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

Announcement of results for the year ended 31 December 2025

HIGHLIGHTS

- SOCAM's business demonstrates resilience with losses significantly reduced by 75% compared to last year, narrowing to a loss of HK\$92 million (including losses on fair value changes and impairment of properties portfolio, net of deferred tax provision, of HK\$82 million) attributable to shareholders, despite industry headwind in construction in Hong Kong.
- After a strategic review of the Group's business, SOCAM completed the disposal of its property management business in Hong Kong and recorded a gain of HK\$49 million during the year.
- Within the Group's construction business, building maintenance and minor works and interior fit-out businesses have delivered steady contribution with strong support from the Group's institutional clients in both the Hong Kong and Macau markets.
- The Group's order book remained healthy and secured HK\$6.7 billion new construction contracts in 2025. Since the year-end, a further HK\$3.2 billion of contracts have been awarded, adding up to approximately HK\$22.7 billion of contracts in progress currently.
- The Group's operating profit before interests, tax and excluding non-operational gains or losses* improved from HK\$96 million in 2024 to HK\$139 million in 2025.
- SOCAM's investment property portfolio in Mainland is on recovery and delivered steady return and occupancy whilst the loss in the segment is mainly due to fair value changes and impairment loss of the property portfolio and block sale of inventories in the first half of 2025.

** The non-operational gains or losses for the year 2025 include foreign exchange gain of HK\$54 million, property portfolio's fair value changes and impairments (net of deferred tax provision) of HK\$82 million and gain on disposal of Hong Kong property management business of HK\$49 million.*

FINANCIAL HIGHLIGHTS

		Year ended 31 December	
		2025	2024
			(Re-presented)
Turnover	<i>HK\$ million</i>	7,010	9,048
Loss attributable to shareholders	<i>HK\$ million</i>	(92)	(364)
Fair value changes and impairment loss on properties in Mainland, net of deferred tax provision	<i>HK\$ million</i>	(82)	(91)
		As at 31 December	
		2025	2024
Total assets	<i>HK\$ billion</i>	8.8	9.5
Net asset value per share	<i>HK\$</i>	5.3	5.3

CHAIRMAN'S STATEMENT

Dear Shareholders,

In 2025, the world experienced what has been described as a “rupture” with the past, a rewriting of the rules-based global order that has impacted not only the geopolitical landscape, but global trade and capital flows. Yet the Chinese Mainland sustained solid headline economic growth despite the escalating external stresses and domestic imbalances, while Hong Kong’s growth momentum strengthened progressively over the course of the year.

It was in this broad context that the Group reported a modest improvement in its financial results compared to 2024. This improvement demonstrates that our core businesses are inherently long-term endeavours, guided not by short-term economic cycles but by the belief that resilience, innovation and trust form the foundations on which enduring value is built. We remain focused on what the Group does best, continuing to deliver high-quality construction services that support the development of Hong Kong and contribute to building a better future.

BUILDING WHAT MATTERS

Hong Kong’s construction sector remained intensely competitive, with private-sector demand at subdued levels and cost pressures heightened by volatile materials prices and skilled labour shortages. Indeed, the Construction Industry Business Index showed industry confidence in the short-term outlook to be at its lowest since the pandemic. Yet, the Chief Executive’s most recent policy address reaffirmed the HKSAR’s resolute commitment to controlled expenditure on a schedule of essential works in support of long-term social and economic priorities. This includes the accelerated development of the Northern Metropolis and the creation of land for new housing as two of its key pillars.

The increasingly evident trend towards consolidation in the construction industry has served to reinforce the importance of building robust execution capabilities across the Group and its supply chain. In navigating the challenging environment, we have maintained caution in financial management and exercised pricing discipline, placing greater emphasis on projects that align with public policy imperatives.

In consequence, SOCAM’s core operations remain profitable. The order book has stayed healthy, as we secured HK\$6.7 billion new construction contracts in 2025, adding to HK\$20.5 billion of outstanding contracts brought forward from 2024. Since the year-end, a further HK\$3.2 billion of contracts have been awarded. Barring unforeseen circumstances, our construction projects on hand are expected to accelerate gradually, driving greater output and turnover in the coming years.

