

28 March, 2012

FOR IMMEDIATE RELEASE

SOCAM Development 2011 Annual Results

SOCAM Development Limited (“SOCAM” or the “Company”, stock code: 983) today announced the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2011.

RESULTS

| | For the year ended 31 December | |
|-------------------------------------|---------------------------------------|-------------------|
| | 2011 | 2010 |
| Turnover | HK\$5,900 million | HK\$8,044 million |
| Profit attributable to shareholders | HK\$910 million | HK\$903 million |
| Basic earnings per share | HK\$1.86 | HK\$1.85 |
| Total dividends per share | HK\$0.65 | HK\$0.60 |
| At 31 December | | |
| | 2011 | 2010 |
| Total assets | HK\$22.2 billion | HK\$21.0 billion |
| Net assets | HK\$10.0 billion | HK\$9.2 billion |
| Net asset value per share | HK\$20.43 | HK\$18.82 |
| Net gearing | 50.5% | 51.3% |

DIVIDEND

The Board of Directors recommended the payment of a final dividend of HK\$0.4 per share for 2011 to shareholders, compared to HK\$0.40 per share in 2010. Including the interim dividend of HK\$0.25 per share, the total dividends for the year ended 31 December 2011 will amount to HK\$0.65 per share (2010: HK\$0.60 per share).

HIGHLIGHTS

- Property business achieved an encouraging growth and delivered a net profit of approximately HK\$1.1 billion.
- Major existing projects, including Centrium Residence in Beijing, 21st Century Tower in Shanghai, Parc Oasis in Guangzhou and commercial portion of Shenyang Project Phase I, saw construction works on track with delivery in the second half of 2012.
- Property portfolio expanded steadily in 2011 with acquisition of three special situation projects in Guangzhou, Guizhou and Tianjin.

- Construction business in Hong Kong recorded increased profits underpinned by the growing expenditures in public sector works, and is well poised to benefit from the upcoming acceleration in public housing construction.
- Lafarge Shui On Cement joint venture had another disappointing year due to overcapacity and intensified competition in its operating areas. SOCAM is actively working on various divestment options to unlock values.

COMMENTS BY MR. VINCENT H.S. LO, CHAIRMAN

“The deepening of the European sovereign debt crisis and the intensified austerity measures in the Chinese Mainland in 2011 have created a very difficult operating environment for commercial enterprises. Amidst this background, SOCAM continued its path of reorganisation and announced a clear strategy to reshape the company during the year. The concentration of our business resources and asset deployment in specialised property areas have gathered pace. The year has been a satisfactory one for SOCAM in the course of its transformation to becoming a leading niche property developer in the Chinese Mainland.

In 2012, the operating environment in the Chinese Mainland remains challenging. The Central Government’s austerity measures, with special attention to the real estate sector, are likely to be only selectively relaxed. With redefined growth and business objectives, we will explore ways to unlock asset values to create greater values for shareholders.”

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

Property Business

In 2011, the increase in profit over the previous year is mainly attributable to the disposal of property interest and the increase in fair value of our investment property portfolio.

While increasing its land bank through acquisitions, the Group unlocked the value of its property portfolio by disposing of 49% of its equity interest in the Chengdu Orient Home project in June 2011 for a consideration of RMB440 million which generated good profits for the Group.

The strategy to increase special situation assets in the Group’s property portfolio is progressing smoothly. SOCAM has been actively identifying projects, and acquired three with good profit potentials during the year, with an additional attributable GFA of over 0.8 million square metres. The Group’s total number of projects increased to 11 with an attributable GFA of approximately 2.2

million square metres, spanning across major cities in China including Beijing, Shanghai, Chongqing, Chengdu, Guangzhou, Tianjin, Guizhou and Shenyang.

The Group's property sales in the Chinese Mainland continued to gather pace. Marketing and sales activities focused primarily on Guangzhou Parc Oasis, Chongqing Creative Concepts Center, Shenyang Project Phase I and Beijing Centrium Residence. However, austerity measures imposed by the Central Government to curb the rapid rise of housing prices resulted in a dampening of market sentiment.

Major existing projects, including the above projects in Beijing, Guangzhou and Shenyang as well as the 21st Century Tower in Shanghai, saw construction works on track with delivery in the second half of 2012.

