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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)

**ISSUANCE OF US\$180,000,000 6.25% SENIOR NOTES
DUE 2022**

AND

**DISCLOSURE PURSUANT TO RULE 13.18 OF
THE LISTING RULES**

This announcement is made by the Company pursuant to Rule 13.09(2)(a), Rule 37.47B(a) and Rule 13.18 of the Listing Rules and Part XIVA of the SFO.

Reference is made to the announcement of the Company dated 20 January 2020 in relation to the proposed Notes Issue.

The Board is pleased to announce that on 20 January 2020, Hong Kong time, the Company entered into the Purchase Agreement with UBS, CMB International and DBS in connection with the Notes Issue.

The estimated net proceeds of the Notes Issue, after deduction of fees, commissions and expenses, will amount to approximately US\$177 million. The Group intends to use the net proceeds from the Notes Issue to refinance its existing indebtedness with near term maturities, including the 2020 Notes, and/or for general corporate purposes. The Group may adjust the financing plans in response to changing market conditions and thus may reallocate the use of the net proceeds from the Notes Issue.

The Company will seek a listing of the Notes, by way of debt issue to Professional Investors only, on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to trading on the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

INTRODUCTION

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THE PURCHASE AGREEMENT

Date

20 January 2020

Parties to the Purchase Agreement

- (a) Company as the issuer of the Notes; and
- (b) UBS, CMB International and DBS as the initial purchasers of the Notes.

UBS and CMB International as the joint global coordinators, together with DBS as the joint bookrunners, joint lead managers and initial purchasers, are managing the offer and sale of the Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, UBS, CMB International and DBS are independent third parties and are not connected persons of the Company.

The Notes have not been, and will not be, registered under the U.S. Securities Act. The Notes will be offered by UBS, CMB International and DBS outside the United States in compliance with Regulation S under the U.S. Securities Act. None of the Notes will be offered to the public in Hong Kong nor will be placed to any connected persons of the Company.

Principal terms of the Notes

Notes offered

Subject to certain conditions to completion, the Company will issue the Notes in an aggregate principal amount of US\$180,000,000. The Notes will mature on 23 January 2022, unless earlier redeemed pursuant to the terms thereof.

Offer price

The offer price of the Notes will be 100% of the principal amount of the Notes.

Interest

The Notes will bear interest at a rate of 6.25% per annum, payable semi-annually in arrears on 23 January and 23 July of each year, commencing on 23 July 2020.

Ranking of the Notes

The Notes will be: (1) general obligations of the Company; (2) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (3) at least pari passu in right of payment with all other unsecured and unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured and unsubordinated indebtedness pursuant to applicable law); (4) effectively subordinated to the secured obligations of the Company to the extent of the value of the assets serving as security therefor; and (5) effectively subordinated to all existing and future obligations of the subsidiaries of the Company.

Events of default

The events of default under the Notes will include, among others:

- (1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;

- (2) default in the payment of interest on any Notes when the same becomes due and payable, and such default continues for a period of 30 consecutive days;
- (3) default in the performance or breach of certain covenants under the Notes and the Indenture;
- (4) the Company or any restricted subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in the paragraphs (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the trustee of the Notes or the holders of 25% or more in aggregate principal amount of the Notes;
- (5) there occurs with respect to any indebtedness of the Company or any restricted subsidiary having an outstanding principal amount of US\$10 million or more, (a) an event of default that has caused the holder thereof to declare such indebtedness to be due and payable prior to its stated maturity and/or (b) the failure to make a principal or interest payment when due;
- (6) one or more final judgments or orders for the payment of money are rendered against the Company or any restricted subsidiary and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged to exceed US\$10 million (in excess of amounts which the Company's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- (7) an involuntary case or other proceeding is commenced against the Company or any significant subsidiary with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any significant subsidiary or for any substantial part of the property and assets of the Company or any significant subsidiary and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or any significant subsidiary under any applicable bankruptcy, insolvency or other similar law; or

- (8) the Company or any significant subsidiary (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law, or consents to the entry of an order for relief in an involuntary case under any such law; (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any significant subsidiary or for all or substantially all of the property and assets of the Company or any significant subsidiary; or (c) effects any general assignment for the benefit of creditors (other than, in each case under this paragraph (8), any of the foregoing that arises from any solvent liquidation or restructuring of a significant subsidiary in the ordinary course of business that shall result in the net assets of such significant subsidiary being transferred to or otherwise vested in the Company or any restricted subsidiary on a pro rata basis or on a basis more favourable to the Company).

If an event of default (other than an event of default specified in the paragraphs (7) and (8) above) occurs and is continuing under the Indenture, the trustee of the Notes may, and shall upon the request of the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable.

If an event of default specified in the paragraphs (7) and (8) above occurs, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the trustee of the Notes or any holder of the Notes.

