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

## **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO CONTINUING CONNECTED TRANSACTIONS**

### **SUPPLEMENTAL AGREEMENT TO FRAMEWORK AGREEMENT IN RELATION TO WORKS AND SERVICES FOR SHUI ON CENTRE**

Reference is made to the announcement of the Company dated 7 March 2022 (the “**Announcement**”) in respect of the Framework Agreement and the transactions contemplated thereunder. Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the context herein requires otherwise.

#### **BACKGROUND**

As disclosed in the Announcement, on 7 March 2022, the Company and SOCL entered into the Framework Agreement in respect of the Group’s possible undertaking and/or provision of the Works and the Services (covering, among others, the provision of the Smart Facilities by way of lease financing arrangement) in relation to Shui On Centre.

As additional time is required for the Company to prepare the necessary information in relation to those Services involving lease financing arrangement for complying with the Listing Rules, and as the Group wishes to proceed with the undertaking of the Works and the Services (to the extent possible) to be tendered for as soon as practicable, on 13 May 2022, the Company and SOCL entered into a supplemental agreement (the “**Supplemental Agreement**”) to revise the terms of the Framework Agreement such that the Framework Agreement only applies to the tender submissions for and, if awarded, the undertaking of the Works and the Services that do not involve any lease financing arrangement.

## THE SUPPLEMENTAL AGREEMENT

### *Date*

13 May 2022

### *Parties*

- (1) the Company
- (2) SOCL

### *Subject matter*

Pursuant to the Supplemental Agreement, the Company and SOCL agreed to (i) revise the scope and the term of the Services (the “**Revised Services**”) to cover only the after sales/maintenance services for the Smart Facilities included under the Works for a term of not more than three years; and (ii) remove accordingly from the Framework Agreement the description of the pricing basis relating to the tenders for those Services involving lease financing arrangement. For the avoidance of doubt, there is no change to the scope of the Works.

### *Other terms*

Save as disclosed in this announcement, there are no other changes to the material terms of the Framework Agreement, including but not limited to the term of the Framework Agreement, the Condition and the payment terms.

## **REVISED SERVICE CAP AND BASIS OF DETERMINATION OF THE REVISED SERVICE CAP**

Incidental to the change of the scope of the Services under the Framework Agreement, the Service Cap shall be reduced to HK\$9 million (the “**Revised Service Cap**”) for each of the period ending 31 December 2022 and the years ending 31 December 2023 and 2024. For the avoidance of doubt, there is no change to the amount of the Project Cap, which remains to be HK\$372 million for each of the period ending 31 December 2022 and the years ending 31 December 2023 and 2024.

The Revised Service Cap, taking into account the circumstance that all the tenders for the Revised Services might be released in one single year during the term of the Framework Agreement (as amended and supplemented by the Supplemental Agreement) (the “**Amended Framework Agreement**”), represents the maximum total after sales/maintenance service fee for the Revised Services that may be awarded to member(s) of the Group within the term of the Amended Framework Agreement pursuant to all the relevant tenders submitted under the Amended Framework Agreement.

The Revised Service Cap was determined based on:

- the size, office grading and location of Shui On Centre;
- the typical type of the Smart Facilities and the Revised Services that may be provided for office/commercial property in proximate location or of comparable grade, the possible scale given the size of Shui On Centre, and the estimated costs of the Group for providing such Revised Services;
- the prevailing market fees charged by service providers comparable to the Group for similar services; and
- the estimated fluctuation in the average fees charged by service providers comparable to the Group for similar services.

The Revised Service Cap was determined according to the Group's standard pricing procedures for determining a tender submission as if the Group had already received a tender invitation for the potential Revised Services to be requested for the revamp of Shui On Centre and with reference to the proposed scope in the design plan prepared by the designated working groups.

The basis of determination of the Revised Service Cap and the pricing basis relating to the tenders for the Revised Services will be further elaborated in a circular in relation to, among others, details of the Amended Framework Agreement (the "**Circular**") to be despatched to the Shareholders on 16 May 2022.

## **REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENT**

As additional time is required for the Company to prepare the necessary information in relation to those Services involving lease financing arrangement for complying with the Listing Rules, the entering into of the Supplemental Agreement to, among others, change the scope of the Services under the Framework Agreement enables the Group to proceed with the undertaking of the Works and/or the Revised Services through tender submissions as soon as practicable.

The Company will attend to the necessary requirements regarding the provision of those Services involving lease financing arrangement in accordance with the Listing Rules at a later stage.

The Directors (other than the independent non-executive Directors, whose views will be set out in the Circular after receiving the advice from the Independent Financial Adviser) consider that the terms of the Amended Framework Agreement and the transactions contemplated thereunder (the "**Transactions**") are normal commercial terms, and the same together with the Project Cap and the Revised Service Cap (collectively, the "**Annual Caps**") are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As SOCL is the controlling shareholder of the Company, SOCL and members of the SOCL Group are connected persons of the Company. Accordingly, the entering into of the Amended Framework Agreement and, if materialised, the Transactions will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Annual Caps remains to exceed 5%, the Amended Framework Agreement, the Transactions and the Annual Caps are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A 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 Amended Framework Agreement and the Transactions and had abstained from voting at the relevant Board resolutions approving the same.

The Circular containing, among others, details of the Amended Framework Agreement and the Transactions, the recommendation of the Independent Board Committee to the Independent Shareholders, the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and a notice convening the SGM will be despatched to the Shareholders on 16 May 2022.

## **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.

SOCL is a company incorporated in the British Virgin Islands with limited liability and its principal activity is investment holding.

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

Hong Kong, 13 May 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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