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**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)**

**CONDITIONAL CASH OFFER BY  
UBS AG HONG KONG BRANCH ON BEHALF OF  
SOCAM DEVELOPMENT LIMITED  
TO BUY-BACK UP TO 100,000,000 SHARES  
AT HK\$2.50 PER SHARE**

**APPLICATION FOR WHITEWASH WAIVER**

**AND**

**RESUMPTION OF TRADING IN SECURITIES**

**Financial adviser to the Company**



The Board announces that an offer will be made by UBS on behalf of the Company to buy-back for cancellation, subject to the Conditions, up to the Maximum Number of 100,000,000 Shares, representing approximately 20.64% of the issued Shares as at the date of this announcement, at the price of HK\$2.50 per Share. The Offer, if accepted in full, will result in the Company paying approximately HK\$250 million in aggregate to the Accepting Shareholders. The consideration for the Offer will be paid in cash and will be funded by internal resources of the Group.

The Offer Price represents:

- a premium of approximately 4.60% over the closing price of the Shares of HK\$2.39 as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 16.82% over the average closing price of the Shares of approximately HK\$2.14 as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day;
- a premium of approximately 20.19% over the average closing price of the Shares of approximately HK\$2.08 as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day;
- a premium of approximately 33.69% over the average closing price of the Shares of approximately HK\$1.87 as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day; and
- a discount of approximately 66.03% to the Group's net asset value per Share of approximately HK\$7.36 pursuant to the latest audited consolidated financial statements of the Company as at 31 December 2017.

As at the date of this announcement, the total number of issued Shares is 484,410,164 Shares. SOCL holds 232,148,000 Shares, representing approximately 47.92% of the issued Shares as at the date of this announcement. SOCL and parties acting in concert with it (including SOFCL (a wholly-owned subsidiary of SOCL), Mr. Lo (a director of SOCL), Mr. Wong (a director of SOCL and SOFCL), Mrs. Lo (the spouse of Mr. Lo), Mrs. Annie Chan (a sister of Mr. Lo) and Ms. Gwen Lo (a sister of Mr. Lo)) are interested in 238,907,300 Shares, representing approximately 49.32% of the issued Shares as at the date of this announcement. Mr. Lo is an executive Director and the Chairman of the Company, and Mr. Wong is an executive Director, the Chief Executive Officer and Chief Financial Officer of the Company.

Each of the Undertaking Shareholders (i.e. SOCL, Mr. Lo and Mr. Wong) has irrevocably undertaken to the Company that each of them will not, and will procure the holders of Shares whose Shares the Undertaking Shareholders are deemed to be interested in by virtue of Part XV of the SFO (including SOFCL and Mrs. Lo) not to, accept the Offer. The Undertaking Shareholders, together with the holders of Shares whose Shares the Undertaking Shareholders are deemed to be interested in by virtue of Part XV of the SFO (including SOFCL and Mrs. Lo), hold 238,621,000 Shares, representing approximately 49.26% of the issued Shares as at the date of this announcement. As a result of the share buy-back, depending on the level of

acceptances received from the Accepting Shareholders pursuant to the Offer and assuming that no Share Options will be exercised by their holders prior to completion of the Offer, the aggregate interests of SOCL and parties acting in concert with it may increase to a maximum level of approximately 62.15% upon completion of the Offer, thereby triggering an obligation under Rule 26 of the Takeovers Code for SOCL to make a mandatory general offer for all the Shares not already owned by SOCL and parties acting in concert with it. Consequently, an application will be made to the Executive by SOCL and the Company for the Whitewash Waiver.

The Offer will be conditional upon approval of the Independent Shareholders voting by way of poll at the SGM and the Whitewash Waiver being granted by the Executive, which would also be subject to the approval of the Independent Shareholders voting by way of poll at the SGM. SOCL will abstain, and will procure parties acting in concert with it and any person who may be required to abstain from voting in accordance with the Takeovers Code and the Share Buy-backs Code to abstain, from voting on the ordinary resolution in respect of the Offer and the Whitewash Waiver to be proposed at the SGM. SOFCL, Mr. Lo, Mr. Wong, Mrs. Lo, Mrs. Annie Chan and Ms. Gwen Lo will abstain from voting at the SGM.

An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Offer and the Whitewash Waiver.

The Offer Document, which will contain details (including the timetable) of the Offer, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, recommendation from the Independent Board Committee to the Independent Shareholders and a notice convening the SGM, will be despatched to the Shareholders on or around 19 June 2018.