The ability to stand out from the competition and maintain a solid pipeline of work reflects a steadfast commitment to delivering integrated and sustainable projects that are intrinsic to the city’s social and economic fabric, such as public housing, government buildings, and public facilities. Years of consistency in delivering high-impact projects at scale underpin the Group’s success. This enviable track record has cemented our reputation as a go-to partner for premier construction services among both public and private clients. With the HKSAR Government seeking to build more affordable housing and integrate with the Greater Bay Area in the interest of healthy, sustainable development, demand for these attributes will remain strong, promising steady access to future opportunities for us.

TECHNOLOGY, SAFETY AND SUSTAINABILITY

In recent years, businesses across the world have had to address the implications of an aging workforce, climate change and the increasing impact of new technology on working practices.

The Group has been keenly aware of these issues and has adopted pioneering industry practices to address them, along with appropriate new technologies. In 2025 we celebrated the completion of the Anderson Road public housing project, a prime example of how we have adopted full MiC to great effect in enhancing efficiency, as well as expanding the use of BIM to advance digital solutions for the built environment. Furthermore, our growing partnerships with industry specialists in areas such as data tracking, energy and AI optimisation in building management systems are contributing to the improvement of operational reliability while integrating globally recognised standards into the Group's operations. Innovation and technology are thus enhancing productivity while simultaneously realising our commitment to a sustainable future.

Throughout its history, SOCAM has had a culture in which safety is paramount, taking regulatory compliance as merely the first step on a path to a working environment for all employees that is both safe and conducive to operational excellence. As we have grown, responsibility and accountability for safety have been deeply embedded throughout every layer of our organisation. In addition to effective training programmes and tested working practices, we have been early adopters of digital solutions designed to enhance real time safety awareness, and collaborated with trusted partners to ensure we apply best-in-class practices. The Group's self-developed Smart Site Safety System (4S), now in action across all our major construction projects, ultimately aims for an innovation-driven safety culture that can foster sustained industry growth.

STRENGTHENING RESILIENCE

In the Chinese Mainland, weak investment sentiment and rapid shifts in consumer behaviour continue to weigh on the operating performance and capital value of our retail mall assets. Benefitting from government measures to stimulate domestic consumption, the tenant mix and leasing income nonetheless remained stable, a stability reinforced by the stringent operational and cost control we have exercised in the recent years.

Despite a challenging market, we took the opportunity to review our business portfolio and disposed of our property management business in Hong Kong, which allows us to concentrate resources on SOCAM's core business, strengthening focus onto areas where we can further leverage our competitive advantages.

PROSPECTS

The world in 2026 has entered a critical new era, as geopolitical tensions, trade fragmentation and protectionism look set to increase further following the recent war in the Middle East. Forecasts made shortly beforehand saw GDP growth in the Chinese Mainland moderating a little to between 4.5% and 5%, while Hong Kong's economy was to expand at between 2.5% and 3.5%. The war may pose considerable downside risk to these growth prospects, depending on its duration and the level of damage inflicted on the Gulf's oil and gas facilities.

Under China's 15th Five-Year Plan, more proactive macroeconomic policies are expected to be rolled out to expand domestic demand and regulate supply, providing positive impetus to sentiment in the property market. Developments in Hong Kong, meanwhile, will be shaped largely by government initiatives. The 2026-2027 Budget reinforced the supportive nature of public policy, with plans to issue tenders this year to accelerate the development of the Northern Metropolis. Although the recent property market conditions will test the performance across the construction sector in the short-term, the various development initiatives indicate the breadth of opportunity that lies ahead for the industry, not least for experienced and disciplined contractors like SOCAM. Our adoption of new construction technology, the continual enhancement of safety practices and an expanding footprint in government works position us well for the upcoming tender opportunities.

Notwithstanding the inevitable challenges that lie ahead, we enter the new year with confidence, bolstered by a strong pipeline of projects, a competitive edge in construction technology and the relentless pursuit of safety and execution excellence that are our solid foundation. Having cemented ourselves as a capable contractor who can deliver at scale and on schedule, we must continue to prove we take a consistent and careful approach to executing the projects we are entrusted with. Collaborations with selected partners will also be broadened to leverage a wider knowledge base, as we increase digitalisation to future-proof our supply chain.

Finally, I wish to thank my fellow Board members for their insightful guidance during the past year, and our management and employees for another year of hard work. I extend my sincere gratitude also to all stakeholders for their unwavering support. Guided by our principles, SOCAM is pursuing opportunities that will lay the foundation for long-term value creation, while making a positive impact on the economy, the environment and the communities we serve.

