

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*



瑞安建業有限公司\*

**SOCAM Development Limited**

(Incorporated in Bermuda with limited liability)

(Stock Code: 983 and Debt Stock Code: 4518)

**ENTERING INTO OF SUPPLEMENTAL AGREEMENT IN RESPECT OF  
THE CONDITIONAL DISPOSAL OF 28.20% SHARE INTEREST AND  
THE RELATED LOANS IN RICHCOAST GROUP LIMITED**

**AND**

**COMPLETION OF THE VERY SUBSTANTIAL DISPOSAL**

**AND**

**TERMS FOR CONTINUAL PROVISION OF  
EXISTING CORPORATE GUARANTEES**

References are made to the announcements of SOCAM Development Limited (the “**Company**”) dated 14 November 2017 and 22 December 2017 (collectively the “**Announcements**”) and the circular of the Company dated 6 December 2017 (the “**Circular**”) in relation to the Disposal. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Announcements and the Circular.

The Board would like to advise that the consents of certain financial institutions and Mitsui to, among other things, release the related corporate guarantees provided by the Group in their favour for the benefit of the Richcoast Group (the “**Related Guarantees**”), being part of the conditions precedent to the Disposal (the “**Related Conditions**”), have not yet been obtained. On 28 December 2017, Main Zone and the Company entered into the Supplemental Agreement to the Sale and

Purchase Agreement (the “**Supplemental Agreement**”) with Many Gain and Yida, pursuant to which all the parties agreed that the Group shall continue to provide the Related Guarantees on terms as set out in the Supplemental Agreement and the Related Conditions shall be deemed as having been satisfied.

Following the entering into of the Supplemental Agreement, all the conditions precedent to the Disposal have been/were deemed to be satisfied, and Completion took place on 28 December 2017 accordingly. After Completion, the Company no longer holds any share interest in Richcoast.

The continual provision of the Related Guarantees constitutes a continuation of the guarantees as disclosed previously in the announcements of the Company dated 28 February 2011 and 30 July 2015 and certain other guarantees of the Company, which were exempted from all the applicable disclosure requirements under the Listing Rules. Details of the Related Guarantees are set out in this announcement for the information of the securities holders and investors of the Company.

## **INTRODUCTION**

References are made to the Announcements and the Circular in relation to the Disposal.

The Board would like to advise that the consents of certain financial institutions and Mitsui to, among other things, release the Related Guarantees have not yet been obtained. On 28 December 2017, Main Zone and the Company entered into the Supplemental Agreement with Many Gain and Yida, pursuant to which all the parties agreed that the Group shall continue to provide the Related Guarantees on terms as set out in the Supplemental Agreement and the Related Conditions shall be deemed as having been satisfied.

## **SUPPLEMENTAL AGREEMENT**

### **Date**

28 December 2017

### **Parties**

- (1) Main Zone;
- (2) the Company;
- (3) Many Gain; and
- (4) Yida

## Principal terms

Pursuant to the Supplemental Agreement, all the parties agreed that the Group shall continue to provide the Related Guarantees, the aggregate amount of which shall not be more than RMB352 million (equivalent to approximately HK\$416.4 million), (i) until the date no later than the earlier of the date that the related underlying loans are due and the first anniversary from the Completion Date (the “**Guarantee Long Stop Date**”), in the case of the Related Guarantees in favour of the financial institutions; and (ii) no later than 31 March 2018, in the case of the Related Guarantee in favour of Mitsui (collectively the “**Latest Release Dates**”), and the Related Conditions shall be deemed as having been satisfied, provided that, among other things:

(1) Many Gain shall:

- (a) from the 61st day to the 182th day after the Completion Date, pay to Main Zone the guarantee fee calculated at a simple interest rate of 3% per annum (which shall be increased to 5% per annum from the 183rd day after the Completion Date) until the release of the Related Guarantees; and
- (b) procure the Richcoast Group to implement the re-financing plan to settle all the loans under the Related Guarantees and to repurchase Mitsui’s interest in Many Praises Dalian Limited (a joint venture company formed in relation to certain investment in the Dalian Tiandi Project, which is held as to 93.18% by Richcoast and 6.82% by Mitsui), thereby enabling all the Related Guarantees, including the Related Guarantee in favour of Mitsui, to be released no later than the relevant Latest Release Dates.

