthy Singapore Sale Shares; and
- (ii) an amount of RMB64.0 million (equivalent to approximately HK\$80.9 million) for disposal of the Jolly Success Sale Share.

The Share Transfer Price is subject to the following adjustments:

- (i) the deduction of the redundancy costs of employees of the 21C Project Co and the 21C Hotel Co, which are estimated to be approximately RMB8.4 million (equivalent to approximately HK\$10.6 million) at the date of Completion; and
- (ii) the addition of the net current asset value of the Target Group if it is a positive amount as shown in the Completion Accounts (subject to a cap of RMB10 million (equivalent to approximately HK\$12.6 million)) or the deduction of the net current asset value of the Target Group if it is a negative amount as shown in the Completion Accounts. Such adjustment shall be made so as to reflect the actual net asset value of the Target Group at Completion in the Share Transfer Price.

To the best estimation of the Company, the adjusted Share Transfer Price will be approximately RMB604.9 million (equivalent to approximately HK\$765.0 million), taking into account the redundancy costs of employees of the 21C Project Co and the 21C Hotel Co in the estimated amount of approximately RMB8.4 million (equivalent to approximately HK\$10.6 million) and the expected net current liabilities value of the Target Group at Completion of approximately RMB19.2 million (equivalent to approximately HK\$24.3 million).

The Share Transfer Price was determined after arm’s length negotiations between the Vendor and the Purchaser, and based on the agreed value of the 21C Target Properties of RMB2,844.8 million (equivalent to approximately HK\$3,597.8 million), less the aggregate of (i) the estimated potential tax provision of around RMB499.3 million (equivalent to approximately HK\$631.4 million) for realising the 21C Target Properties at the agreed value; (ii) the estimated outstanding balance of Onshore Bank Loans at Completion of approximately RMB1,022.2 million (equivalent to approximately HK\$1,292.8 million); and (iii) the Intercompany Loans to be settled by the Purchaser of approximately RMB690.8 million (equivalent to approximately HK\$873.7 million).

LETTER FROM THE BOARD

Notwithstanding that the 21C Target Properties' agreed value is RMB580.7 million (equivalent to approximately HK\$734.4 million) lower than their market valuation, the Directors consider the agreed value of the 21C Target Properties is reasonable after taking into account the following factors:

- (i) The 21C Target Properties' agreed value represents around 30% premium to their carrying amount at 31 December 2014.
- (ii) A discount to market valuation for bulk purchase of property inventories of a considerable value is a common practice in the market.
- (iii) Additional taxes of around RMB190 million (equivalent to approximately HK\$240.3 million) will be incurred by the Vendor, if the 21C Target Properties are sold at the market valuation.
- (iv) With the utilisation of net proceeds from the Disposal to repay the Offshore Bank Loan and reduce the Group's bank borrowings, and the assignment of the Onshore Bank Loans to the Purchaser, interest expenses totaling approximately RMB110.0 million (equivalent to approximately HK\$139.1 million) per annum can be reduced.
- (v) Under the prevailing sluggish luxury property market in the PRC, it is very difficult to dispose of all the 21C Target Properties at the market valuation within the next 1-2 years.
- (vi) In Shanghai, currently, there is an oversupply of luxury hotel rooms with the growing number of high-end hotel properties coming on-stream. It is expected that such oversupply will have a negative impact on both the room rates and occupancies, and hence the market values of hotel properties in the short-term.

The Share Transfer Price shall be settled in the following manner:

- (i) an amount of RMB160.0 million (equivalent to approximately HK\$202.4 million) shall be payable by the Purchaser (or its affiliates) to the Vendor as deposit (the "Deposit") before noon of the next Business Day after signing of the S&P Agreement;
- (ii) an amount of RMB392.5 million (equivalent to approximately HK\$496.4 million), subject to adjustment, shall be settled by the Purchaser (or its affiliates) at Completion in the following manner:
 - (a) payment of a sum equal to the amount of the Offshore Bank Loan to the relevant lending bank in Hong Kong for full repayment of the Offshore Bank Loan on behalf of the Vendor; and
 - (b) payment of the remaining amount (if any) to the Vendor;

LETTER FROM THE BOARD

- (iii) an amount of RMB80.0 million (equivalent to approximately HK\$101.2 million) shall be payable by the Purchaser (or its affiliates) to the Vendor on the expiry date of a 18-month period from the date of Completion; and
- (iv) any shortfall in the Share Transfer Price after adjustment shall be payable by the Purchaser (or its affiliates) to the Vendor or, where appropriate, the Vendor shall refund any excess amount of the Share Transfer Price after adjustment to the Purchaser, within three Business Days after the Completion Accounts having been agreed or determined in accordance with the S&P Agreement.

As at the Latest Practicable Date, the Vendor has received the Deposit in accordance with the terms of the S&P Agreement.

Settlement of the Intercompany Loans

On Completion, the Purchaser (or its affiliates) shall settle in full the Intercompany Loans due by the Target Group to the Vendor and/or its affiliates (excluding any members of the Target Group), amounting to approximately RMB690.8 million (equivalent to approximately HK\$873.7 million) at the date of Completion.

Conditions

Completion is conditional upon the fulfillment of, amongst other things, the following Conditions on or before the Longstop Date:

- (i) the 21C Target Properties (excluding the Four Seasons Hotel) being available for sale to the general public;
- (ii) the Shareholders' approval having been obtained by the Company in respect of the S&P Agreement and the Disposal contemplated thereunder pursuant to the Listing Rules;
- (iii) written consents having been obtained from the relevant lending banks in connection with (a) the disposal of the Sale Shares by the Vendor pursuant to the S&P Agreement; and (b) the replacement security to be provided by the Purchaser in respect of the Onshore Bank Loans and the proposed changes in the shareholders, directors and management (if required) of the Target Group contemplated under the S&P Agreement;
- (iv) written consent having been obtained from the Four Seasons Hotel Management Group in respect of the transactions contemplated under the S&P Agreement (including but not limited to the change in the ultimate ownership of the 21C Target Properties);
- (v) written confirmation having been obtained from the relevant lending bank confirming that it shall, immediately upon receipt of the fund for full repayment of the Offshore Bank Loan, arrange for release of all the security for the Offshore Bank Loan (including but not limited to the share pledges of Lead Wealthy Singapore and the 21C Project Co);

LETTER FROM THE BOARD

- (vi) no material adverse change to the Target Group and the 21C Target Properties having occurred since the date of signing of the S&P Agreement; and
- (vii) written consent issued by the general manager of the Four Seasons Hotel confirming that the hotel's management will communicate and work with the representative of the Purchaser as owner of the hotel not having been revoked, withdrawn or modified.