**WARNING: The Offer is subject to all of the Conditions being fulfilled in full. If the Whitewash Waiver is not granted by the Executive, or if the ordinary resolution to approve the Offer and the Whitewash Waiver is not passed by the Independent Shareholders, the Offer will not proceed and will immediately lapse.**

**It should be noted that dealings in the Shares will continue notwithstanding that any of the Conditions may remain unfulfilled, and that persons dealing in the Shares will bear the risk that the Offer may lapse.**

**Shareholders are advised to consider the detailed terms of the Offer and the Whitewash Waiver and read, among other things, the letter from the Independent Board Committee and the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders to be contained in the Offer Document before deciding whether to vote for or against the ordinary resolution in respect of the Offer and the Whitewash Waiver to be proposed at the SGM. Shareholders should also note that their voting decision on the ordinary resolution in respect of the Offer and the Whitewash Waiver to be proposed at the SGM shall not affect their decision as to whether to accept the Offer or not. If Shareholders are in any doubt as to any aspect of the Offer and the Whitewash Waiver or as to the action to be taken, they should seek independent professional advice.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares and should consult their professional advisers when in doubt.**

#### **RESUMPTION OF TRADING IN SECURITIES**

At the request of the Company, trading in the Shares (stock code: 983) and debt securities (stock code: 4518) on the Stock Exchange has been halted with effect from 9:00 a.m. on Monday, 28 May 2018 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares (stock code: 983) and debt securities (stock code: 4518) on the Stock Exchange with effect from 9:00 a.m. on Wednesday, 30 May 2018.

#### **INTRODUCTION**

The Board announces that an offer will be made by UBS on behalf of the Company to buy-back for cancellation, subject to the Conditions, up to the Maximum Number, being 100,000,000 Shares, representing approximately 20.64% of the issued Shares as at the date of this announcement, at the price of HK\$2.50 per Share.

The Offer will be made in full compliance with the Share Buy-backs Code. The consideration for the Offer, being a total of approximately HK\$250 million if the Offer is accepted in full, will be paid in cash and will be funded by internal resources of the Group.

## TERMS OF THE OFFER

The salient terms of the Offer are as follows:

- (a) UBS will make the Offer to the Shareholders on behalf of the Company to buy-back the Shares, up to the Maximum Number, at the Offer Price;
- (b) Qualifying Shareholders may accept the Offer in respect of their holdings in Shares at the Offer Price up to their entire holdings (subject to the procedures for scaling down described under the section headed “*Assured Entitlements and Excess Tenders*” as set out below);
- (c) Shares stated in acceptances of the Offer will be bought-back to the fullest extent of the Accepting Shareholders’ Assured Entitlements. No minimum number will be set for individual acceptance or the number of Shares to be bought-back under the Offer;
- (d) Excess Tenders will be accepted on a pro rata basis to the extent that the aggregate number of Shares bought-back pursuant to the Offer will not thereby exceed the Maximum Number;
- (e) acceptances duly received will become irrevocable and cannot be withdrawn after the Offer has been declared unconditional;
- (f) Shares will be bought-back in cash, free of commission, levies and dealing charges, save that the amount of stamp duty due on Shares bought-back attributable to the seller will be deducted from the amount payable to the Accepting Shareholders and will be paid by the Company on behalf of the Accepting Shareholders;
- (g) Shares bought-back will be treated as cancelled and will not be entitled to any dividend declared for any record date set subsequent to the date of their cancellation. The issued share capital of the Company shall be diminished by the nominal value of the Shares bought-back accordingly; and
- (h) Shares will be bought-back free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature. Accordingly, the submission of a Form of Acceptance by an Accepting Shareholder will be deemed to constitute a warranty by that Accepting Shareholder to UBS and the Company that the Shares are being sold free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature.

Under the Share Buy-backs Code, the Offer will need to be approved by the Independent Shareholders in a general meeting by a majority of votes by way of poll and will also be subject to the other condition as referred to in the section headed “*Conditions of the Offer*” below.

The detailed terms of the Offer will be set out in the Offer Document.

## **THE OFFER PRICE**

The Offer Price of HK\$2.50 per Share values the entire issued share capital of the Company as at the date of this announcement at approximately HK\$1,211.03 million.

The Offer Price represents:

- a premium of approximately 4.60% over the closing price of the Shares of HK\$2.39 as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 16.82% over the average closing price of the Shares of approximately HK\$2.14 as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day;
- a premium of approximately 20.19% over the average closing price of the Shares of approximately HK\$2.08 as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day;
- a premium of approximately 33.69% over the average closing price of the Shares of approximately HK\$1.87 as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day; and
- a discount of approximately 66.03% to the Group’s net asset value per Share of approximately HK\$7.36 pursuant to the latest audited consolidated financial statements of the Company as at 31 December 2017.

