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

## CONNECTED TRANSACTIONS

### PROVISION OF PROJECT MANAGEMENT SERVICES FOR AN ASSET ENHANCEMENT PROJECT AT SHUI ON CENTRE

The Board announces that on 30 April 2021, SOC (an indirect non-wholly owned subsidiary of the Company) entered into (i) the Project Management Services (Proprietary Areas) Agreement with SOCCL (an indirect wholly-owned subsidiary of SOCL); and (ii) the Project Management Services (Common Areas) Agreement with PEPM (acting as agent of SOCPML, which is an indirect wholly-owned subsidiary of SOCL), pursuant to which SOC has agreed to provide project management services in connection with an asset enhancement project covering certain proprietary areas and common areas of Shui On Centre (the “**Asset Enhancement Project**”) for fees aggregating up to a cap of HK\$8.5 million.

Both SOCCL and SOCPML are indirect wholly-owned subsidiaries of SOCL, the controlling shareholder of the Company, and therefore are connected persons of the Company. Accordingly, the Transactions constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the total fee for the Transactions will exceed HK\$3 million while all the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Transactions on an aggregate basis are less than 5%, the Transactions are subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders’ approval requirements under Rule 14A.76 of the Listing Rules.

## **PROVISION OF PROJECT MANAGEMENT SERVICES**

The Board announces that on 30 April 2021, SOC (an indirect non-wholly owned subsidiary of the Company) entered into (i) the Project Management Services (Proprietary Areas) Agreement with SOCCL (an indirect wholly-owned subsidiary of SOCL); and (ii) the Project Management Services (Common Areas) Agreement with PEPM (acting as agent of SOCPML, which is an indirect wholly-owned subsidiary of SOCL) in respect of the provision by SOC of the project management services in connection with the Asset Enhancement Project.

### **The Project Management Services (Proprietary Areas) Agreement**

#### ***Date***

30 April 2021

#### ***Parties***

- (1) SOC, an indirect non-wholly owned subsidiary of the Company
- (2) SOCCL, an indirect wholly-owned subsidiary of SOCL, which is the controlling shareholder of the Company, and an owner of certain proprietary areas of Shui On Centre

#### ***Subject matter***

Pursuant to the Project Management Services (Proprietary Areas) Agreement, SOC has agreed to provide certain project management services in relation to, among others, design, procurement, renovation, and construction and enhancement works to be conducted under the Asset Enhancement Project over the proprietary areas of Shui On Centre owned by SOCCL and its affiliate, which may further be extended to cover the rooftop signage and structural steel support works at Shui On Centre (the “**Proprietary Areas AE Works**”).

#### ***Term***

From 30 April 2021 up to the Proprietary Areas AE Works Completion Date, which is expected to be on or before 31 May 2024.

#### ***Fee and payment terms***

The service fee payable to SOC under the Project Management Services (Proprietary Areas) Agreement shall be equivalent to 5% of the total construction cost of the Proprietary Areas AE Works. As the total construction cost (including that of the optional extended works to the rooftop of Shui On Centre) is estimated to be approximately HK\$51 million, the fee payable to SOC in respect of the Proprietary Areas AE Works is estimated to be approximately HK\$2.6 million, subject to adjustment based on the final total construction cost incurred. The fee in any event shall not exceed HK\$3 million.

The service fee was determined after arm's length negotiation between SOC and SOCCL, having taken into account the duration, scope of works and costs to be involved in the provision of the services under the Project Management Services (Proprietary Areas) Agreement as well as the prevailing market rate charged for comparable project management services in Hong Kong.

SOCCL shall pay the service fee to SOC in stages by reference to different milestones completed in accordance with the terms of the Project Management Services (Proprietary Areas) Agreement, with the final balance representing 10% of the fee to be paid upon the expiration of a 12-month defect liability period following completion of the Proprietary Areas AE Works.

### **The Project Management Services (Common Areas) Agreement**

#### ***Date***

30 April 2021

#### ***Parties***

- (1) SOC, an indirect non-wholly owned subsidiary of the Company
- (2) PEPM, an indirect wholly-owned subsidiary of the Company, acting as agent of SOCPML, which in turn is an indirect wholly-owned subsidiary of SOCL, the controlling shareholder of the Company, and is the management company under the DMC

#### ***Subject matter***

Pursuant to the Project Management Services (Common Areas) Agreement, SOC has agreed to provide one design management manager and one design manager/project manager on a staff secondment basis to PEPM, being the property management company of Shui On Centre as appointed by SOCPML, for performing certain project management services in relation to, among others, design, procurement, renovation, and construction and enhancement works to be conducted under the Asset Enhancement Project over the common areas of Shui On Centre (the "**Common Areas AE Works**").

#### ***Term***

From 30 April 2021 up to the Common Areas AE Works Completion Date, which is expected to be on or before 31 May 2024.

#### ***Fee and payment terms***

The service fee payable to SOC under the Project Management Services (Common Areas) Agreement shall be equivalent to 5% of the total construction cost of the Common Areas AE Works. As the total construction cost is estimated to be approximately HK\$89 million, the fee payable to SOC in respect of the Common Areas AE Works is estimated to be approximately HK\$4.5 million, subject to adjustment based on the final total construction cost incurred. The fee in any event shall not exceed HK\$5.5 million.

The service fee was determined after arm's length negotiation between SOC and PEPM (acting as agent of SOCPML), having taken into account the duration, scope of works and costs to be involved in the provision of the services under the Project Management Services (Common Areas) Agreement as well as the prevailing market rate charged for comparable project management services in Hong Kong.

