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FOR IMMEDIATE RELEASE

SOCAM Development 2012 Interim Results

(Hong Kong, 22 August 2012) SOCAM Development Limited ("SOCAM" or the "Company", stock code: 983) today announced the results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2012.

RESULTS

For the six months ended 30 June 2012, the Group recorded a loss after taxation and non-controlling interests of HK$175 million on a turnover of HK$2,650 million, compared to a profit attributable to shareholders of HK$460 million on a turnover of HK$2,717 million for the same period last year.

The interim results were attributable to two key factors. Firstly, the negotiations for the potential divestment of the Group's interest in Lafarge Shui On Cement (LSOC) were still on-going and yet to materialise during the period; and secondly, there were fewer properties completed and delivered to market as planned, resulting in lower sales turnover in the first half of 2012.

INTERIM DIVIDEND

In view of the fact that the Group recorded a loss for the current interim period, the Board has resolved not to declare an interim dividend.

COMMENTS BY MR. PHILIP K.T.WONG, MANAGING DIRECTOR AND CEO

"In the first half of 2012, the unfavourable global economic climate and the sector adjustment in the Chinese Mainland presented a challenging environment to the property industry. SOCAM has been coping with the difficult market conditions through advance planning in anticipation of the prevailing circumstances. Despite the loss in the first half, which was in accordance with our expectation, the majority of our sales activities will take place in the second half when we are confident that considerable sales revenue is likely to be generated. We will also press ahead with the divestment plan for our interest in LSOC in a prudent manner, and remain optimistic that it can be taken place in the second half of 2012."

BUSINESS REVIEW

Property Business

Given the continuing impact of austerity measures on the property sector in the Chinese Mainland, the Group has been cautious and revised some of its sales targets.

In the first half of 2012, revenue from SOCAM's property business decreased substantially as sales of selected signature projects was deferred to later in the year. However, pre-sale activities continued apace. SOCAM focused its pre-sale activities on Beijing Centrium Residence, Four Seasons Place in Shanghai, Guangzhou Parc Oasis and Shenyang Project Phase I.

In Beijing, SOCAM launched the pre-sale of Centrium Residence in December 2011. As of today, approximately 110 out of the 140 units offered for sale were subscribed. In Shanghai, the development of 21st Century Tower as a deluxe hotel and the Group's first branded residence, Four Seasons Place, was progressing well. The project is due for completion in the second half, with pre-sales of the branded residences in August, and the grand opening of the Four Seasons Hotel in the fourth quarter.

For Parc Oasis in Guangzhou, over 95% of the units in the serviced apartment tower was sold during its pre-sale launch in March 2012. Residential units began sales activity in March 2011 with approximately 40% of the units signed up by June 2012. In northeast China, over 70% of the residential area of Shenyang Project Phase I was sold and progressively delivered to buyers as construction work was completed. In August 2012, the Group also entered into an agreement with the Ping An Insurance Group for the en-bloc sale of an office tower of this project.

In addition to the above development, SOCAM continued to replenish its property portfolio in the Mainland during the period. In January, the Group completed the acquisition of the Wuqing Project in Tianjin jointly with SoTan, a private equity vehicle for investing in Special Situation projects. Construction of this project, together with two other newly acquired projects in Zunyi, Guizhou and Panyu, Guangzhou, will begin once approvals and permits are received from the relevant government authorities.

Construction Business

The construction industry in Hong Kong continued to flourish through substantial public sector infrastructure works, while private residential building works remained steady.

The Group's construction business produced encouraging results in the first half of the year, and achieved a 31% increase in profit to HK$71 million. Average net profit margin increased slightly to 2.9% of turnover, from 2.7% for the same period last year, despite rising building materials and labour costs.

On the strength of a considerably expanded workload in Hong Kong and the Mainland, turnover for the period was HK$2,431 million, representing a marked increase of 22% compared with the corresponding period last year. New contracts totaling HK$4 billion were secured in the first half of

2012. At 30 June 2012, the gross value of contracts on hand was approximately HK$13.3 billion and the value of outstanding contracts to be completed was approximately HK$6.5 billion, compared with approximately HK$13.7 billion and HK$6 billion respectively at 31 December 2011.