The Offer Price was determined after taking into account, among other things, the historical prices of the Shares traded on the Stock Exchange, historical financial information of the Company, and the prevailing market conditions and sentiments, and with reference to share buy-back transactions in Hong Kong in recent years. In particular, the Company has taken due consideration of the following:

- (a) the closing prices of the Shares on 23 May 2018 and the Last Trading Day were HK\$2.03 and HK\$2.39 respectively, representing an increase of approximately 17.7% over 2 trading days;

- (b) the closing price of the Shares of HK\$2.39 on the Last Trading Day represents the highest closing price of the Shares since 27 July 2017;
- (c) the trading volume of the Shares on the Last Trading Day was approximately 4.9 million Shares, representing approximately 3.9 times of the average trading volume of approximately 1.3 million Shares for the last 30 trading days prior to and excluding the Last Trading Day;
- (d) reference was also made to the closing price of the Shares of HK\$2.03 on 23 May 2018 prior to 24 and 25 May 2018 when trading in the Shares was more volatile. If the closing price of the Shares on 23 May 2018 is used as a reference (which was close to the average closing price of the Shares of approximately HK\$2.08 as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day), the Offer Price of HK\$2.50 would represent:
  - (i) a premium of approximately 23.15% over the closing price of the Shares of HK\$2.03 as quoted on the Stock Exchange on 23 May 2018;
  - (ii) a premium of approximately 24.38% over the average closing price of the Shares of approximately HK\$2.01 as quoted on the Stock Exchange for the last 5 trading days up to and including 23 May 2018;
  - (iii) a premium of approximately 23.76% over the average closing price of the Shares of approximately HK\$2.02 as quoted on the Stock Exchange for the last 10 trading days up to and including 23 May 2018; and
  - (iv) a premium of approximately 37.36% over the average closing price of the Shares of approximately HK\$1.82 as quoted on the Stock Exchange for the last 30 trading days up to and including 23 May 2018.

## **CONFIRMATION OF FINANCIAL RESOURCES**

At the Offer Price, the Offer, if accepted in full, will result in the Company paying HK\$250 million in aggregate to the Accepting Shareholders in cash which will be funded by internal resources of the Group. UBS is satisfied that the Company has sufficient financial resources to enable it to satisfy acceptances of the Offer in full.

## **CONDITIONS OF THE OFFER**

The Offer will be conditional upon fulfillment of all of the following conditions:

- (a) an ordinary resolution to approve the Offer and the Whitewash Waiver by the Independent Shareholders having been passed by way of poll at the SGM; and
- (b) the Whitewash Waiver having been granted by the Executive.

None of the above conditions can be waived.

SOCL will abstain, and will procure parties acting in concert with it and any person who may be required to abstain from voting in accordance with the Takeovers Code and the Share Buy-backs Code to abstain, from voting on the ordinary resolution in respect of the Offer and the Whitewash Waiver to be proposed at the SGM. SOFCL, Mr. Lo, Mr. Wong, Mrs. Lo, Mrs. Annie Chan and Ms. Gwen Lo will abstain from voting at the SGM.

**WARNING: The Offer is subject to all of the Conditions being fulfilled in full. If the Whitewash Waiver is not granted by the Executive, or if the ordinary resolution to approve the Offer and the Whitewash Waiver is not passed by the Independent Shareholders, the Offer will not proceed and will immediately lapse.**

**It should be noted that dealings in the Shares will continue notwithstanding that any of the Conditions may remain unfulfilled, and that persons dealing in the Shares will bear the risk that the Offer may lapse.**

**Shareholders are advised to consider the detailed terms of the Offer and the Whitewash Waiver and read, among other things, the letter from the Independent Board Committee and the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders to be contained in the Offer Document before deciding whether to vote for or against the ordinary resolution in respect of the Offer and the Whitewash Waiver to be proposed at the SGM. Shareholders should also note that their voting decision on the ordinary resolution in respect of the Offer and the Whitewash Waiver to be proposed at the SGM shall not affect their decision as to whether to accept the Offer or not. If Shareholders are in any doubt as to any aspect of the Offer and the Whitewash Waiver or as to the action to be taken, they should seek independent professional advice.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares and should consult their professional advisers when in doubt.**

If the Offer is declared unconditional, Qualifying Shareholders will be able to tender their Shares for acceptance under the Offer for a period of 14 days thereafter.

Tenders duly received will become irrevocable and cannot be withdrawn after the Offer has been declared unconditional, unless in accordance with Rule 19.2 of the Takeovers Code. All Shares bought-back under the Offer will be cancelled.



The Offer will not be conditional as to any minimum number of acceptances.

Shares will be bought-back free of commissions and dealing charges, but the seller's ad valorem stamp duty payable by the Accepting Shareholders, calculated at a rate of HK\$1.00 for every HK\$1,000 or part thereof of the market value of the Shares to be bought-back under the Offer, or the consideration payable by the Company in respect of relevant acceptances of the Offer, whichever is the higher, will be deducted from the amount payable to the Accepting Shareholders. The Company will arrange for payment of the seller's ad valorem stamp duty on behalf of the Accepting Shareholders.

Acceptance of the Offer by any Accepting Shareholder will, subject to the Offer becoming unconditional, be deemed to constitute a warranty by such Shareholder that all Shares sold by such Shareholder under the Offer are free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature, and are sold together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and other distributions declared, made or paid, if any, on or after the date of their cancellation. All Shares bought-back under the Offer will be cancelled.

#### **ASSURED ENTITLEMENTS AND EXCESS TENDERS**

The Maximum Number to be bought-back pursuant to the Offer is 100,000,000 Shares, representing approximately 20.64% of the issued Shares as at the date of this announcement.