In the event that any of the Conditions have not been fulfilled or waived (except for the Conditions under paragraphs (ii), (iii) and (v) above which cannot be waived) on or before the Longstop Date, the S&P Agreement will be terminated pursuant to the terms contained therein. The Vendor shall, within three Business Days after the termination of the S&P Agreement, refund the Deposit in full and pay a sum equivalent to the amount of the Deposit to the Purchaser as liquidated damages. However, if the S&P Agreement is terminated because of non-fulfillment of the Condition as set out under paragraph (iii) or paragraph (v) above or occurrence of a force majeure event as set out in the S&P Agreement leading to a material adverse change mentioned in paragraph (vi) above, the Vendor is only required to refund the Deposit to the Purchaser within the said prescribed time.

As at the Latest Practicable Date, the Conditions set out in paragraphs (iv) and (vii) have been satisfied.

Completion

Subject to the satisfaction or (where applicable) waiver of all Conditions, Completion shall take place on 26 June 2015 or on such later date as the Vendor or the Purchaser may postpone in accordance with the terms of the S&P Agreement.

INFORMATION ON THE TARGET GROUP

Lead Wealthy Singapore is a company incorporated in Singapore with limited liability in 2005. Its principal asset is its entire equity interest in the 21C Project Co, which is the sole owner of the 21C Target Properties situated at the 21st Century Tower located in the Pudong District, Shanghai, the PRC.

Jolly Success is a company incorporated in the British Virgin Islands with limited liability in 2011. Its principal asset is its entire equity interest in the 21C Hotel Co, which holds all the necessary licences for the operation of the Four Seasons Hotel.

LETTER FROM THE BOARD

Set out below is a summary of certain consolidated financial information of Lead Wealthy Singapore for the two years ended 31 December 2013 and 31 December 2014:

	2014		2013	
	(unaudited)		(unaudited)	
	<i>Equivalent to</i>		<i>Equivalent to</i>	
	<i>RMB million</i>	<i>HK\$ million</i>	<i>RMB million</i>	<i>HK\$ million</i>
Net loss (before taxation and extraordinary items)	(97.8)	(123.7)	(114.9)	(145.3)
Net loss (after taxation and extraordinary items)	(112.8)	(142.7)	(127.2)	(160.9)

The unaudited consolidated net liabilities of Lead Wealthy Singapore as at 31 December 2014 were approximately RMB156.5 million (equivalent to approximately HK\$197.9 million).

Set out below is a summary of certain consolidated financial information of Jolly Success for the two years ended 31 December 2013 and 31 December 2014:

	2014		2013	
	(unaudited)		(unaudited)	
	<i>Equivalent to</i>		<i>Equivalent to</i>	
	<i>RMB million</i>	<i>HK\$ million</i>	<i>RMB million</i>	<i>HK\$ million</i>
Net loss (both before and after taxation and extraordinary items)	(61.7)	(78.0)	(51.5)	(65.1)

The unaudited consolidated net liabilities of Jolly Success as at 31 December 2014 were approximately RMB149.4 million (equivalent to approximately HK\$188.9 million).

FINANCIAL IMPACT ON THE GROUP AND USE OF THE PROCEEDS

Following Completion, the Vendor will no longer have any shareholding interests in the Target Group. Accordingly, all members of the Target Group will cease to be subsidiaries of the Company under the Listing Rules, which will no longer be accounted for as joint ventures in the consolidated financial statements of the Group.

Effects on the Group's earnings and financial position

The Group expects to recognise a gain of approximately RMB68.6 million (equivalent to approximately HK\$86.8 million) on the Disposal, being the difference between (i) the Group's 80% share (i.e. assuming that the Group has completed the acquisition of Remparts' 10% share interest in the Vendor, details of which have been set out in the announcement dated 31 December 2014 and the circular dated 27 April 2015 issued by the Company) of the adjusted Share Transfer Price of

LETTER FROM THE BOARD

approximately RMB483.9 million (equivalent to approximately HK\$612.0 million); and (ii) the aggregate of the carrying amount of the Group's estimated net investments (excluding shareholder's loan) in the Target Group of approximately RMB320.7 million (equivalent to approximately HK\$405.6 million) and the Group's 80% share of the estimated transaction costs and other expenses in relation to the Disposal of approximately RMB94.6 million (equivalent to approximately HK\$119.6 million). It is expected that the Group's total assets will also increase by approximately RMB68.6 million (equivalent to approximately HK\$86.8 million) arising from the Disposal.

Effects on the Group's cash flow

The net proceeds from the Disposal attributable to the Group, after deducting the transaction costs and expenses, are currently estimated to be approximately RMB630.6 million (equivalent to approximately HK\$797.5 million). Such net proceeds are intended to be used to primarily reduce the bank borrowings of the Group and for its general working capital purpose. The exact allocation of the net proceeds will depend on the proportion of bank borrowings that may be renewed, extended or refinanced under the prevailing credit market condition.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group embarked on a plan of monetisation in March 2013, whereby the Group plans to divest its property assets in an orderly manner to unlock the value for the Shareholders. In addition, it is difficult to dispose of all the 21C Target Properties at the market valuation within the next 1-2 years under the prevailing market conditions in the PRC for the luxury property segment. The Disposal allows the Group to release a significant amount of financial resources tied-up in this investment. The Directors consider that the Disposal forms a significant part of the Group's monetisation plan for its property portfolio (in terms of gross asset value of the 21C Target Properties and the cash flow attributable to the Group arising from the Disposal), which will reduce the Group's bank borrowings and make a positive contribution to the cash flow and financial position of the Group, and is in the interests of the Company and the Shareholders as a whole.

In addition, the Disposal will also enable the Group to realise most of its luxury inventories in its ordinary and usual course of business amid the prevailing sluggish market conditions in the high-end property segment in the PRC.