Vincent H.S. Lo
Chairman

Hong Kong, 27 March 2026

BUSINESS REVIEW

During 2025, SOCAM has navigated through many challenges and uncertainties in the construction and property sector in the Chinese Mainland and Hong Kong. Whilst sailing through all the volatility, the Group has also taken the opportunity to optimise its business portfolio and sharpen its business focus and disposed business that was no longer part of its core strategy. The Group refined its strategy and focused on leveraging its expertise in construction, building maintenance services and minor works and interior fit-out to build better communities while enhancing the value of its property portfolio through strategic positioning and customised offerings. With a steadfast commitment to sustainability and innovation, SOCAM integrates smart building technologies and green practices into its construction projects, property assets and daily operations.

In recent years, Hong Kong's construction industry has been facing challenges due to economic slowdown, with most activity driven by the public sector. The HKSAR Government reaffirms its commitment to deliver public housing, infrastructure and community facilities, as well as major development projects such as the Northern Metropolis, which are conducive to the long-term growth and economic resilience of the city.

Against this background, market consolidation among major building contractors has accelerated, as many face rising cost pressures and operational challenges. While the property market remains subdued and the broader economy continues to undergo structural changes, private-sector construction demand remains subdued, resulting in stiff competition for public works tenders, which is a key focus and core business area for the Group.

The property market in Chinese Mainland remained weak during the year. Notably, the overall housing market is still in a de-stocking phase. Business and consumer sentiments have also remained soft and patchy despite various government measures aimed at stimulating consumption and rejuvenating the property sector. At the same time, artificial intelligence, big data and e-commerce continue to reshape the consumption landscape and the tectonic shifts in consumer behavior continue to put pressure on retail and commercial asset owners and operators over the past several years.

Against this backdrop, the Group's disciplined execution and prudent management are more critical than ever. During the year, the Group successfully completed the disposal of its property management business in Hong Kong, and focused on continuing to build its foundation in risk management, operational resilience, aided by innovations in construction technology, and continued to be a trusted partner in construction services for both public and private markets.

CONSTRUCTION

Operating Performance

SOCAM has a comprehensive construction value chain, providing a full range of building life-cycle services for major clients in the public, institutional and corporate sectors in Hong Kong and Macau. Throughout the years, SOCAM has invested consistently in digital capabilities and construction technology, embedding innovation as a core component of its long-term strategy. Artificial intelligence and robotics applications – including automated plastering, painting, welding and façade testing – are being progressively integrated into construction processes to improve efficiency and, more importantly, site safety. The Group also extended its market coverage in government works, creating synergies among its construction arms, partner with industry players to build stronger capabilities and focus on safety and supply chain management.

Safety is a top priority, especially in the construction industry where site work is inherently exposed to higher risk if not properly managed. Over the years, the Group's strong safety culture has helped us maintain an accident rate well below the Hong Kong industry average. In 2025, the Group recorded an accident rate of 3 cases per thousand workers, supported by the rollout of its AI-enabled Smart Site Safety System (4S) across almost all its major construction and building maintenance projects. The deployment of 4S helps improve operational efficiency and enhance visibility into its site situations in real-time. The Group has also strengthened training and monitoring to ensure strict compliance with safety rules within the supply chain to safeguard the life and wellbeing of everyone at work.

SOCAM's digital arm, Janus Services Limited, redefined its market positioning during the year to become "The Digital Solutions Provider for the Built Environment", as a strategic move to underscore its commitment to integrating virtual data with physical construction works through advanced Building Information Modelling (BIM) services, 3D scanning and 4S across major projects for clients. It has been awarded ISO/IEC 42001 certification, demonstrating that its digital-first approach to building is recognised by globally accepted standards for responsible and secure AI management and operational reliability.

In order to generate solid returns and to mitigate the potential risks associated with the increasingly competitive market environment, the Group has prioritised selectivity and margin discipline in pursuing tender opportunities. In 2025, the Group secured new building construction, building maintenance and minor works, fit-out and renovation contracts in Hong Kong and Macau worth a total of HK\$6.7 billion, as compared with the HK\$11.5 billion awarded in 2024. After the year end, the Group won a further HK\$3.2 billion new contracts, largely from the Hong Kong Housing Authority (HKHA).