As at the date of this announcement, SOCL holds 232,148,000 Shares, representing approximately 47.92% of the issued Shares as at the date of this announcement. SOCL and parties acting in concert with it (including SOFCL (a wholly-owned subsidiary of SOCL), Mr. Lo (a director of SOCL), Mr. Wong (a director of SOCL and SOFCL), Mrs. Lo (the spouse of Mr. Lo), Mrs. Annie Chan (a sister of Mr. Lo) and Ms. Gwen Lo (a sister of Mr. Lo)) are interested in 238,907,300 Shares, representing approximately 49.32% of the issued Shares as at the date of this announcement. Mr. Lo is an executive Director and the Chairman of the Company, and Mr. Wong is an executive Director, the Chief Executive Officer and Chief Financial Officer of the Company.

Each of the Undertaking Shareholders (i.e. SOCL, Mr. Lo and Mr. Wong) has irrevocably undertaken to the Company that each of them will not, and will procure the holders of Shares whose Shares the Undertaking Shareholders are deemed to be interested in by virtue of Part XV of the SFO (including SOFCL and Mrs. Lo) not to,

accept the Offer. The Undertaking Shareholders, together with the holders of Shares whose Shares the Undertaking Shareholders are deemed to be interested in by virtue of Part XV of the SFO (including SOFCL and Mrs. Lo), hold 238,621,000 Shares, representing approximately 49.26% of the issued Shares as at the date of this announcement. As such, the Maximum Number represents approximately 40.69% of the 245,789,164 Shares, being the issued Shares less the Shares held by the Undertaking Shareholders and the holders of Shares whose Shares the Undertaking Shareholders are deemed to be interested in by virtue of Part XV of the SFO as at the date of this announcement.

In other words, the Assured Entitlements of the Qualifying Shareholders (other than the Undertaking Shareholders (i.e. SOCL, Mr. Lo and Mr. Wong) and the holders of the Shares whose Shares the Undertaking Shareholders are deemed to be interested in by virtue of Part XV of the SFO (including SOFCL and Mrs. Lo)) will be enhanced on a pro-rata basis by the number of Shares the Undertaking Shareholders have undertaken not to tender (i.e. Shares held by the Undertaking Shareholders and the Shares deemed to be interested by the Undertaking Shareholders by virtue of Part XV of the SFO). Accordingly, the minimum number of Shares which will be assured to be bought-back pursuant to the Offer from each Qualifying Shareholder (i.e. the Assured Entitlement) shall be approximately 813 Shares for each board lot of 2,000 Shares (rounded down to the nearest whole number of Shares).

Shares tendered by the Accepting Shareholders in excess of their Assured Entitlements may be bought-back under the Offer if certain Qualifying Shareholders do not tender their Shares or tender fewer Shares than their Assured Entitlements for acceptance of the Offer.

If Accepting Shareholders in aggregate tender Shares for acceptance under the Offer exceeds the Maximum Number, the number of Shares tendered by each Accepting Shareholder over and above his/her Assured Entitlement (i.e. the Excess Tender) will be scaled down on a pro rata basis, based on the total number of Excess Tenders and calculated in accordance with the following formula (save that the Company may, in its absolute discretion, round such figure up or down with the intention of avoiding, as far as practicable, Shares being held by Shareholders in odd lots or fractional entitlements):

$$\frac{(100,000,000 - A) \times C}{B}$$

A = Total number of Shares in respect of which the Offer is validly accepted by all Accepting Shareholders and which form either all or part of their respective Assured Entitlements (as the case may be)

B = Total number of Shares in respect of which the Offer is validly accepted by the Accepting Shareholders in excess of their respective Assured Entitlements

C = Number of Shares in respect of which the Offer is validly accepted by the relevant Qualifying Shareholder in excess of his/her Assured Entitlement

The total number of Shares which will be bought-back by the Company will not exceed the Maximum Number. The decision of the Company as to any scaling down of acceptances of the Offer in excess of the Assured Entitlements and as to the treatment of fractions will be conclusive and binding on all the Accepting Shareholders.

As at the date of this announcement, neither the Company nor parties acting in concert with it has received any irrevocable commitment to accept the Offer.

## **OVERSEAS SHAREHOLDERS**

The making of the Offer to Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. The laws of the relevant jurisdictions may prohibit the making of the Offer to overseas Shareholders or require compliance with certain filing, registration or other requirements in respect of the Offer. The Company reserves the right, subject to the consent of the Executive and the relevant legal requirements, to make special arrangements with respect to overseas Shareholders whose receipt of the Offer Document and the Form of Acceptance is subject to the laws of the overseas jurisdiction. Details of overseas Shareholders will be set out in the Offer Document. The Company will comply with the requirements under Rule 8 (subject to Note 3 to Rule 8) of the Takeovers Code in respect of overseas Shareholders.