GENERAL INFORMATION

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

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

According to the Listing Rules, a Shareholder shall abstain from voting on the Resolution at the SGM if such Shareholder or any of his/her/its close associate(s) has a material interest in the Disposal. As (i) Remparts (which is a close associate of Penta, a substantial shareholder of the Company) is

LETTER FROM THE BOARD

considered to have a material interest in the Disposal by virtue of its being a shareholder of the Vendor prior to completion of the acquisition of its 10% share interest in the Vendor by Bright Jade; and (ii) ViCap (which is wholly owned by Mr. Frankie Wong and hence is his close associate) is also considered to have a material interest in the Disposal given its interest in the Advisory Agreement, both Penta (if Remparts remains a shareholder of the Vendor at the date of the SGM) and Mr. Frankie Wong, including their close associates, shall abstain from voting on the Resolution at the SGM in accordance with the Listing Rules. At the Latest Practicable Date, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, Penta and Mr. Frankie Wong were entitled to exercise control over the voting rights in respect of 82,999,125 and 3,928,000 shares in the Company, representing approximately 17.13% and 0.81% of the total issued share capital of the Company, respectively.

SPECIAL GENERAL MEETING

A notice convening the SGM to be held at Monaco Room, Basement 1, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Thursday, 18 June 2015 at 3:00 p.m. is set out on pages 35 and 36 of this circular. At the SGM, the Resolution will be proposed to approve, among others, the S&P Agreement and the transactions contemplated thereunder.

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 holding the SGM 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 adjournment thereof (as the case may be), should you so wish.

In accordance with Rule 13.39(4) of the Listing Rules, the Resolution will be decided by poll at the SGM. Accordingly, the chairman of the SGM will demand, pursuant to Bye-law 66 of the Bye-laws of the Company, a poll for the Resolution at the SGM. An announcement of the voting results will be made after the SGM in accordance with the Listing Rules.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the S&P Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the Resolution at the SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Choi Yuk Keung, Lawrence
Vice Chairman and Managing Director

APPENDIX I FINANCIAL INFORMATION RELATING TO THE GROUP

INDEBTEDNESS**Borrowings**

As at 31 March 2015, being the latest practicable date for the purpose of this statement of indebtedness, the Group had total borrowings amounting to approximately HK\$6,830 million, details of which are as follows:

	<i>HK\$ million</i>
Bank and other loans	6,199
Advances from joint ventures, associates and related companies	<u>631</u>
	<u>6,830</u>
Secured	2,260
Unsecured	<u>4,570</u>
	<u>6,830</u>

Mortgages and charges

At 31 March 2015, the Group's secured borrowings were secured by certain of the Group's bank deposits, investment properties, benefits accrued to the relevant investment properties and equity interests in certain subsidiaries and joint ventures.

Contingent liabilities

As at 31 March 2015, the Group had the following material contingent liabilities:

- (a) Standby documentary credit arranged with a bank to secure a bank loan of RMB110 million (equivalent to approximately HK\$139.1 million) granted to a subsidiary of an associate.
- (b) Effective share of guarantees issued in favour of banks and other financial institution amounting to HK\$972 million to secure bank and other loans granted to certain joint ventures and associates.
- (c) Effective share of a guarantee issued in favour of a joint venture (the "Joint Venture", which was formed between an associate and an independent third party (the "Joint Venture Partner")) and the Joint Venture Partner for an amount not exceeding RMB99 million (equivalent to approximately HK\$125.2 million) in respect of certain payment obligations to the Joint Venture and the Joint Venture Partner.

APPENDIX I FINANCIAL INFORMATION RELATING TO THE GROUP

- (d) Guarantee issued in favour of a third party for a loan granted to a former wholly-owned subsidiary (the “Former Subsidiary”) with an outstanding amount of RMB542 million (equivalent to approximately HK\$685.5 million). Both of the parent company of the acquirer and the acquirer of the Former Subsidiary have agreed to procure the repayment of the loan and this obligation is guaranteed by the parent company of such acquirer.

Other liabilities

Save as disclosed above and apart from intra-group liabilities and normal trade payables, at the close of business on 31 March 2015, the Group did not have any outstanding loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances, debentures, mortgages, charges, finance lease commitments, guarantees or other material contingent liabilities.

Material change

The Directors have confirmed that there has been no material change in the indebtedness or contingent liabilities of the Group since 31 March 2015.

WORKING CAPITAL

The Directors are of the opinion that taking into account the Group’s internal resources and available banking facilities, the Group has sufficient working capital for its present requirements for the next 12 months from the date of this circular.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As mentioned under the section of “Reasons for and Benefits of the Disposal” in the letter from the Board, the Disposal forms a significant part of the Group’s monetisation plan for its property portfolio, which will reduce the Group’s bank borrowings and make a positive contribution to the cash flow and financial position of the Group.

After Completion, the Group will continue with the monetisation plan for its property assets as well as cement business. The Group saw steady progress in its monetisation plan. In addition to the Disposal, the Group entered into an agreement on 3 March 2015 to dispose of its entire interest in Lafarge Shui On Cement Limited, which principally engages in production and distribution of cement in the southwestern region of the PRC, for a total consideration of approximately HK\$2,553 million.

The Company will also re-focus on the construction business in Hong Kong to capture the abundant opportunities in construction works arising from the massive public housing programme announced recently by the Hong Kong Government in its 2015 policy address — the building of an average of 20,000 public rental units and 9,000 subsidised flats for sale per annum in the next ten years.

APPENDIX I FINANCIAL INFORMATION RELATING TO THE GROUP

The construction business has always been the Company's strength and underlying core business of the Company since it was formed in 1997, and its subsidiaries are major contractors engaged in the housing projects and building works in the public sector of Hong Kong, with annual turnover of HK\$4-5 billion for the last three years. The Company's long track record of timely completion, safety, quality and environmental awareness will continue to give it an advantage in the award of construction contracts of considerable value under this programme. Currently, the order book and outstanding workloads of the Company are both among the highest in its history.

Against this background, the Company is cautiously optimistic on its areas of operations and business activities, albeit presenting a disappointing set of financial results during the transformation period of the Company.

The following is the text of a letter and a Valuation Certificate prepared for the purpose of incorporation in this circular received from Colliers International (Hong Kong) Ltd., an independent valuer, in connection with its valuation as at 31 March 2015 of the Property.



Colliers International (Hong Kong) Ltd
Valuation & Advisory Services
Company Licence No: C-006052

Suite 5701 Central Plaza
18 Harbour Road Wanchai
Hong Kong



The Board of Directors

SOCAM Development Limited
34th Floor,
Shui On Centre,
6-8 Harbour Road,
Hong Kong

26 May 2015

Dear Sir/Madam,

INSTRUCTIONS, PURPOSE AND VALUATION DATE

We refer to the instructions of SOCAM Development Limited (the “Company”) for us to assess the market value of certain property units (the “Property”) held by Shanghai 21st Century Real Estate Co., Ltd. (“Shanghai 21st Century”) in Shanghai of the People’s Republic of China (the “PRC”). We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the Property as at 31 March 2015 (the “Valuation Date”).