In Dalian Tiandi, our Knowledge Community Project, sales of townhouses and apartments progressed well with close to 70% of the first tranche of residences sold. Total contracted sales for 2011 were approximately RMB423 million. The completed office premises, with major tenants including IBM, Kingsoft, Zhongke Tianjian and Chinasoft, achieved an occupancy rate of over 90%.

Forging Partnership

The Group continued to gain weight from collaborations with renowned financial and industry partners to enhance the resources, reputation and financial strength of its projects. The success of these strategic partnerships creates a market niche and significant edge for SOCAM.

During the year, SoTan China Real Estate I. LP, a private equity vehicle was formed with international investors to invest in special situation projects in the Chinese Mainland. The first investment with SOCAM in the Wuqing Project in Tianjin was approved. In addition, the "branded residence" concept was developed through our alliance with Four Seasons Hotels and Resorts Group in the 21st Century Tower in Shanghai, which is scheduled for opening in the second half of 2012.

Construction Business

Construction business in Hong Kong performed steadily during the year, and recorded increased profits underpinned by the growing expenditures in public sector works. Total turnover was HK\$4,742 million, as compared to HK\$4,812 million in 2010, while new contracts of HK\$3,537 million were won. Despite a 1.5% decrease in turnover from the previous year and increasing building material and labour costs, the business recorded a 40% increase in profit to HK\$118 million.

At 31 December 2011, the gross value of contracts on hand was approximately HK\$13.7 billion and the value of outstanding contracts to be completed was approximately HK\$6.0 billion, compared with HK\$12.3 billion and HK\$6.7 billion respectively at 31 December 2010.

Cement Business

Lafarge Shui On Cement (LSOC), SOCAM's 45% joint venture, posted disappointing results for a consecutive second year largely due to rising costs and depressed pricing as stiff competition because of over-capacities in Chongqing and Sichuan continued, despite higher sales volume on expanded production.

Annual production capacity increased slightly to approximately 31 million tonnes at the end of 2011, from approximately 30 million tonnes a year ago. Total sales volume of LSOC was approximately 26.5 million tonnes, which was higher than that of the previous year by approximately 14%, largely due to the additional capacities of seven million tonnes contributed by the three new dry kilns that were commissioned in late 2010. The average selling price of LSOC for the year stayed at the level of the year before.

In January 2011, LSOC received approval from the China Securities Regulatory Commission for the injection of its 50% interest in the Dujiangyan plants into the Shenzhen-listed Sichuan Shuangma Cement. The joint venture is implementing its plan to inject all of its cement plants into Shuangma over the next few years.

Market consolidation for the Chinese cement industry accelerated in 2011. However, a return to an equilibrium state of supply and demand in the Sichuan area is only expected towards the end of 2013. While LSOC maintained its leading position in the Southwest Region amidst the challenging operating environment, the Company, as part of its transformation strategy, is actively working on various options for the strategic divestment of its interest in LSOC.

SUMMARY OF FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

| <i>In HK\$ million</i> | Year ended 31 December | |
|--|------------------------|-------------|
| | 2011 | 2010 |
| Property | | |
| Project fee income | 118 | 52 |
| Profit from property sales and net rental income | 226 | 501 |
| Gain on disposal of a subsidiary | 337 | - |
| Fair value gain on investment properties, net of deferred tax provision | 446 | 314 |
| Dalian Tiandi | 74 | 36 |
| Net operating expenses | (155) | (133) |
| | 1,046 | 770 |
| Construction | | |
| | 118 | 84 |
| Cement operations | | |
| LSOC | (49) | 104 |
| Guizhou cement | 5 | (9) |
| Gain on disposal of cement plants | 56 | - |
| Impairment losses | (16) | (99) |
| | (4) | (4) |
| Investment in SOL | | |
| Dividend income and gain on scrip option | 10 | 64 |
| Net gain on disposal of shares | - | 373 |
| | 10 | 437 |
| Venture capital investments | | |
| Net finance costs | (165) | (216) |
| Corporate overheads and others | (99) | (110) |
| Taxation | (24) | (72) |
| Non-controlling interests | (25) | (15) |
| Total | 910 | 903 |

- End -



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 is specialised 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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