**It is the responsibility of each overseas Shareholder who wishes to accept the Offer to satisfy himself or herself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consents which may be required or compliance with other necessary formalities or legal requirements. Any acceptance of the Offer by any Qualifying Shareholder shall be deemed to constitute a representation and warranty from such Shareholder to the Company that all applicable local laws and requirements have been observed and complied with. Shareholders should consult their professional advisers if in doubt.**

The Company shall give notice of any matter in relation to the Offer to the Shareholders by issuing announcements or advertisements in accordance with its bye-laws and the Listing Rules and, if so given, shall be deemed to have been sufficient for all effective purposes, despite any failure by any overseas Shareholder to receive the same.

### **ODD LOTS**

The Shares are currently traded in board lot of 2,000 Shares each. There is no intention to change the board lot size as a result of the Offer. Qualifying Shareholders should note that acceptance of the Offer may result in their holding of odd lots of Shares. The Company will make arrangements to appoint a designated broker to match sales and purchases of odd lot holdings of Shares for a reasonable period after completion of the Offer in order to enable such Accepting Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots. Details of such arrangements will be included in the Offer Document and will be disclosed by way of separate announcement as and when appropriate.

### **NOMINEE REGISTRATION OF SHARES**

To ensure equality of treatment of all Qualifying Shareholders, those registered Shareholders who hold Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of the Shares, whose investments are registered in nominee names (including those whose interests in Shares are held through CCASS), to accept the Offer, it is essential that they provide instructions to their nominee agents of their intentions with regards to the Offer.

### **WHITEWASH WAIVER**

As at the date of this announcement, SOCL and parties acting in concert with it (including SOFCL (a wholly-owned subsidiary of SOCL), Mr. Lo (a director of SOCL), Mr. Wong (a director of SOCL and SOFCL), Mrs. Lo (the spouse of Mr. Lo), Mrs. Annie Chan (a sister of Mr. Lo) and Ms. Gwen Lo (a sister of Mr. Lo)) are interested in 238,907,300 Shares, representing approximately 49.32% of the issued Shares as at the date of this announcement. Pursuant to Rule 6 of the Share Buy-backs Code, if as a result of a share buy-back, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code.

Depending on the level of acceptances received from the Accepting Shareholders pursuant to the Offer and assuming that no Share Options will be exercised by their holders prior to completion of the Offer, the aggregate interests of SOCL and parties acting in concert with it may increase to a maximum level of approximately 62.15% upon completion of the Offer, thereby triggering an obligation under Rule 26 of the Takeovers Code for SOCL to make a mandatory general offer for all the Shares not already owned by SOCL and parties acting in concert with it. Consequently, an application will be made to the Executive by SOCL and the Company for the Whitewash Waiver.

Depending on the level of acceptances received from the Accepting Shareholders pursuant to the Offer and in the event that the aggregate interests of SOCL and parties acting in concert with it exceed 50% of the issued Shares upon completion of the Offer, SOCL and parties acting in concert with it may increase their aggregate shareholding in the Company subsequent to the completion of the Offer without triggering any obligation under Rule 26 of the Takeovers Code to make a mandatory general offer.

The Offer will be conditional upon approval of the Independent Shareholders voting by way of poll at the SGM and the Whitewash Waiver being granted by the Executive, which would also be subject to the approval of the Independent Shareholders voting by way of poll at the SGM.

**If the Offer or the Whitewash Waiver is not approved by the Independent Shareholders, or if the latter is not granted by the Executive, the Offer will not proceed.**

As at the date of this announcement, the Company does not believe that the transactions under the Offer and the Whitewash Waiver would give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules) in Hong Kong. If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the Offer Document. The Company notes that the Executive may not grant the Whitewash Waiver if the transactions under the Offer and the Whitewash Waiver do not comply with other applicable rules and regulations.

## CHANGES IN SHAREHOLDING STRUCTURE

The table below shows the Company's existing shareholding structure and the shareholding structure immediately after completion of the Offer, assuming that (i) the Qualifying Shareholders (other than Mrs. Annie Chan and Ms. Gwen Lo, being parties acting in concert with SOCL) will accept the Offer in full (and taking into account the fact that each of the Undertaking Shareholders has irrevocably undertaken to the Company that each of them will not, and will procure the holders of Shares whose Shares the Undertaking Shareholders are deemed to be interested in by virtue of Part XV of the SFO (including SOFCL and Mrs. Lo) not to, accept the Offer); and (ii) no additional Shares will be issued from the date of this announcement up to and including the date of completion of the Offer (save as a result of any exercise of the Share Options by their holders):