Cement Business

The cement industry in the Chinese Mainland faced severely unfavourable operating conditions in the first half of 2012. Under the shadow of revised economic growth targets, the progress and initiation of infrastructure construction projects slowed. Cement prices in the Southwest were particularly depressed due to overcapacity and intense competition among producers.

While LSOC's total sales volume was approximately 12.7 million tonnes in this interim period, marginally higher than that of the first half of 2011, cement prices in all the operating areas of LSOC came under pressure primarily due to intensified competition from new capacities and sluggish market demand. The average selling price fell by approximately 7%, while variable costs increased by approximately 3% mainly due to higher fuel costs, as compared with the corresponding period last year.

Over the next few years, LSOC plans to inject all of its cement plants into Sichuan Shuangma Cement, a listed company on the Shenzhen Stock Exchange. In this regard, progress has been satisfactory with Shuangma's shareholders approval received in July 2012 for a private placement of shares and issuance of bonds to raise funds for the asset acquisitions.

SOCAM's exit strategy from our cement interests has continued to make progress, in line with our corporate transformation strategy to grow our property business in the Mainland.

PROSPECTS

Against a background of worldwide economic crisis, China has been more resilient, and the austerity measures which have been in force in the Mainland in the past two years will help ensure healthy economic growth in the long term. The Group remains committed in the core business areas of niche market property development in the Mainland and enhances our ability to weather the storm.

SOCAM's four major property projects in Shanghai, Beijing, Guangzhou and Shenyang are approaching their completion stage in construction, pre-sale results have all been encouraging. With the major thrust in sales activities of these projects planned for the second half, it is expected that a considerable amount of sales revenue will be generated in the coming months. The Group is cautiously optimistic that the results for the whole year will be comparable to that of last year.

Meanwhile, the divestment of our cement interest in LSOC progressed well. Although the exact timing cannot be predicted, the exit of this investment on reasonable terms will open the Group to an ever stronger financial position for future development.

Prospects for our construction business in Hong Kong look promising with the healthy order book on hand. The expected upsurge in public housing construction and the revival of the HKSAR

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Government's Home Ownership Scheme, an area which has always been a core competence of the Group, will offer good business opportunities.

Looking ahead, Mr. Philip Wong said "Despite the gloomy, overcast global economic climate, SOCAM is confident in weathering the challenges ahead. We currently have a large portfolio of valuable assets which can be realised into a relatively large amount of cash to capture further investment opportunities, and we will continue to search for quality special situation projects which abound in the niche market. SOCAM is in a good position to realise the full potential of our business and assets for shareholders."

Summary of Financial Results for the Six Months Ended 30 June 2012

	For the six months ended 30 June	
In HK$ million	**2012**	2011
Property		
Project fee income	**41**	40
Profit from property sales and net rental income	**28**	118
Gain on disposal of a subsidiary	**-**	337
Fair value gain on investment properties, net of deferred tax provision	**60**	6
Dalian Tiandi	**1**	53
Share of results of jointly controlled entities	**(33)**	33
Operating expenses	**(132)**	(107)
	(35)	480
Construction	**71**	54
Cement operations		
LSOC	**4**	7
Guizhou cement	**(2)**	7
Reversal of impairment losses	**-**	43
	2	57
Dividend income from Shui On Land	**14**	7
Venture capital investments	**(6)**	15
Net finance costs	**(117)**	(81)
Corporate overheads and others	**(63)**	(55)
Taxation	**(27)**	(9)
Non-controlling interests	**(14)**	(8)
Total	**(175)**	460

About SOCAM Development Limited (SOCAM)

SOCAM (HKSE Stock Code: 983) is principally engaged in property development in the Chinese Mainland with a focus on special situation projects and knowledge communities. The Company specialises in developing quality high-end projects with visionary plans and precise moves leveraged on its strong expertise and solid background in construction operations.

Listed on the Hong Kong Stock Exchange in February 1997, SOCAM is a member of the Shui On Group.

This press release is also available at www.socam.com.

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