PEPM (acting as agent of SOCPML) shall pay the service fee to SOC by monthly installment of HK\$90,000, 5% of which will be withheld as retention money, with the final balance after adjustment to be settled within 90 business days after the expiration of a 12-month defect liability period following completion of the Common Areas AE Works.

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

SOC principally engages in the construction business in Hong Kong and has a wide range of experience and project management capabilities in the sector. Provision of the services under the Project Management Services Agreements forms part of the usual business activities of SOC, allowing SOC to fully capitalise on its experience and expertise to earn an income from its services.

The Directors (including the independent non-executive Directors) consider that the terms of the Transactions are fair and reasonable, the Transactions are on normal commercial terms and in the ordinary course of business of the Group and are in the interests of the Company and its shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

Both SOCCL and SOCPML are indirect wholly-owned subsidiaries of SOCL, the controlling shareholder of the Company, and therefore are connected persons of the Company. Accordingly, the Transactions constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the total fee for the Transactions will exceed HK\$3 million while all the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Transactions on an aggregate basis are less than 5%, the Transactions are subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

SOCL is held under the Bosrich Unit Trust, the units of which are the property of a discretionary trust, of which Mr. Lo, an executive Director and the Chairman of the Company, is the founder and both Mr. Lo and Ms. Lo, a non-executive Director and the daughter of Mr. Lo, are discretionary beneficiaries, and HSBC International Trustee Limited is the trustee. Given the interests of Mr. Lo and Ms. Lo in SOCL as set out above, both of them are considered to have material interests in the Transactions and had abstained from voting on the relevant Board resolutions approving the Transactions.

## GENERAL INFORMATION

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

SOC is an indirect non-wholly owned subsidiary of the Company and principally engages in the construction business in Hong Kong.

PEPM is an indirect wholly-owned subsidiary of the Company and principally engages in the provision of property management services in Hong Kong.

SOCCL is an indirect wholly-owned subsidiary of SOCL and its principal activity is investment holding.

SOCPML is an indirect wholly-owned subsidiary of SOCL and its principal activity is property management.

## DEFINITIONS

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

“Asset Enhancement Project”	has the meaning ascribed to it in the summary box of this announcement;
“Board”	the board of Directors;
“Common Areas AE Works”	has the meaning ascribed to it under the section headed “The Project Management Services (Common Areas) Agreement – <i>Subject matter</i> ” of this announcement;
“Common Areas AE Works Completion Date”	the date of issuance by an architect of the certificate of making good defects in respect of the Common Areas AE Works;
“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);
“connected persons”, “controlling shareholder” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules;

“Director(s)”	the director(s) of the Company;
“DMC”	the Deed of Mutual Covenant and Management Agreement in respect of Shui On Centre dated 17 February 1994 entered into between, among others, SOCCL (the first owner of Shui On Centre) and SOCPML (as the management company);
“Group”	collectively, 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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macau”	the Macao Special Administrative Region of the People’s Republic of China;
“Mr. Lo”	Mr. Lo Hong Sui, Vincent, an executive Director and the Chairman of the Company;
“Ms. Lo”	Ms. Lo Bo Yue, Stephanie, a non-executive Director and the daughter of Mr. Lo;
“PEPM”	Pacific Extend Properties Management Limited (formerly known as Shui On Properties Management Limited), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan);
“Project Management Services Agreements”	collectively, the Project Management Services (Common Areas) Agreement and the Project Management Services (Proprietary Areas) Agreement;

“Project Management Services (Common Areas) Agreement”	the agreement dated 30 April 2021 entered into between SOC and PEPM (acting as agent of SOCPML) in relation to the provision by SOC of the project management services for the Common Areas AE Works;
“Project Management Services (Proprietary Areas) Agreement”	the agreement dated 30 April 2021 entered into between SOC and SOCCL in relation to the provision by SOC of the project management services for the Proprietary Areas AE Works;
“Proprietary Areas AE Works”	has the meaning ascribed to it under the section headed “The Project Management Services (Proprietary Areas) Agreement – <i>Subject matter</i> ” of this announcement;
“Proprietary Areas AE Works Completion Date”	the date of issuance by an architect of the certificate of making good defects in respect of the Proprietary Areas AE Works;
“Shui On Centre”	a commercial building located at 6-8 Harbour Road, Hong Kong;
“SOC”	Shui On Construction Company Limited, a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company;
“SOCCL”	Shui On Centre Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of SOCL;
“SOCL”	Shui On Company Limited, a company incorporated in the British Virgin Islands with limited liability and the controlling shareholder of the Company;
“SOCPML”	Shui On Centre Property Management Limited, a company incorporated in Hong Kong with limited liability, being an indirect wholly-owned subsidiary of SOCL and the management company under the DMC;

“Stock Exchange”                      The Stock Exchange of Hong Kong Limited;

“Transactions”                      the transactions contemplated under the Project Management Services Agreements; and

“%”                                      per cent.

By order of the Board  
**SOCAM Development Limited**  
**Lee Chun Kong, Freddy**  
*Executive Director and Chief Executive Officer*

Hong Kong, 30 April 2021

*At the date of this announcement, the executive Directors are Mr. Lo Hong Sui, Vincent and Mr. Lee Chun Kong, Freddy; the non-executive Director is Ms. Lo Bo Yue, Stephanie; 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*

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