Name of Shareholder	Immediately before completion of the Offer		Immediately after completion of the Offer (assuming no Share Options will be exercised from the date of this announcement up to and including the date of completion of the Offer)		Immediately after completion of the Offer (assuming all Share Options which are vested and exercisable as at the date of this announcement have been fully exercised before completion of the Offer)	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
<b>SOCL (and parties acting in concert it)</b>						
SOCL ( <i>Note 1</i> )	232,148,000	47.92	232,148,000	60.39	232,148,000	59.70
SOFCL ( <i>Note 1</i> )	2,233,000	0.46	2,233,000	0.58	2,233,000	0.57
Mr. Wong ( <i>Note 2</i> )	3,928,000	0.81	3,928,000	1.02	3,928,000	1.01
Mrs. Lo ( <i>Note 3</i> )	312,000	0.06	312,000	0.08	312,000	0.08
Mrs. Annie Chan ( <i>Note 4</i> )	274,300	0.06	274,300	0.07	274,300	0.07
Ms. Gwen Lo ( <i>Note 5</i> )	<u>12,000</u>	<u>0.002</u>	<u>12,000</u>	<u>0.003</u>	<u>12,000</u>	<u>0.003</u>
<b>Sub-total</b>	238,907,300	49.32	238,907,300	62.15	238,907,300	61.43
Other Shareholders	<u>245,502,864</u>	<u>50.68</u>	<u>145,502,864</u>	<u>37.85</u>	<u>149,974,864</u>	<u>38.57</u>
<b>Total</b>	<u>484,410,164</u>	<u>100.00</u>	<u>384,410,164</u>	<u>100.00</u>	<u>388,882,164</u>	<u>100.00</u>

Notes:

- SOFCFL is a wholly-owned subsidiary of SOCL. SOCL is owned by the Bosrich Unit Trust, the trustee of which is Bosrich Holdings (PTC) Inc. The units of the Bosrich Unit Trust are the property of a discretionary trust, of which Mr. Lo (a director of the Company and SOCL) is a discretionary beneficiary. Accordingly, Mr. Lo, Mrs. Lo and Bosrich Holdings (PTC) Inc. (among others) are deemed to be interested in such Shares held by SOCL and SOFCFL under the SFO.

2. Mr. Wong is a director of the Company, SOCL and SOFCL.
3. Mrs. Lo is the spouse of Mr. Lo. Accordingly, Mr. Lo is deemed to be interested in such Shares held by Mrs. Lo under the SFO.
4. These Shares are held by Maxiflow Global Limited, in which Mrs. Annie Chan, a sister of Mr. Lo, owns the entire beneficial interest.
5. These Shares are beneficially owned by Ms. Gwen Lo, a sister of Mr. Lo.

Assuming that (i) the Qualifying Shareholders (other than Mrs. Annie Chan and Ms. Gwen Lo, being parties acting in concert with SOCL) will accept the Offer in full (and taking into account the fact that each of the Undertaking Shareholders has irrevocably undertaken to the Company that each of them will not, and will procure the holders of Shares whose Shares the Undertaking Shareholders are deemed to be interested in by virtue of Part XV of the SFO (including SOFCL and Mrs. Lo) not to, accept the Offer); and (ii) no additional Shares will be issued from the date of this announcement up to and including the date of completion of the Offer, over 25% of the issued Shares will be held by public shareholders and accordingly the Company will comply with the public float requirement under Rule 8.08 of the Listing Rules after completion of the Offer.

As at the date of this announcement, save as disclosed above, neither SOCL, the Company nor parties acting in concert with them (excluding those entities in the UBS group that are exempt principal traders or exempt fund managers) holds, owns, controls or has direction over any Shares, outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares, or has entered into any outstanding derivatives in respect of securities in the Company.

#### **DEALING IN THE SHARES BY THE COMPANY AND SOCL (AND PARTIES ACTING IN CONCERT WITH IT)**

The Company has not bought-back any Shares in the six-month period prior to the date of this announcement, and will not conduct any on-market share buy-back from the date of this announcement up to and including the date at which the Offer closes, lapses or is withdrawn, as the case may be.

SOCL has confirmed (for itself and on behalf of parties acting in concert with it) that there has been no dealings in the securities in the Company by it and parties acting in concert with it (excluding those entities in the UBS group that are exempt principal traders or exempt fund managers) in the six months immediately prior to the date of this announcement.

## **OTHER ARRANGEMENTS**

Save for the irrevocable undertakings given by the Undertaking Shareholders that each of them will not, and will procure the holders of Shares whose Shares the Undertaking Shareholders are deemed to be interested in by virtue of Part XV of the SFO (including SOFCL and Mrs. Lo) not to, accept the Offer, there is no arrangement as referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the Shares and relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of SOCL and the Company which might be material to the Offer or the Whitewash Waiver.

There is no agreement or arrangement, to which the Company or SOCL is a party, which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer or the Whitewash Waiver (save as those set out in the section headed “Conditions of the Offer” in this announcement above).

None of the Company, SOCL or parties acting in concert with them (excluding those entities in the UBS group that are exempt principal traders or exempt fund managers) has borrowed or lent any Shares.

## **INFORMATION ON THE GROUP**

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

## **FUTURE INTENTIONS ON THE GROUP**

SOCL and Mr. Lo, the controlling shareholders of the Company, intend to continue with the existing businesses of the Group and do not intend to introduce any major changes to the businesses of the Group. Accordingly, there will be no material change to the existing businesses and employment of the existing employees of the Group as a result of the Offer.