We have valued the Property for the Company as at 31 January 2015 for circular purpose and such valuation report has been included in the circular issued by the Company dated 27 April 2015. We understand that 5 residential units and 3 carparks have been excluded from this valuation assignment.

BASIS OF VALUATION

Our valuation has been undertaken on the basis of Market Value, which is defined by The Hong Kong Institute of Surveyors as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Market Value is understood as the value of an asset and liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION METHODOLOGY

In determining the market values of the Property, we have considered relevant general and economic factors and examined available market evidence. As there are sufficient sales records of similar property interests located in the surrounding area for the Property for comparison, we have used the Sales Comparison Approach as the primary method.

The Sales Comparison Approach estimates the value of a property by assuming the sale of the property interest in its existing state with the benefit of immediate vacant possession and by comparing recent sales of similar property interests located in the surrounding area. By analysing sales that qualify as ‘arm’s-length’ transactions between willing buyers and sellers, adjustments can be made for size, location, time, amenities and other relevant factors when comparing such sales against the property. This approach is commonly used to value standard property when reliable sales evidence is available.

Where appropriate, we have cross-checked the values of the Property by Discounted Cash Flow Analysis (DCF). The DCF method involves projecting a series of periodic cash flows to an operating property. A discount rate is then applied to the cash flow series to arrive at a present value of the income produced by the property. There is no material difference for the valuation result between Discounted Cash Flow Analysis and Sales Comparison Approach.

VALUATION STANDARDS

The valuation has been carried out in accordance with the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors, the RICS Valuation — Professional Standards (January 2014) incorporating the International Valuation Standards published by the Royal Institution of Chartered Surveyors, the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the International Valuation Standards published by the International Valuation Standards Council.

LAND TENURE AND TITLE INVESTIGATION

We have been provided with copies of documents in relation to the titles of the Property. However, we have not scrutinized the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on the information provided by the Company.

We have relied on the advice given by the Company's legal adviser — Zhengnan Law Firm, on the PRC laws, regarding the titles to the Property in the PRC. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of your legal adviser.

All legal documents disclosed in this letter and the Valuation Certificate are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the Property set out in this letter and the Valuation Certificate.

SOURCES OF INFORMATION

We have relied to a considerable extent on the information provided by the Company and its legal adviser, in respect of the titles to the Property in the PRC. We have also accepted advice given to us on matters such as tenancy schedules, statutory notices, easements, tenure, floor areas, building plans and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Company that no material factors or information have been omitted or withheld from the information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation.

SITE MEASUREMENT

We have not carried out detailed on-site measurements to verify the correctness of the site / floor areas in respect of the Property but have assumed that the areas shown on the documents and plans provided to us are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

SITE INSPECTION

We have inspected the exterior and, where possible, the interior of the Property. The site inspection was carried out on 19-20 January 2015 by our Gregory Tam, who is a qualified surveyor and has over 17-year experience in property valuations, and Daniel Xing who is a RICS member and has over 6-year experience in property valuations. However, we have not carried out an investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory.

Moreover, no structural surveys have been undertaken, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No tests were carried out on any of the utility services.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the Company sells the Property on the open market without the benefit of deferred terms contracts, leasebacks, joint ventures, or any similar arrangements which would affect their values.

No allowances have been made in our valuation for any charges, mortgages or amounts owing neither on the Property nor for any expenses or taxes which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

This report and our valuation are for the use of the Company and the report is only for the use of the parties to whom it is addressed and for no other purpose. No responsibility to any third party who may use or rely on the whole or any part of the contents of this valuation is accepted.

We have made the following assumptions:

- All information on the Property provided by the Company is correct.
- Proper ownership titles to and relevant planning approvals of the Property have been obtained, all payable land premiums, land use rights fees and other relevant fees have been fully settled and the Property can be freely transferred, sub-let, mortgaged or otherwise disposed of.
- Unless otherwise stated, we have not carried out any valuation on a redevelopment basis or the study of possible alternative options.
- No acquisition costs or disposal costs have been taken into account in the valuation.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

We hereby certify that we have neither present nor a prospective interest in the Property or the values reported.

Our Valuation Certificate is attached hereto.

Yours faithfully,
For and on behalf of
Colliers International (Hong Kong) Ltd.

David Faulkner
BSc(Hons) FRICS FHKIS RPS(GP) MAE
Executive Director
Valuation & Advisory Services — Asia

Gregory Tam
BSc(Hons) MRICS MHKIS RPS(GP)
Director
Valuation & Advisory Services

Note:

David Faulkner is a Chartered Surveyor and has over 30 years' experience in the valuation of property of this magnitude and nature in Hong Kong, the PRC and Asia region.

Gregory Tam is a Chartered Surveyor and has over 17 years' experience in the valuation of property of this magnitude and nature in Hong Kong, the PRC and Asia region.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2015 <i>RMB</i>															
Portions of 21st Century Tower No. 210 Century Avenue, Pudong District, Shanghai, The PRC	<p>The Property forms part of a composite development known as “21st Century Tower” (the “Development”). It is located in the Lujiazui Finance & Trade Zone of Pudong District and situated on the south side of Century Avenue, close to Dongchang Road Subway station. The neighbouring developments include Shanghai World Financial Centre to the west and Standard Chartered Bank Tower to the north. The region is well developed as a commercial district.</p> <p>The Development is a 49-storey composite complex with apartment, hotel, office spaces, retail podium and underground car parking spaces. The Development was completed in 2010.</p> <p>The Property includes a five-star hotel namely Four Seasons Hotel Pudong, unsold units of serviced apartments namely Shanghai Four Seasons Place and unsold carparks. The total gross floor area (“GFA”) is approximately 49,986.48 sq.m. (or about 538,049.47 sq.ft.). The GFA breakdowns are as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Uses</th> <th style="text-align: left;">No. of Storey</th> <th style="text-align: right;">GFA (sq.m.)</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Hotel (187 rooms)</td> <td style="vertical-align: top;">15-storey (B2-L2, L30-L39, L41)</td> <td style="text-align: right; vertical-align: top;">29,288.88</td> </tr> <tr> <td style="vertical-align: top;">Apartment (43 units)</td> <td style="vertical-align: top;">12-storey (L38-L49)</td> <td style="text-align: right; vertical-align: top;">13,673.38</td> </tr> <tr> <td style="vertical-align: top;">Carpark (131 units)</td> <td style="vertical-align: top;">2-storey (B3-B2)</td> <td style="text-align: right; vertical-align: top;"><u>7,024.22</u></td> </tr> <tr> <td colspan="2" style="text-align: right;">Total</td> <td style="text-align: right;"><u>49,986.48</u></td> </tr> </tbody> </table>	Uses	No. of Storey	GFA (sq.m.)	Hotel (187 rooms)	15-storey (B2-L2, L30-L39, L41)	29,288.88	Apartment (43 units)	12-storey (L38-L49)	13,673.38	Carpark (131 units)	2-storey (B3-B2)	<u>7,024.22</u>	Total		<u>49,986.48</u>	The hotel portion of the Property is held for investment whereas the apartment and carpark portions of the Property are currently vacant.	3,425,500,000
Uses	No. of Storey	GFA (sq.m.)																
Hotel (187 rooms)	15-storey (B2-L2, L30-L39, L41)	29,288.88																
Apartment (43 units)	12-storey (L38-L49)	13,673.38																
Carpark (131 units)	2-storey (B3-B2)	<u>7,024.22</u>																
Total		<u>49,986.48</u>																