The Group's order book remains healthy and is poised to contribute to the continued growth in turnover, profit and cash flow in the medium term. As at 31 December 2025, the gross value of contracts on hand was HK\$38.9 billion while the remaining works to be completed was HK\$19.5 billion, in comparison to HK\$36.9 billion and HK\$20.5 billion respectively as at 31 December 2024.

Public housing construction, building maintenance and minor works
Shui On Building Contractors Limited (SOBC) and Pacific Extend Limited (PEL)

The HKSAR Government has pledged to forge ahead with the public housing production under the Long Term Housing Strategy, providing ample job opportunities to SOBC. Despite the cyclical slowdown in new building works in the private market, the demand for building maintenance and minor works remains strong, driven by the aging building stock, dense urban environment, government regulations, safety concerns, and preservation of asset value, among others. SOBC and PEL are well positioned to benefit from the steady pipeline of development work with their strong track record including long-time clientele, such as government authorities, institutional organisations, public transport, utility companies, and large corporates.

In 2025, SOBC successfully completed the Anderson Road public housing projects using Modular Integrated Construction (MiC), marking the first public housing development in Hong Kong to have adopted this innovative building method. The housing development delivers 1,410 residential units, providing the much-needed subsidised accommodation to long-awaited families while showcasing the efficiency, quality, and safety advantages conferred by MiC. This milestone also reinforces SOBC's leadership in advancing modern construction technologies and supporting the city's housing development goals.

Similar to the building construction market, the building maintenance sector continues to face workforce shortage and government's tightening control over non-housing related public expenditure. With the on-going robust competition and softer-than-expected demand for maintenance services, PEL has expanded its strategic focus to minor new building works contracts from institutions. One of its key achievements during the year was the successful completion of the Hong Kong International School's student activity centre, which proved its technical strength in building construction while contributing positively to the Group's financial performance and enhancing prospects for future building works opportunities.

PEL is also expanding its network to meet the growing demand for electrical and mechanical services from major clients, particularly public utilities. To support this, PEL working with strategic partners to leverage respective technical expertise and deliver comprehensive one-stop solutions that enhance its service capabilities and competitiveness.

SOBC and PEL secured new construction and maintenance contracts in a total amount of HK\$4.4 billion in 2025, which included:

- the construction of public housing development at Mei Tin Estate in Shatin for the HKHA, which will provide 480 public rental housing units upon completion in 2028;
- the construction of public housing development at Pik Wan Road, Yau Tong for the HKHA, providing 3,120 public rental housing units upon completion in 2028;
- the 4-year term contract for the maintenance of slopes in Kowloon and Lantau Island for which the Architectural Services Department (ASD) is responsible;
- the 3-year term contract for minor works for New Territories East Cluster for the Hospital Authority; and
- the main contract works for renovation of Shamshuipo Centre for CLP Power Hong Kong Limited (CLP).

During the year, SOBC and PEL continued to make progress on their existing contracts, including:

- the term contracts for maintenance, improvement and vacant flat refurbishment works for public housing estates in various districts for the HKHA;
- the term contract for the design and construction of fitting-out works to buildings and lands and other properties in Kowloon and New Territories for which the ASD is responsible;
- the term contract for minor works on buildings and lands and other properties in Hong Kong for which the ASD is responsible;
- the term contract for the design and construction of minor works to government and subvented properties on Hong Kong Island, Lantau Island and Outlying Islands (South) for which the ASD is responsible;
- the term contract for building structure refurbishment works for CLP;
- the term contracts for maintenance, improvement and refurbishment works for buildings and hydraulic systems at the Hong Kong International Airport for the Airport Authority;

- the term contract for architectural and building works for MTR Corporation Limited (MTRC) at its railways and premises in Hong Kong; and
- the design and build contract for the security access management system for the new extension projects of MTRC.

SOBC and PEL completed the following major contracts during the year:

- the construction of public housing developments at Anderson Road Quarry Sites RS-1, R2-6 and R2-7 for the HKHA;
- the construction of public housing developments at Sheung Shui Areas 4 and 30 Site 1 Phase 1 and Site 2 Phase 2 for the HKHA;
- the 5-year term contract for maintenance, improvement and refurbishment works for buildings at the Hong Kong International Airport;
- the 3-year term contracts for alterations, additions, maintenance and repair of aided schools, buildings and lands, and other properties in various districts for the Education Bureau;
- the 3-year term contract for minor works for New Territories East Cluster for the Hospital Authority;
- the 5-year term contract for design and construction of minor building and civil engineering works for CLP; and
- the main contract for outstanding works for the proposed student activity centre for Hong Kong International School Association Limited in its campus in Tai Tam.