SOCL and Mr. Lo have informed the Company that their respective undertakings, and the procurement of the holders of Shares whose Shares they are deemed to be interested in by virtue of Part XV of the SFO not to accept the Offer, is consistent with their belief in, and commitment to, the Company and its businesses. SOCL and Mr. Lo have also informed the Company that it is their intention that, following completion of the Offer, the businesses, management and the board of directors of the Company will remain unchanged. It is also their intention to maintain the Company’s listing on the Stock Exchange.



## REASONS FOR AND FINANCIAL EFFECTS OF THE OFFER

The price of the Shares has historically been traded at a great discount to the Group's net asset value per Share. Taking the closing price of the Shares of HK\$2.39 on the Last Trading Day as the reference date, the discounts to the Group's net asset value per Share of HK\$7.36 as at 31 December 2017 for the below periods are as follows:

- (a) on the Last Trading Day: 67.53%;
- (b) average discount to the Group's net asset value per Share as at 31 December 2017 based on the average closing price of the Shares of approximately HK\$1.83 as quoted on the Stock Exchange for the three months up to and including the Last Trading Day: 75.14%;
- (c) average discount to the Group's net asset value per Share as at 31 December 2017 based on the closing price of the Shares of approximately HK\$1.85 as quoted on the Stock Exchange for the six months up to and including the Last Trading Day: 74.86%; and
- (d) average discount to the Group's net asset value per Share as at 31 December 2017 based on the average closing price of the Shares of approximately HK\$1.92 as quoted on the Stock Exchange for the twelve months up to and including the Last Trading Day: 73.91%.

The Directors (other than the independent non-executive Directors, whose views will be produced after considering the view of the independent financial adviser) believe that the Offer provides an opportunity for the Shareholders to realise part of their investments in the Company at a premium to recent market prices, in particular, where a reference is made to the closing price of the Shares on 23 May 2018, or to increase their proportionate equity interests in the Company by retaining their shareholdings and participating in the future prospects of the Group, and that the Offer, if completed, is accretive to the net asset value per Share, thus benefiting all Shareholders.

The 66.03% discount to the Group's net asset value per Share as at 31 December 2017 as implied by the Offer Price as compared to the historical discounts to the Group's net asset value per Share of HK\$7.36 as at 31 December 2017 as noted above under items (a) to (d) also represents an opportunity for the Shareholders to monetise their shareholding at a smaller discount to the Group's net asset value per Share as at 31 December 2017.

Further details of the financial effects of the Offer, including the effects of the Offer on the net assets of the Group, the Group's net asset value per Share, the earnings of the Group and earnings per Share, will be set out in the Offer Document to be despatched to the Shareholders on or around 19 June 2018.

## **GENERAL**

The Offer will be conditional upon, among other things, an ordinary resolution to approve the Offer and the Whitewash Waiver by the Independent Shareholders having been passed by way of poll at the SGM.

A notice convening the SGM will be included in the Offer Document to be despatched to the Shareholders. SOCL will abstain, and will procure parties acting in concert with it and any person who may be required to abstain from voting in accordance with the Takeovers Code and the Share Buy-backs Code to abstain, from voting on the ordinary resolution in respect of the Offer and the Whitewash Waiver to be proposed at the SGM. SOFCL, Mr. Lo, Mr. Wong, Mrs. Lo, Mrs. Annie Chan and Ms. Gwen Lo will abstain from voting at the SGM. The Independent Board Committee, comprising all the independent non-executive Directors who have no interest in the Offer and the Whitewash Waiver, has been formed to advise the Independent Shareholders in respect of the Offer and the Whitewash Waiver. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer and the Whitewash Waiver.

UBS has been appointed as the financial adviser to the Company in respect of the Offer.

The expected timetable of the Offer will be set out in the Offer Document to be despatched to the Shareholders and in the announcement in relation to the despatch of the Offer Document.

**Shareholders and potential investors should note that the Offer is subject to all of the Conditions being fulfilled in full. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **DEALINGS DISCLOSURE**

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code, including any person who owns or controls 5% or more of any class of relevant securities of the Company) of the Company are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

***“Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 (of the Takeovers Code) and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules (of the Takeovers Code). However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

**RESUMPTION OF TRADING IN SECURITIES**

At the request of the Company, trading in the Shares (stock code: 983) and debt securities (stock code: 4518) on the Stock Exchange has been halted with effect from 9:00 a.m. on Monday, 28 May 2018 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares (stock code: 983) and debt securities (stock code: 4518) on the Stock Exchange with effect from 9:00 a.m. on Wednesday, 30 May 2018.

