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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 TRANSACTION

PROVISION OF RENOVATION WORKS

The Board announces that on 28 January 2022, Pat Davie (an indirect non-wholly owned subsidiary of the Company) received and acknowledged the Letter of Renovation Works Award from SOCCL, whereby the tender submitted by Pat Davie for the Renovation Works for a contract sum of HK\$4.138 million was accepted.

Also, on 23 December 2021, Pat Davie received and acknowledged the Letter of Mock-up Works Award from PEPM (acting as agent of, and in the course of provision of property management services to, SOCPML), whereby the tender submitted by Pat Davie for the Mock-up Works for a contract sum of HK\$2.55 million was accepted.

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 Mock-up Contract Sum was below HK\$3 million while all the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect thereof were less than 5%, the transaction contemplated under the Mock-up Contract, being a de minimis transaction under Rule 14A.76(1) of the Listing Rules, was exempt from all the disclosure and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the Renovation Contract Sum exceeds HK\$3 million while all the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect thereof, both on a stand-alone basis and in aggregation with the Mock-up Contract Sum, are less than 5%, the transaction contemplated under the Renovation Contract is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A.76 of the Listing Rules.

PROVISION OF RENOVATION WORKS

The Board announces that on 28 January 2022, Pat Davie received and acknowledged the Letter of Renovation Works Award from SOCCL, whereby the tender submitted by Pat Davie for the Renovation Works was accepted.

Date

28 January 2022

Parties

Contractor: Pat Davie, an indirect non-wholly owned subsidiary of the Company

Employer: SOCCL, an indirect wholly-owned subsidiary of SOCL (the controlling shareholder of the Company) and an owner of certain proprietary areas of Shui On Centre

Subject Matter

Pat Davie, as contractor, shall provide services, including (among others) supply and installation of certain fit-out works for lift lobbies, cargo lift lobbies and restrooms on the 31st and 33rd floors of Shui On Centre (the "**Renovation Works**").

Pat Davie and SOCCL will subsequently enter into a formal contract to set out the detailed terms and conditions upon which the Renovation Works shall be carried out by Pat Davie in furtherance of the Letter of Renovation Works Award, which will remain binding on the parties until execution of the formal contract.

Due performance of Pat Davie's obligations under the Renovation Contract (i.e. the Letter of Renovation Works Award or the formal contract as mentioned above) is to be secured by a surety bond issued for a sum equivalent to approximately 10% of the contract sum, which is in line with the current industry practice.

Contract Sum and Payment Terms

The contract sum payable to Pat Davie by SOCCL for the Renovation Works is HK\$4.138 million (the “**Renovation Contract Sum**”), which includes a contingency provision of HK\$150,000 for any adjustment or variation of the Renovation Works as approved by SOCCL.

The Renovation Contract Sum shall be paid in the following manner:

- (1) 95% of the Renovation Contract Sum shall be paid to Pat Davie by stages within 28 days of receiving the invoices from Pat Davie, which will be issued in accordance with the progress of the Renovation Works completed by Pat Davie pursuant to the Renovation Contract; and
- (2) 5% of the Renovation Contract Sum will be withheld for release to Pat Davie within 28 days after (i) the expiry of a 12-month defects liability period following completion of the Renovation Works; or (ii) the date of issuance of the final certificate confirming completion of the defects rectification works by the project architect, whichever is later.

The Renovation Contract Sum was estimated by Pat Davie during the tendering process with reference to the expected scope and complexity of the Renovation Works, and the estimated costs of materials and labour based on the prevailing market prices for carrying out similar works of comparable scale and complexity.

Completion

The Renovation Works shall be completed within 60 calendar days from the works commencement date, which is expected to be 31 January 2022.