After the year-end, SOBC and PEL were awarded new contracts worth a total of HK\$3.1 billion, including:

- the contract for the construction of public housing development in Tung Chung for the HKHA, which will provide approximately 1,572 public housing units, when completed in 2028;
- the contract for the construction of public housing development in Sheung Shui for the HKHA, which will offer approximately 630 public housing units, upon completion in 2029;

Public works

Shui On Construction Company Limited (SOC) and Shui On Joint Venture

Hong Kong's public works sector, primarily overseen by the ASD, remains a cornerstone of the city's construction industry, focusing on the provision and maintenance of government buildings, public facilities and community assets as well as heritage conservation and sustainability-driven upgrades. While fiscal conditions come under considerable pressure, ASD continues to manage a strong pipeline of projects, aiming to shape and maintain the city's built environment to meet evolving community needs.

In support of the HKSAR Government's efforts to promote collaborative partnering in the delivery of public works projects, SOC has teamed up with Cycle Links Construction Company Limited in a 90/10 joint venture and, in June 2025, secured the contract for the design and construction of a fire station-cum-ambulance depot with departmental quarters and supporting facilities at the Anderson Road Quarry Site for the ASD, enriching public services to meet rising demand driven by the growing population in the area.

SOC's construction projects continued apace during the year, which included:

- the design and construction of Western Police Married Quarters for the ASD;
- the design and construction of an integrated development with an open space garden and a public vehicle park in Sham Shui Po for the ASD;
- the design and construction of a new divisional fire station-cum-ambulance depot in Wanchai for the ASD;
- the design and construction of Lai Chi Kok Reception Centre for the ASD; and
- the main contract for the construction of Teaching–Research Complex for The Chinese University of Hong Kong.

During the year, Shui On Joint Venture, the joint venture formed between SOC and SOBC, completed the redevelopment of Kwai Chung Hospital (Phase 2) for the Hospital Authority and the Drainage Services Department Building at the Cheung Sha Wan Sewage Pumping Station for the ASD.

Interior fit-out and refurbishment works ***Pat Davie Limited (PDL)***

Amid economic headwinds, the Group is cautiously optimistic in the interior fit-out and refurbishment market in Hong Kong, with tightened corporate budgets and more value-driven projects. While some asset owners remain conservative, others see potential opportunities with active investment and upgrades. Institutional clients and large landlords continue to prioritise retrofitting and amenity upgrades of their assets to stay competitive and enhance brand experiences. The Group has seen the resurgence in the Macau market as driven by the strong recovery of the tourism and hospitality sectors. High-end luxury fit-outs, renovations and upgrades in hotels, gaming facilities and retail spaces remain in demand as integrated resorts compete for visitors.

PDL is one of the industry leaders in the institutional interior fit-out and refurbishment contractors that delivers premium, innovative, sustainable and cost-effective solutions within complex constraints, which enable it to lead and thrive in fiercely competitive markets. In 2025, PDL secured new fit-out and refurbishment contracts with an aggregate value of HK\$1.4 billion, primarily for selected institutional and commercial clients in Hong Kong, and the hospitality and entertainment industry in Macau.

The major contracts secured by PDL during the year included:

- asset enhancement works at Yat Tung Shopping Centre for Link Asset Management Limited;
- interior fit-out works for the residential development at 8-10 Lomond Road;
- renovation works for a hotel in Tsing Yi for HKIA Accommodation Limited;
- renovation works on office toilets for Three Pacific Place;
- design-and-build works on Microelectronics Centre Extension at Yuen Long InnoPark;
- airport lounge expansion works in the Hong Kong International Airport Terminal 1;
- ambience upgrade at Hotel Link Bridge in the Hong Kong International Airport;
- renovation works on hotel guestrooms at Grand Lisboa Macau;
- hotel refurbishment works in Galaxy Macau; and
- fit-out works on the NBA flagship store in The Londoner, Macau.