(2) In the event that any of (i) the Related Guarantees in favour of the financial institutions have not been released by the Guarantee Long Stop Date; and (ii) the Related Guarantee in favour of Mitsui has not been released by the first anniversary from the Completion Date, Yida shall provide a cash deposit equivalent to the Group’s guaranteed amount into a bank account jointly controlled by Main Zone and Many Gain.

(3) Yida shall, among other things, provide a counter-indemnity in favour of such members of the Group providing the Related Guarantees in relation to any payments or otherwise any losses and expenses arising from the Related Guarantees.

## REASONS FOR THE ENTERING INTO OF THE SUPPLEMENTAL AGREEMENT

The entering into of the Supplemental Agreement is to satisfy the Related Conditions in relation to the Disposal. The terms of the Supplemental Agreement were determined after arm's length negotiations among the parties to the Sale and Purchase Agreement. Having considered the benefit of Completion and the terms of the Supplemental Agreement, in particular, the guarantee fees receivable by the Group from Many Gain for the continual provision of the Related Guarantees, the Directors (including the independent non-executive Directors) consider that the terms of the Supplemental Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## TERMS FOR CONTINUAL PROVISION OF THE RELATED GUARANTEES

The continual provision of the Related Guarantees constitutes a continuation of the guarantees as disclosed previously in the announcements of the Company dated 28 February 2011 and 30 July 2015 and certain other guarantees of the Company, which were exempted from all the applicable disclosure requirements under the Listing Rules. All the terms of the Related Guarantees remain unchanged.

Details of the Related Guarantees are set out below:

	<i>RMB million</i>	<i>Equivalent to approximately HK\$ million</i>
Guarantee to a financial institution to secure loans to a member of the Richcoast Group <i>(Notes (1) and (4))</i>	132.0	156.2
Term of loans: expiring in July 2018 and May 2019		
Guarantee to Mitsui <i>(Notes (2) and (4))</i>	17.6	20.8
Term of guarantee: expiring on the date immediately after six years from the date of issuance of the completion certificate for certain premises under the Dalian Tiandi Project, subject to the provisions of the guarantee		

	<i>RMB million</i>	<i>Equivalent to approximately HK\$ million</i>
Other guarantees to financial institutions to secure loans to a member of the Richcoast Group <i>(Notes (3) and (4))</i>	202.4	239.4
Term of the loans: expiring in June 2018 and December 2019		
Total amount of guarantees	352.0	416.4

*Notes:*

- (1) This Related Guarantee was disclosed in the Company's announcement dated 30 July 2015.
- (2) This Related Guarantee was disclosed in the Company's announcement dated 28 February 2011.
- (3) These guarantees were exempted from all the applicable disclosure requirements under the Listing Rules.
- (4) No fee or commission was previously paid to the Group for the provision of the Related Guarantees.

## **GENERAL INFORMATION**

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

Main Zone is a wholly-owned subsidiary of the Company and its principal activity is investment holding.

Many Gain is a wholly-owned subsidiary of Yida and its principal activity is investment holding.

The Yida Group principally engages in the development of business parks in the PRC.

## COMPLETION OF THE DISPOSAL

Following the entering into of the Supplemental Agreement, all the conditions precedent to the Disposal have been/were deemed to be satisfied, and Completion took place on 28 December 2017 accordingly. After Completion, the Company no longer holds any share interest in Richcoast.

*For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of RMB1 : HK\$1.183. No representation is made that any amounts in RMB have been or could be converted at the above rate.*

By order of the Board  
**SOCAM Development Limited**  
**Wong Yuet Leung, Frankie**  
*Executive Director, Chief Executive Officer and  
Chief Financial Officer*

Hong Kong, 28 December 2017

*At the date of this announcement, the executive Directors are Mr. Lo Hong Sui, Vincent and Mr. Wong Yuet Leung, Frankie; and the independent non-executive Directors are Ms. Li Hoi Lun, Helen, Mr. Chan Kay Cheung and Mr. William Timothy Addison.*

*\* For identification purpose only*

*Website: [www.socam.com](http://www.socam.com)*