**DEFINITIONS**

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

“Accepting Shareholder(s)”                      Qualifying Shareholder(s) accepting the Offer;

“Assured Entitlements”	the minimum number of Shares which will be bought-back pursuant to the Offer from each Qualifying Shareholder, taking into account the number of Shares the Undertaking Shareholders have undertaken not to tender (i.e. Shares held by the Undertaking Shareholders and the Shares deemed to be interested by the Undertaking Shareholders by virtue of Part XV of the SFO), being approximately 813 Shares for each board lot of 2,000 Shares (rounded down to the nearest whole number of Shares) tendered by the relevant Qualifying Shareholder for acceptance of the Offer at the Offer Price;
“acting in concert”	has the meaning ascribed to it under the Takeovers Code;
“Board”	the board of Directors;
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
“Company”	SOCAM Development Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 983);
“Conditions”	the conditions to which the Offer is subject, as set out under the section headed “Conditions of the Offer” in this announcement;
“Director(s)”	the director(s) of the Company;
“Excess Tender”	Shares tendered for acceptance of the Offer by the relevant Qualifying Shareholder in excess of his/her Assured Entitlement;

“Excluded Shareholders”	any overseas Shareholders whose addresses, as shown on the Register as at the latest practicable date prior to the publication of the Offer Document, are outside Hong Kong and located in a jurisdiction the laws of which may prohibit the making of the Offer to such Shareholders or otherwise require the Company to comply with additional requirements which are (in the opinion of the Directors, but subject to the prior consent of the Executive) unduly onerous or burdensome, having regard to the number of Shareholders involved in that jurisdiction and their shareholdings in the Company;
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director;
“Form of Acceptance”	the form of acceptance to be issued with the Offer Document to Qualifying Shareholders for use by such persons in connection with the Offer;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, namely Ms. Li Hoi Lun, Helen, Mr. Chan Kay Cheung and Mr. William Timothy Addison, who have no interest in the Offer and the Whitewash Waiver, which has been formed to advise the Independent Shareholders in respect of the Offer and the Whitewash Waiver;
“Independent Shareholders”	Shareholders other than (i) SOCL and parties acting in concert with it; and (ii) any person who may be required to abstain from voting on the ordinary resolution in respect of the Offer and the Whitewash Waiver to be proposed at the SGM in accordance with the Takeovers Code and the Share Buy-backs Code;

“Last Trading Day”	25 May 2018, being the last trading day of the Shares on the Stock Exchange prior to the issue of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Maximum Number”	the maximum number of Shares to be bought-back pursuant to the Offer, being an aggregate of 100,000,000 Shares, representing approximately 20.64% of the issued Shares as at the date of this announcement;
“Mr. Lo”	Mr. Lo Hong Sui, Vincent, an executive Director and the Chairman of the Company, and a director of SOCL;
“Mr. Wong”	Mr. Wong Yuet Leung, Frankie, an executive Director, the Chief Executive Officer and Chief Financial Officer of the Company, and a director of SOCL and SOFCL;
“Mrs. Annie Chan”	Mrs. Chan Lo Hung Suen, Annie, a sister of Mr. Lo;
“Mrs. Lo”	Ms. Loletta Chu, the spouse of Mr. Lo;
“Ms. Gwen Lo”	Ms. Lo Wai Ki, Gwen, a sister of Mr. Lo;
“Offer”	a conditional cash offer by UBS on behalf of the Company to buy-back Shares at the Offer Price from all Qualifying Shareholders, subject to the Maximum Number;
“Offer Document”	a circular to the Shareholders (comprising the offer document, the notice of the SGM, the proxy form for voting at the SGM and the Form of Acceptance) to be issued by the Company in connection with the Offer and the Whitewash Waiver;
“Offer Period”	has the meaning ascribed to it under the Takeovers Code and commencing from the date of this announcement;
“Offer Price”	HK\$2.50 per Share;
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan;

“Qualifying Shareholders”	Shareholders, other than the Excluded Shareholders (if any), whose names appear on the Register on the Record Date;
“Record Date”	the proposed record date for ascertaining entitlements in respect of the Offer which will be set out in the Offer Document;
“Register”	the register of members of the Company;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the ordinary resolution in respect of the Offer and the Whitewash Waiver;
“Share(s)”	ordinary share(s) in the capital of the Company;
“Share Buy-backs Code”	the Code on Share Buy-backs of Hong Kong;
“Shareholder(s)”	holder(s) of the Share(s);
“Share Options”	the outstanding share options granted pursuant to the Company’s share option schemes adopted on 27 August 2002 and 22 August 2012, respectively, which are vested and exercisable as at the date of this announcement entitling their holders to subscribe for a total of 4,472,000 new Shares;
“SOCL”	Shui On Company Limited, a company incorporated in British Virgin Islands with limited liability;
“SOFCL”	Shui On Finance Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of SOCL;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong;

“UBS”	UBS AG Hong Kong Branch, a registered institution under the SFO to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) regulated activities under the SFO, being the financial adviser to the Company in respect of the Offer;
“Undertaking Shareholders”	SOCL, Mr. Lo and Mr. Wong;
“Whitewash Waiver”	a waiver to be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligations of SOCL to make a mandatory general offer for all the Shares not already owned by SOCL and parties acting in concert with it under Rule 26.1 of the Takeovers Code, which may otherwise arise as a result of the completion of the Offer; and
“%”	per cent.

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

Hong Kong, 29 May 2018

*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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement contained in this announcement misleading.*

\* For identification purpose only

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