PDL has progressed well with the projects it secured, while maintaining strict control over quality, delivery timelines and budgets. During the year, contracts worth a total of HK\$1.2 billion were completed across various type of properties including: offices, shopping arcades, clubhouses, airport, hotels. Notable projects included renovation works on various office buildings in Taikoo Place, addition and alteration, fit-out and building services works on the Atrium Link, Clubhouse and common facilities in various buildings in Hong Kong Science Park, fit-out works on a Cathay Pacific lounge in the West Hall at the Hong Kong International Airport Terminal 1, fit-out works on Chairman's Club in Galaxy Macau, hotel refurbishment works in Galaxy Macau and renovation works on the atrium, shopping arcade and designated areas in One Central Macau.

After the year-end, PDL was awarded new contracts totalling HK\$69 million, including fit-out works on a commercial development in Causeway Bay, and COD HOTEL A PORTE COCHERE in Macau.

PROPERTY

Operating Performance

Chinese Mainland's retail and commercial property market is navigating through considerable challenges adapting to the constantly evolving retail environment and consumer behaviour given the shift towards e-commerce and with consumers focusing on experiential retail experience and integration of digital platforms to attract foot traffic in a competitive environment. The commercial office sector remains soft with hybrid work trends, prompting landlords to implement demand-driven pricing initiatives and provide value-added services.

The Group continue with its strategy to reposition the Group's shopping malls in the Mainland to "Green and Fun Community Mall" to align well with the evolving consumption trends and ramp up business resilience. Supported by the Central Government's measures to boost domestic consumption and drive sustainable economic growth, including targeted consumption vouchers and incentives for green and digital retail innovation. Coupled with the Group's various initiatives to strengthen tenant engagement and customer loyalty, its community-centric malls reported steady leasing income and occupancies for 2025 and their occupancy outperformed its peers nearby.

The Group's property business despite delivering a steady occupancy rate ranging from 76% to 93% (as at 31 December 2025) outperforming most of its neighboring competing assets, reported a total turnover of HK\$128 million for 2025 (excluding the Hong Kong property management business), representing a 18% decrease from HK\$156 million on the same basis for 2024. Amidst the economic climate and the evolving Mainland retail market impacted by shifting spending patterns, it has implemented proactive cost management to enhance operational efficiency and profitability in 2025.

Mainland Property Portfolio

As of 31 December 2025, the Group owned six projects in the Chinese Mainland, comprising a total gross floor area (GFA) of 381,100 square metres, of which 364,200 square metres GFA were completed properties.

Location	Project	Retail (sq. m.)	Office/ SOHO (sq. m.)	Villa (sq. m.)	Carparks & Others (sq. m.)	Total GFA* (sq. m.)
Investment properties						
Chengdu	Centropolitan	43,000	33,300	–	44,100	120,400
Chongqing	Creative Concepts Center	21,000	–	–	9,900	30,900
Guangzhou	Parc Oasis	–	–	–	4,200	4,200
Shenyang	Shenyang Project Phase I	62,200	–	–	18,300	80,500
Tianjin	Veneto Phase 1	63,600	–	–	–	63,600
Properties held for sale/ Properties under development for sale						
Chengdu	Centropolitan	–	–	–	37,700	37,700
Nanjing	Scenic Villa	–	–	10,900	7,200	18,100
Shenyang	Shenyang Project Phase I	–	1,600	–	–	1,600
Tianjin	Veneto Phase 2	22,800	1,300	–	–	24,100
Total		212,600	36,200	10,900	121,400	381,100

* The GFA shown excludes sold and delivered areas.

Leasing Performance

In 2025, the Group's investment properties reported stable leasing income at HK\$100 million, compared to HK\$105 million for 2024.

Occupancy Rates of Retail and Office Properties in Chinese Mainland:

Project	Occupancy Rate	
	31 December 2025	31 December 2024
Chengdu Centropolitan – Retail	78%	89%
Chengdu Centropolitan – Office	85%	88%
Chongqing Creative Concepts Center – Retail	86%	91%
Shenyang Tiandi – Retail	93%	92%
Tianjin Veneto Phase 1 – Retail	76%	72%

Despite the retail market continuing to face downward pressure as consumers become increasingly value-conscious in their spending and the weak leasing market in neighboring competing assets, the Group managed to make steady progress with its retail and office properties posted resilient operating performance. As of 31 December 2025, Chengdu Centropolitan's retail and office spaces recorded 78% and 85% occupancies respectively, while Shenyang Tiandi's occupancy edged up to 93%. Chongqing Creative Concepts Centre logged an occupancy of 86% for its mall. Meanwhile, the outlet mall in Tianjin saw a rise in occupancy to 76% after the enhancement works and brand upgrade, shrugging off the intense competition among shopping centres in the Wuqing region amid increased supply.

