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

PROPOSED SHARE PREMIUM CANCELLATION

AND

ADOPTION OF REVISED DIVIDEND POLICY

PROPOSED SHARE PREMIUM CANCELLATION

The Proposal

The Board intends to put forward a proposal to Shareholders at the 2022 AGM to cancel the share premium of the Company in accordance with the Companies Act and the Bye-laws.

As at 31 December 2021, the amount standing to the credit of the Share Premium Account was approximately HK\$2,982 million. It is proposed that the entire amount standing to the credit of the Share Premium Account as at the Effective Date, which is expected to be same as the aforesaid amount, be cancelled and transferred to the Contributed Surplus Account which may be utilised and applied by the Directors in such manner as they consider appropriate from time to time in accordance with the applicable laws of Bermuda and the Bye-laws.

Reasons for the Share Premium Cancellation

The Board considers that it is unnecessary to maintain the Share Premium Account at its current level. In addition, the Company is subject to restrictions under the Companies Act on the use of the funds standing to the credit of the Share Premium Account in limited circumstances, such as for paying up Shares to be issued to Shareholders as fully paid bonus Shares or writing off the expenses of any issue of Shares. The Share Premium Cancellation and the transfer of the entire credit amount arising therefrom to the Contributed Surplus Account, which is a distributable reserve, will increase the balance of the reserve and give the Company greater flexibility to use such reserve for such purposes as allowed under and subject to the requirements of the applicable laws of Bermuda and the Bye-laws, including, without limitation, to set off against the Company's accumulated losses and to make distributions or payment of dividends to Shareholders as the Board may think fit. The Board believes that the Share Premium Cancellation is in the interests of the Company and Shareholders as a whole.

Effects of the Share Premium Cancellation

The Share Premium Cancellation will not involve any reduction in the authorised or issued share capital of the Company nor will it involve any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares. Save for the expenses incurred by the Company in relation to the Share Premium Cancellation, the Share Premium Cancellation will not, in itself, have any material adverse effect on the underlying assets, business operations, management or financial position of the Company or the interests of Shareholders in the underlying assets of the Company.

Conditions of the Share Premium Cancellation

The Share Premium Cancellation is conditional upon:

- (i) the passing of a special resolution by Shareholders to approve the Share Premium Cancellation at the 2022 AGM; and
- (ii) compliance with section 46(2) of the Companies Act, including (i) the publication of a notice in relation to the Share Premium Cancellation in an appointed newspaper in Bermuda on a date not more than 30 days and not less than 15 days before the date on which the Share Premium Cancellation is to take effect (the “Effective Date”); and (ii) the Board being satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Share Premium Cancellation would be, unable to pay its liabilities as they become due.

Subject to the fulfilment of the above conditions, the Effective Date is expected to be 2 June 2022, being the first business day immediately following the date of passing the relevant special resolution at the 2022 AGM.

General

A circular containing, among other things, further details about the Share Premium Cancellation together with a notice convening the 2022 AGM will be despatched to Shareholders on or around 28 April 2022. No Shareholder is required to abstain from voting on the resolution proposed to consider and approve the Share Premium Cancellation.

ADOPTION OF REVISED DIVIDEND POLICY

Pursuant to Rules 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO concerning disclosure of inside information, the Board announces that it has approved on 30 March 2022 to adopt the revised dividend policy of the Company (the “Dividend Policy”) as set out below, in place of the dividend policy as disclosed in the Company’s 2020 annual report:

Declaration of dividends by the Company is subject to compliance with applicable laws of Bermuda and the Bye-laws. In determining whether to propose a dividend and the dividend amount, the Board will take into account a number of factors including but not limited to the Group’s financial performance and cashflow, future funding needs, restrictions under any loan covenants as well as prevailing economic and market conditions. The distribution of dividends to Shareholders can be by way of cash or scrip or partly by cash or scrip or in such other manner as determined by the Board from time to time.

Subject to the factors described above, there is no assurance that dividends will be paid in any particular amount or manner for any period and the dividend pay-out ratio may vary from year to year. The Board will continually review the Dividend Policy and, if considered appropriate, may modify, amend and change the Dividend Policy at any time.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

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| “2022 AGM” | the forthcoming annual general meeting of the Company convened to be held on Wednesday, 1 June 2022 for the purpose of considering and if thought fit, approving, among other things, the Share Premium Cancellation |
| “Board” | the board of Directors |
| “Bye-laws” | the bye-laws of the Company, as amended from time to time |
| “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) |
| “Companies Act” | the Companies Act 1981 of Bermuda, as amended from time to time |
| “Contributed Surplus Account” | the contributed surplus account of the Company |
| “Director(s)” | the director(s) of the Company |
| “Dividend Policy” | has the meaning ascribed to it under the section headed “ADOPTION OF REVISED DIVIDEND POLICY” of this announcement |
| “Effective Date” | has the meaning ascribed to it under the section headed “PROPOSED SHARE PREMIUM CANCELLATION – Conditions of the Share Premium Cancellation” of this announcement |
| “Group” | collectively, the Company and its subsidiaries |

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| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | the ordinary share(s) of nominal value of H\$1.00 each in the capital of the Company |
| “Shareholders” | holders of the Shares |
| “Share Premium Account” | the share premium account of the Company |
| “Share Premium Cancellation” | the proposed cancellation of the entire amount standing to the credit of the Share Premium Account as at the Effective Date to be considered and, if thought fit, approved by Shareholders at the 2022 AGM |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

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

Hong Kong, 30 March 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*

Website: www.socam.com