Covenants

The Notes and the Indenture will limit the ability of the Company and the ability of its restricted subsidiaries (as the case may be) to, among other things:

- (a) incur additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) issue or sell capital stock of restricted subsidiaries;

- (e) guarantee indebtedness of restricted subsidiaries;
- (f) sell assets;
- (g) create liens;
- (h) enter into sale and leaseback transactions;
- (i) enter into agreements that restrict its restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with shareholders or affiliates; and
- (k) effect a consolidation or merger.

Optional redemption

At any time and from time to time prior to 23 January 2022, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to 23 January 2022, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an Equity Offering at a redemption price of 106.25% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related Equity Offering.

Repurchase of Notes upon a change of control

Not later than 30 days following a change of control, the Company will make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, at the date of repurchase.

Pursuant to the terms of the Notes, a change of control means the occurrence of one or more of the following events:

- (1) the merger, amalgamation or consolidation of the Company with or into another individual or entity or the merger or amalgamation of another individual or entity with or into the Company, or the sale of all or substantially all the assets of the Company to another individual or entity;
- (2) the Permitted Holders are the beneficial owners of less than 35% of the total voting power of the voting stock of the Company;
- (3) any person or group is or becomes the beneficial owner, directly or indirectly, of total voting power of the voting stock of the Company greater than such total voting power held beneficially by the Permitted Holders;
- (4) individuals who on the original issue date constituted the Board, together with any new Directors whose election by the Board was approved by a vote of at least two-thirds of the Directors then still in office who were either Directors or whose election was previously so approved, cease for any reason to constitute a majority of the Board then in office; or
- (5) the adoption of a plan relating to the liquidation or dissolution of the Company.

Please note that the disclosure of this condition is made in accordance with Rule 13.18 of the Listing Rules.

LETTER OF SUPPORT

SOCL, being the controlling shareholder of the Company, has issued to the Company a letter of support in relation to the Notes, setting out, amongst others, the intention of SOCL to maintain directly or indirectly, control over more than 35% of the issued shares in the capital of the Company. The letter of support does not constitute or be deemed to constitute a direct or indirect guarantee by SOCL to any party of the payment of interest or principal under the Notes by the Company.

REASONS FOR THE NOTES ISSUE

The Notes Issue is being undertaken to refinance the Group's existing indebtedness with near term maturities, including the 2020 Notes, and/or for general corporate purposes. The Group may adjust the financing plans in response to changing market conditions and thus may reallocate the use of the net proceeds from the Notes Issue. The estimated net proceeds of the Notes Issue, after deduction of fees, commissions and expenses, will amount to approximately US\$177 million.

LISTING

The Company will seek a listing of the Notes, by way of debt issue to Professional Investors only, on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to trading on the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

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.

DEFINITIONS

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

“Board”	the board of Directors;
“CMB International”	CMB International Capital Limited, one of the joint global coordinators, joint bookrunners, joint lead managers and initial purchasers in respect of the offer and sale of the Notes;
“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;
“DBS”	DBS Bank Ltd., one of the joint bookrunners, joint lead managers and initial purchasers in respect of the offer and sale of the Notes;
“Director(s)”	the director(s) of the Company;
“Equity Offering”	any private placement or public offering of common stock of the Company, provided that the aggregate gross cash proceeds received by the Company from such offering shall be no less than US\$20 million;

“Group”	collectively, the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Indenture”	the written agreement to be entered into between the Company as issuer of the Notes and Citicorp International Limited as trustee of the Notes, pursuant to which the Notes will be issued;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macau”	the Macau Special Administrative Region of the People’s Republic of China;
“Notes”	the 6.25% senior notes due 2022 in an aggregate principal amount of US\$180,000,000 to be issued by the Company;
“Notes Issue”	the issue of the Notes by the Company;
“Permitted Holders”	any or all of the following: <ul style="list-style-type: none"> (1) Mr. Lo Hong Sui, Vincent; (2) any other person directly or indirectly controlling, controlled by, or under direct or indirect common control with, Mr. Lo Hong Sui, Vincent; (3) any person both the capital stock and the voting stock of which (or in the case of a trust, the beneficial interests in which) are owned 80% or above by persons specified in (1) and (2) above;
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan);
“Professional Investors”	as defined in Chapter 37 of the Listing Rules and in the SFO;
“Purchase Agreement”	the agreement dated 20 January 2020 entered into between the Company as the issuer and UBS, CMB International and DBS as the initial purchasers in relation to the Notes Issue;

“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong);
“SOCL”	Shui On Company Limited, a company incorporated in the British Virgin Islands with limited liability and the controlling shareholder of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“UBS”	UBS AG Hong Kong Branch, one of the joint global coordinators, joint bookrunners, joint lead managers and initial purchasers in respect of the offer and sale of the Notes;
“U.S.” or “United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction;
“U.S. Securities Act”	the United States Securities Act of 1933, as amended;
“US\$”	United States dollars, the lawful currency of the United States;
“2020 Notes”	the existing 6.25% senior notes due 2020 issued by the Company (debt stock code: 4518); and
“%”	per cent.

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

Hong Kong, 20 January 2020

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