The land use rights of the Property have been granted for 50 years expiring on 24 February 2047 for composite building purposes.

Notes:

1. Pursuant to 4 sets of Shanghai Certificate of Real Estate Ownership (Hu Fang Di Pu Zi (2010) Di No. 065465, Hu Fang Di Pu Zi (2011) Di No. 034790, Hu Fang Di Pu Zi (2011) Di No. 034791 and Hu Fang Di Pu Zi (2012) Di No. 008569) issued by the Shanghai Housing Security & Administration Bureau and Shanghai Planning, Land and Resources Administration Bureau between 1 September 2010 and 14 March 2012, the land use rights of the Property have been granted to Shanghai 21st Century for a term commencing from 25 February 1997 to 24 February 2047 for composite building use.
2. Pursuant to 3 sets of Certificate of Registration of Real Estate of Shanghai Municipality (Registration No. Pu 201314009685, Pu 201214002516 and Pu 201314044091) issued between 20 January 2012 and 26 July 2013, the Property is subject to 3 mortgages for the latest term expiring on 20 December 2018 for a total facility amount of RMB1,180,000,000.
3. We have prepared our valuation based on the following assumptions:
 - a) Shanghai 21st Century has a proper legal title to the Property and is entitled to occupy, transfer, dispose, lease out or deal with the Property with the granted residual term of the relevant land lease at no extra land premium or other onerous payments payable to the government or other local authorities.
 - b) All land premium and costs of public utilities services have been settled in full.
 - c) The Property is in compliance with local planning regulations and has been approved by relevant government authorities and there is no height restriction.
 - d) The Property can be freely disposed of in the market.
 - e) The Property is not subject to any other encumbrances except the mortgages mentioned in note 2.
4. The provided legal opinion on the title to the Property issued by the Company's PRC legal adviser contains, inter-alia, the following information:
 - a) Shanghai 21st Century has a proper legal title to the Property and is entitled to sale, lease, mortgage or disposal of the building ownership rights for the portions of the Property in respect of which sale and purchase agreements have not been signed with third parties.
 - b) Shanghai 21st Century has the obligation to effect ownership transfer for the portions of the Property in respect of which sale and purchase agreements have been signed with third parties.

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 EXECUTIVES

At the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares and underlying shares 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 (the “Model Code”) 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 of the Company

Name of Director	Number of ordinary shares in the Company				Approximate percentage of the issued share capital of the Company
	Personal interests	Family interests	Other interests	Total	
Mr. Lo Hong Sui, Vincent	—	312,000 <i>(Note 1)</i>	234,381,000 <i>(Note 2)</i>	234,693,000	48.44%
Mr. Choi Yuk Keung, Lawrence	540,000	—	—	540,000	0.11%
Mr. Wong Fook Lam, Raymond	32,000	—	—	32,000	0.01%

Notes:

- (1) These shares were beneficially owned by Ms. Loletta Chu (“Mrs. Lo”), the spouse of Mr. Lo Hong Sui, Vincent (“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 234,381,000 shares mentioned in note (2) below.
- (2) These shares were beneficially owned by Shui On Company Limited (“SOCL”). Of these 234,381,000 shares beneficially owned by SOCL, 220,148,000 shares were held by SOCL itself and 14,233,000 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.

(b) 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:

Name of Director	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	9-4-2009	7.63	9-4-2012 to 8-4-2019	380,000
	12-4-2010	12.22	12-4-2013 to 11-4-2020	700,000
	23-6-2011	10.90	23-12-2011 to 22-6-2016	250,000 (Note)
Mr. Wong Fook Lam, Raymond	12-4-2010	12.22	12-4-2013 to 11-4-2020	700,000
	23-6-2011	10.90	23-12-2011 to 22-6-2016	250,000 (Note)
Mr. Wong Kun To, Philip	12-4-2010	12.22	12-4-2013 to 11-4-2020	1,050,000
	23-6-2011	10.90	23-12-2011 to 22-6-2016	400,000 (Note)

Note: The vesting of these share options is subject to the vesting schedules as set out in their respective offer letters.

Save as disclosed above, at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares and underlying shares 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 or short positions which were taken or deemed to have been taken under such provisions of the SFO) or the Model Code or which were required to be entered in the register required to be kept under section 352 of the SFO.

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.

Certain tenancy agreements subsist between certain members of the Group as lessees and certain subsidiaries of SOCL (being a company controlled by Mr. Lo) as lessors in respect of the leasing of certain office premises owned by the group companies of SOCL in Hong Kong and the PRC, the aggregate amount of the rental and management fees of which was approximately HK\$0.6 million for the four-month period ended 30 April 2015. Save as disclosed above, since 31 December 2014 (being the date to which the latest published audited consolidated financial statements of the Group were made up), none of the Directors had any direct or indirect interest in any assets which had 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 an employee of a company which had an interest or short position in the shares and underlying shares of the Company 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 Director	Names 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

3. SERVICE CONTRACTS

At the Latest Practicable Date, none of the Directors had entered or proposed to enter into, with any member of the Group, a service contract which is not expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

4. LITIGATION

At the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

5. COMPETING BUSINESS INTERESTS OF DIRECTORS

At the Latest Practicable Date, the following Directors were considered to have interests in the business, which competed or was likely to compete, either directly or indirectly, with the business of the Group pursuant to Rule 8.10 of the Listing Rules as set out below:

- (a) Mr. Lo is a director and the controlling shareholder of SOCL which, through its subsidiaries, including (among others) SOL, principally engages in property development and investment in the PRC.