PROVISION OF MOCK-UP WORKS

On 23 December 2021, Pat Davie received and acknowledged the Letter of Mock-up Works Award issued by PEPM (acting as agent of, and in the course of provision of property management services to, SOCPML, which is an indirect wholly-owned subsidiary of SOCL and the management company of Shui On Centre under the DMC), whereby the tender submitted by Pat Davie for the provision of services, including (among others) supply, installation and fit-out works in relation to the mock-up of overhaul enhancement for certain proprietary areas of Shui On Centre solely owned by certain subsidiaries of SOCL and other common areas of Shui On Centre for the benefit of all owners (the “**Mock-up Works**”), was accepted. The contract sum for the Mock-up Works is HK\$2.55 million (the “**Mock-up Contract Sum**”), which includes a contingency provision of HK\$150,000 for any adjustment or variation of the Mock-up Works as approved by PEPM (acting as agent of SOCPML). The Mock-up Works shall be completed within 86 calendar days from the works commencement date on 28 December 2021. The payment and other major terms of the Mock-up Contract as well as the basis for determination of the Mock-up Contract Sum are same as those for the Renovation Works as set out above.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Pat Davie, an indirect non-wholly owned subsidiary of the Company, principally engages in interior decoration, fit-out and refurbishment business in Hong Kong and Macau. The provision of the Renovation Works and the Mock-up Works by Pat Davie forms part of its ordinary and usual business activities, allowing Pat Davie to capitalise on its experience and expertise to earn an income.

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 and usual course of business of the Group and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

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 Mock-up Contract Sum was below HK\$3 million while all the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect thereof were less than 5%, the transaction contemplated under the Mock-up Contract, being a de minimis transaction under Rule 14A.76(1) of the Listing Rules, was exempt from all the disclosure and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the Renovation Contract Sum exceeds HK\$3 million while all the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect thereof, both on a stand-alone basis and in aggregation with the Mock-up Contract Sum, are less than 5%, the transaction contemplated under the Renovation Contract is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 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. 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 Renovation Contract and had abstained from voting at the relevant Board resolutions approving the same.

GENERAL INFORMATION

The Group principally engages in construction and building maintenance in Hong Kong and Macau, property development and investment in the PRC and provision of property management services in Hong Kong.

Pat Davie is an indirect non-wholly owned subsidiary of the Company, which principally engages in interior decoration, fit-out and refurbishment business in Hong Kong and Macau.

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

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

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

DEFINITIONS

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

“Board”	the board of Directors
“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

“Letter of Mock-up Works Award”	the letter of award issued by PEPM (acting as agent of, and in the course of provision of property management services to, SOCPML) on 23 December 2021 and acknowledged by Pat Davie on the same date in respect of the engagement of Pat Davie as the contractor to carry out the Mock-up Works
“Letter of Renovation Works Award”	the letter of award issued by SOCCL on 28 January 2022 and acknowledged by Pat Davie on the same date in respect of the engagement of Pat Davie as the contractor to carry out the Renovation Works
“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
“Mock-up Contract”	the Letter of Mock-up Works Award or the formal contract to be entered into between PEPM (acting as agent of, and in the course of provision of property management services to, SOCPML) and Pat Davie in furtherance of the Letter of Mock-up Works Award, which will remain binding on the parties until execution of the formal contract
“Mock-up Contract Sum”	has the meaning ascribed to it under the section headed “PROVISION OF MOCK-UP WORKS” of this announcement
“Mock-up Works”	has the meaning ascribed to it under the section headed “PROVISION OF MOCK-UP WORKS” of this announcement
“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

“Pat Davie”	Pat Davie Limited, a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company
“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 (for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan)
“Renovation Contract”	the Letter of Renovation Works Award or the formal contract to be entered into between SOCCL and Pat Davie in furtherance of the Letter of Renovation Works Award, which will remain binding on the parties until execution of the formal contract
“Renovation Contract Sum”	has the meaning ascribed to it under the section headed “PROVISION OF RENOVATION WORKS – <i>Contract Sum and Payment Terms</i> ” of this announcement
“Renovation Works”	has the meaning ascribed to it under the section headed “PROVISION OF RENOVATION WORKS – <i>Subject Matter</i> ” of this announcement
“Shui On Centre”	a commercial building located at 6-8 Harbour Road, Hong Kong
“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 and an indirect wholly-owned subsidiary of SOCL
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions contemplated under the Mock-up Contract and the Renovation Contract
“%”	per cent

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

Hong Kong, 28 January 2022

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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