- (b) Mr. Lo is a director of Great Eagle Holdings Limited which, through its subsidiaries, engages in (among others) property development and investment, trading of building materials and provision of maintenance services in Hong Kong and the PRC.
- (c) Mr. Choi Yuk Keung, Lawrence is a director of SOCL which, through its subsidiaries, including (among others) SOL, principally engages in property development and investment in the PRC.
- (d) Mr. Wong Kun To, Philip is a director of SOL which, through its subsidiaries, principally engages in property development and investment in the PRC.
- (e) Mr. Tsang Kwok Tai, Moses is a director of China Xintiandi Limited which is an indirect wholly-owned subsidiary of SOL. China Xintiandi Limited, through its subsidiaries, principally engages in investing, operating and managing premium commercial properties in the PRC.

As the Board is independent from the boards of directors of the aforesaid companies and the above Directors are unable to control the Board, the Group is capable of carrying on its business independently.

Save as disclosed above, at the Latest Practicable Date, none of the Directors or their respective close associates had any interest in the business, which competed or was likely to compete, either directly or indirectly, with the business of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder).

6. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by the members of the Group within the two years immediately preceding the issue of this circular, which were or might be material:

In relation to the acquisition of a property project in Nanjing

- (a) a framework agreement dated 4 October 2013 (as supplemented by six supplemental agreements dated 11 November 2013, 19 November 2013, 16 December 2013, 14 March 2014, 23 July 2014 and 3 February 2015 respectively) entered into between Win Lead Holdings Limited (“Win Lead”, a joint venture indirectly owned as to 50% by the Company and a subsidiary of the Company under the Listing Rules), Full Elite Investments Limited (“Full Elite”, a wholly-owned subsidiary of Win Lead) as purchaser, 中金佳成(天津)房地產投資中心(有限合夥) (CICC Jiacheng (Tianjin) Real Estate Investment Centre, LP*) (“CICC Jiacheng”) as vendor, 江蘇九西建設發展有限公司 (Jiangsu Jiu Xi Construction Development Co., Ltd.*) (“Jiangsu Jiu Xi”, which holds three parcels of land located in the Jiangning District, Nanjing, Jiangsu, the PRC for development into a residential and commercial property) and 鋒尚資本管理有限公司 (Tiptop Investment Co., Ltd.*) (“Tiptop”, being the other shareholder of Jiangsu Jiu Xi) whereby, among other things, Full Elite agreed to (i) acquire 65% equity interest in Jiangsu Jiu Xi from CICC Jiacheng; and (ii) procure its affiliate to enter into a loan agreement with Jiangsu Jiu Xi and an

independent financial institution for the provision of a loan to Jiangsu Jiu Xi for repayment in full of the shareholder's loan together with interest accrued thereon owed to CICC Jiacheng by Jiangsu Jiu Xi, for a total consideration of RMB330 million (subject to adjustment) upon and subject to the terms and conditions contained therein;

- (b) a framework agreement dated 6 August 2014 entered into between 上海盈吉投資諮詢有限公司 (Shanghai Yingji Investment Consultancy Limited*) (“Shanghai Yingji”, an indirect wholly-owned subsidiary of Full Elite) as purchaser, Tiptop as vendor and Jiangsu Jiu Xi (as supplemented by a supplemental agreement dated 6 August 2014 entered into between Shanghai Yingji and Tiptop) whereby, among other things, Shanghai Yingji agreed to (i) acquire from Tiptop its remaining equity interest in Jiangsu Jiu Xi; and (ii) enter into a loan agreement with Jiangsu Jiu Xi and an independent financial institution for the provision of a loan to Jiangsu Jiu Xi for repayment in full of the shareholder's loan together with interest accrued thereon owed to Tiptop by Jiangsu Jiu Xi, for a total consideration of RMB68 million upon and subject to the terms and conditions contained therein;

In relation to the disposal of 80% interest in a property project in Shenyang

- (c) a sale and purchase agreement dated 3 December 2013 entered into between Broad Wise Limited (“Broad Wise”, an indirect wholly-owned subsidiary of the Company) as vendor, Clear Grand Limited (“Clear Grand”) as purchaser and the Company as guarantor whereby, among other things, Clear Grand agreed to (i) acquire from Broad Wise its 80% share interest in Loyal Max Investments Limited (“Loyal Max”, which via a project company established in the PRC, namely 瀋陽中匯達房地產有限公司 (Shenyang Zhong Hui Da Real Estate Co., Ltd.*) (the “Shenyang Project Company”), holds a property development known as Shenyang Project Phase II located in the Huanggu District, Shenyang, Liaoning, the PRC); (ii) assume the corresponding shareholder's loan owed to Broad Wise by Loyal Max; and (iii) settle the liabilities of the Shenyang Project Company owed to certain onshore affiliates of Broad Wise, for a total consideration of RMB1.168 billion (subject to adjustment) upon and subject to the terms and conditions contained therein;
- (d) a shareholders' deed dated 27 January 2014 (the “Shareholders' Deed”) entered into between Broad Wise, Clear Grand and Loyal Max to govern the management and operation of the affairs of Loyal Max and the Shenyang Project Company whereby, among other things, (i) Broad Wise shall have a put option, exercisable not later than 18 months from the date of the Shareholders' Deed, to require Clear Grand or its affiliate(s) to purchase all of its remaining 20% share interest in and the corresponding shareholder's loan owed to it by Loyal Max; and (ii) Clear Grand shall have a call option, exercisable at any time after 18 months from the date of the Shareholders' Deed if Broad Wise fails to exercise the put option, to require Broad Wise to sell to Clear Grand all of its remaining 20% share interest in and the corresponding shareholder's loan owed to it by Loyal Max, both at an exercise price to be determined based on the formula set out in the Shareholders' Deed (being RMB1.46 billion x 20%, plus interest income for a period of not more than 18 months from the date of the Shareholders' Deed calculated at the RMB benchmark deposit rate announced from time to time by the People's Bank of China) and subject to the other terms and conditions contained therein;

In relation to the guarantee for a loan to Beijing ZhongTian HongYe Real Estate Consulting Co., Ltd.

- (e) supplemental guarantee restructuring deeds dated 16 December 2013 and 18 October 2014 (as supplemented by a supplemental deed dated 8 December 2014) entered into between the Company and China Cinda Asset Management Co., Ltd., Beijing Branch (“CCAM”) whereby CCAM agreed not to demand the fulfillment of the Company’s guaranteed obligations under the corporate guarantee dated 2 April 2007 entered into by the Company in favour of the original lending bank for a loan granted to Beijing ZhongTian HongYe Real Estate Consulting Co., Ltd. (a former wholly-owned subsidiary of China Central Properties Limited, which was previously an associate of the Company and, since June 2009, has become an indirect wholly-owned subsidiary of the Company) in an outstanding principal amount of approximately RMB542 million, which was subsequently acquired by CCAM, for a period up to 18 October 2015 in consideration of the Company paying compensation fees in a total amount of RMB21.4 million to CCAM subject to the terms and conditions as contained therein;

In relation to the disposal of a property project in Tianjin

- (f) a sale and purchase agreement dated 17 April 2014 entered into between Wealth Frame Limited (“Wealth Frame”, a wholly-owned subsidiary of the Company) and Needham Fortune Ltd. (“Needham”, together with Wealth Frame, the “Sellers”) as vendors, Victory Soar Limited (“Victory Soar”) as purchaser and the Company as the Sellers’ guarantor whereby, among other things, Victory Soar agreed to (i) acquire from the Sellers their entire share interests in Silver Reach Limited (“Silver Reach”, then being a joint venture owned as to 64.7% by Wealth Frame and 35.3% by Needham, whose principal asset is the options to acquire the entire share interest in Best Surpass Limited, which via certain project companies established in the PRC holds a property development, namely Tianjin Project Phase II, located in the Wuqing District, Tianjin, the PRC); and (ii) assume all the offshore shareholders’ loans owed to the Sellers by Silver Reach, for a total consideration of RMB264.3 million, with RMB171.1 million payable to Wealth Frame and RMB93.2 million payable to Needham in proportion to their respective share interests in Silver Reach, upon and subject to the terms and conditions contained therein;

In relation to the disposal of 19% interest in a property project in Chengdu

- (g) a sale and purchase agreement dated 26 June 2014 entered into between Shui On China Central Properties Limited (“SOCCP”, an indirect wholly-owned subsidiary of the Company) as vendor and Fine Process Limited (“Fine Process”) as purchaser whereby Fine Process agreed to (i) acquire from SOCCP shares of Gracious Spring Limited (“Gracious Spring”, which via a project company established in the PRC, namely Chengdu Xianglong Real Estate Co., Ltd., holds a property development known as Centropolitan located in the Jinniu District, Chengdu, Sichuan, the PRC (the “Chengdu Project”)) representing 19% of its issued share capital (the “GS Sale Shares”) at nominal value of US\$19; and (ii) provide a shareholder’s loan of US\$48.76 million (the “Shareholder’s Loan”) to Gracious Spring, upon and subject to the terms and conditions contained therein;
- (h) a shareholders’ agreement dated 26 June 2014 (the “Shareholders’ Agreement”) entered into between the Company, SOCCP, Fine Process and Gracious Spring to govern the management and operation of the affairs of Gracious Spring and its subsidiaries (the “GS Group”) whereby, among

other things, (i) Fine Process shall have a put option to require SOCCP to purchase all of the GS Sale Shares and the outstanding Shareholder's Loan plus interest accrued thereon, which is exercisable upon (1) occurrence of a triggering event as set out in the Shareholders' Agreement; or (2) lapse of 30 months from the date of the Shareholders' Agreement; or (3) sale or pre-sale of 75% gross floor areas of the Chengdu Project, at an exercise price equal to, in the aforesaid case (1), US\$19 plus the outstanding principal amount of the Shareholder's Loan and interest accrued thereon plus the amount of any prepayment fees payable by Gracious Spring for the Shareholder's Loan, or in the aforesaid cases (2) and (3), the higher of (a) US\$19 plus the outstanding principal amount of the Shareholder's Loan and interest accrued thereon; and (b) 19% of the fair market value of the GS Group to be determined in accordance with the terms of the Shareholders' Agreement (the "GS Fair Market Value") plus the outstanding principal amount of the Shareholder's Loan and interest accrued thereon; and (ii) SOCCP shall have a call option to require Fine Process to sell to it all of the GS Sale Shares, which is exercisable following full repayment of the Shareholder's Loan at an exercise price equal to the higher of (a) 19% of the GS Fair Market Value; and (b) an annual internal rate of return of 15% for the total investment of Fine Process in the Chengdu Project, and subject to the other terms and conditions contained therein;

In relation to the disposal of the Group's construction business in the PRC

- (i) a sale and purchase agreement dated 21 August 2014 entered into between Shui On Contractors Limited ("SOC", a wholly-owned subsidiary of the Company) as vendor, the Company as vendor and guarantor of SOC, Sino Atrium Global Limited ("Sino Atrium", an indirect wholly-owned subsidiary of SOL) as purchaser and SOL as guarantor of Sino Atrium whereby, among other things, Sino Atrium agreed to (i) acquire from SOC its entire share interest in and the debt owed to it by Shui On Granpex Limited ("SO Granpex"); and (ii) acquire from the Company the debt owed to it by SO Granpex for a total consideration of approximately HK\$120.6 million (subject to adjustment) upon and subject to the terms and conditions contained therein;
- (j) a sale and purchase agreement dated 21 August 2014 entered into between Pat Davie Limited ("PDL", an indirect non-wholly owned subsidiary of the Company) as vendor, the Company as guarantor of PDL, Sino Gate Developments Limited ("Sino Gate", an indirect wholly-owned subsidiary of SOL) as purchaser and SOL as guarantor of Sino Gate whereby, among other things, Sino Gate agreed to acquire from PDL its entire share interest in and the debt owed to it by Pat Davie (China) Limited for a total consideration of approximately HK\$112.5 million (subject to adjustment) upon and subject to the terms and conditions contained therein;
- (k) a sale and purchase agreement dated 21 August 2014 entered into between the Company as vendor, Sino Luck International Limited ("Sino Luck", an indirect wholly-owned subsidiary of SOL) as purchaser and SOL as guarantor of Sino Luck whereby, among other things, Sino Luck agreed to acquire from the Company its entire share interest in and the debt owed to it by Famous Scene Holdings Limited for a total consideration of approximately HK\$106.6 million (subject to adjustment) upon and subject to the terms and conditions contained therein;

In relation to the acquisition of 10% interest in a property project in Shanghai and the incidental disposal of properties in Shanghai

- (l) a sale and purchase agreement dated 31 December 2014 entered into between Bright Jade, Remparts, Lead Wealthy (which via the 21 Project Co holds the Four Seasons Hotel and the

unsold apartment units plus car parking spaces in Shanghai Four Seasons Place), Dignitary Limited (“Dignitary”, an indirect wholly-owned subsidiary of the Company, which via Peak Century Limited (“Peak Century”) holds an apartment unit in Lakeville Regency Tower 18 and a car parking space in Lakeville Regency Tower 13 located in the Huangpu District, Shanghai, the PRC) and the 21C Project Co whereby, among other things, Bright Jade agreed to acquire from Remparts its 10% share interest in and the corresponding shareholder’s loans owed to it by Lead Wealthy together with interest accrued thereon for a total consideration of approximately RMB149.9 million, which shall be settled partly in cash as to approximately RMB10.1 million and partly by setting off against the consideration payable by Remparts to the Group for its disposal to Remparts of (i) the entire share interest of Dignitary in Peak Century together with the corresponding shareholder’s loan owed to Dignitary by Peak Century for a total consideration of approximately RMB38.8 million (subject to adjustment); and (ii) two branded units together with three car parking spaces in Shanghai Four Seasons Place owned by the 21C Project Co for a total consideration of RMB101 million, upon and subject to the terms and conditions contained therein;

In relation to the disposal of a property project in Beijing

- (m) a sale and purchase agreement dated 5 January 2015 entered into between Eagle Fit Limited (“Eagle Fit”, a joint venture indirectly owned as to 65% by the Company and a subsidiary of the Company under the Listing Rules) as vendor, the Company as guarantor, Zhan Yi Investments Limited (“Zhan Yi”) as purchaser and 北京啓夏房地產開發有限公司 (Beijing Qi Xia Real Estate Development Co., Ltd.*) (the “Beijing Project Company”, a company established in the PRC) whereby, among other things, Zhan Yi agreed to acquire from Eagle Fit its entire share interest in Prime Asset Investment Limited (“Prime Asset”, which via the Beijing Project Company holds a property development known as Beijing Centrium Residence located in the Chaoyang District, Beijing, the PRC) for a consideration (estimated to be not more than RMB520.8 million) equivalent to the balance of a new loan to Prime Asset (in an amount of the US\$ equivalent of RMB685.5 million to be arranged by Zhan Yi) following repayment of all the outstanding shareholder’s loan and balances owed by Prime Asset to Eagle Fit, upon and subject to the terms and conditions contained therein;

In relation to the disposal of the Group’s entire 45% share interest in Lafarge Shui On Cement Limited

- (n) a sale and purchase agreement dated 3 March 2015 entered into between Glorycrest Holdings Limited (“Glorycrest”, an indirect wholly-owned subsidiary of the Company) as vendor, the Company, Financiere Lafarge (“Financiere”) as purchaser and Lafarge Shui On Cement Limited (“LSOC”, which, via its subsidiaries, principally engages in production and distribution of cement in the southwestern region of the PRC) whereby Financiere agreed to acquire from Glorycrest its entire 45% share interest in LSOC for a total consideration of approximately HK\$2,553 million upon and subject to the terms and conditions contained therein; and

In relation to the Disposal

- (o) the S&P Agreement.

* For identification purpose only

7. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given their opinions or advice, which are contained in this circular:

Name	Qualifications
Colliers	Professional valuer
Zhenghan Law Firm	PRC legal adviser

Colliers and Zhenghan Law Firm have given and have not withdrawn their respective written consents to the issue of this circular with the inclusion of their letters, reports and/or summary of their opinions (as the case may be) and references to their names in the form and context in which they respectively appear herein.

Colliers and Zhenghan Law Firm have confirmed that, at the Latest Practicable Date:

- (a) they 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;
- (b) they did not have any direct or indirect interest in any assets which had since 31 December 2014 (being the date to which the latest published audited consolidated financial statements of the Group 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;
- (c) the property valuation report of Colliers is given as of the date of this circular for incorporation herein; and
- (d) the opinion of Zhenghan Law Firm is given as of the date of this circular and has been provided to Colliers for the purpose of preparing the property valuation report.

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 18 June 2015:

- (a) the memorandum of association and Bye-laws of the Company;
- (b) the published annual report of the Company for each of the two financial years ended 31 December 2013 and 31 December 2014;
- (c) the material contracts referred to in the section headed “Material Contracts” in paragraph 6 of this appendix;
- (d) the property valuation report from Colliers as set out in appendix II to this circular;
- (e) the written consents referred to in the section headed “Experts and Consents” in paragraph 7 of this appendix;
- (f) the circular dated 27 April 2015 issued by the Company in respect of the acquisition of 10% share interest in Lead Wealthy and the incidental disposal of entire share interest in Peak Century and properties in Shanghai Four Seasons Place; and
- (g) this circular.

9. MISCELLANEOUS

- (a) The company secretary of the Company is Ms. Ng Lai Tan, Melanie, an Associate of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (b) The principal share registrar and transfer office of the Company is Codan Services Limited, Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Standard Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (d) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal place of business of the Company in Hong Kong is at 34th Floor, Shui On Centre, 6-8 Harbour Road, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

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 Monaco Room, Basement 1, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Thursday, 18 June 2015 at 3:00 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 S&P Agreement (as defined in the circular of the Company dated 26 May 2015 (the “Circular”), a copy of which agreement is tabled at the meeting and marked “A” and signed by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder, including the Disposal (as defined in the Circular), be hereby approved, ratified and confirmed; and
- (b) the directors of the Company be hereby authorised for and on behalf of the Company to execute any such documents, instruments and agreements and to do any such acts or things as may be deemed by such directors in their absolute discretion to be incidental to, ancillary to or in connection with the S&P Agreement and the transactions contemplated thereunder.”

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

Hong Kong, 26 May 2015

* 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/her 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 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 proxy form will not preclude a member from attending and voting in person at the meeting or any adjournment thereof (as the case may be) should he/she so wish.

- (3) The ordinary resolution as set out above will be put to vote at the meeting by way of poll.