Asset Enhancement

After the refurbishment works on the outlet mall in Tianjin Veneto Phase 1 in late 2024 which brought about the meaningful upsurge in foot traffic and tenant sales, in 2025 the Group has implemented a brand upgrade along the pedestrian street and added several high-quality chain brands to solidify the attractiveness and commercial value of the mall. In addition, the Group is proceeding with renovation of the West Zone of the mall to give it a facelift and boost occupancy further.

Property Sales

The Group held a small property inventory for sale, which mainly consisted of retail shops and SOHO units in Phase 2 of Tianjin Veneto. The Mainland's real estate sector remains sluggish and continued to weigh on the investment sentiment for commercial properties, posing a drag on the Group's inventory sales in 2025.

During the year, the Group has been contracted to dispose of a number of retail units in Tianjin Veneto Phase 2 for an aggregate consideration of HK\$30 million. Together with other disposals, total realised revenue from property sales for the year was HK\$28 million, compared with HK\$51 million revenue for the same period in 2024. The property sales in the year were predominantly derived from sales of the retail shops in Phase 2 of Tianjin Veneto.

The downturn in the Mainland's real estate market lingered and continued to weigh on the investment sentiment for commercial and retail properties. The notable increase in retail sales and foot traffic in the newly-refurbished Tianjin Veneto Phase 1 has helped boost the sales of the inventory in Phase 2.

Hong Kong Property Management

After a strategic review of the Group's business portfolio, the Group completed the disposal of its 100% equity interests in Shui On Properties Management Services Limited and its subsidiary, Pacific Extend Properties Management Limited on 19 December 2025, which provided the property management services in Hong Kong. The consideration for the disposal amounted to HK\$100 million, subject to certain adjustments as stipulated in the relevant sale and purchase agreement.

The disposal will enable the Group to focus its management attention and resources on its core operations and apply the proceeds in businesses and projects expected to deliver a higher return on capital and stronger synergies with its existing businesses.

OUTLOOK

Looking forward, China's economy is expected to sustain the momentum of steady growth and stay resilient amid heightening global complexity and uncertainty. For Hong Kong, consumer sentiment and investment appetite in the real estate sector remain subdued, which may lead to less demand for private construction services. The outbreak of war in the Middle East in late February marked a significant escalation of geopolitical conflict and raised uncertainties about regional stability and the risks of broader conflict which could further disrupt global trade, logistics and prices of commodities, potentially dragging on the growth of the world economy.

Hong Kong's construction market is navigating a period of transition, shaped by global economic pressures, soft local property sector and government fiscal constraints, yet it remains anchored by ongoing investment in public infrastructure and housing, and strategic long-term development initiatives such as the Northern Metropolis, which will play a pivotal role in driving Hong Kong's long-term social and economic development. As per the HKSAR 2026 budget, the Government's annual capital works expenditure will amount to about HK\$130 billion from 2026-27 to 2030-31, while overall public housing production will reach 196,000 units for the next five years, and recurrent term contracts for building maintenance are expected to hold steady.

For the Macau market, alongside the continuous refurbishment and upgrade works on existing facilities by the resurgent hospitality and gaming industry in Macau, the Macau government's diversification strategy into non-gaming sectors will open new fit-out niches in the coming years.

Overall, the construction industry outlook calls for cautious optimism with emphasis on adaptability and technology advancement. The Group stands to benefit from the ample business opportunities in the years ahead and is confident in the sustainable development of its construction business.

Overshadowed by uncertainties, financial prudence and cash flow management are more critical than ever. SOCAM will continue to remain agile with its strategy and adapt to the different changes in the market challenges and continue to sharpen its competitive edge. The Group will implement its cost-saving measures progressively, manage risks and price fluctuations with cautious and continue to drive sustainable operational efficiencies with an aim to strengthen its financial resilience and profitability in the near to medium term.

FINANCIAL REVIEW

FINANCIAL RESULTS

The Group's results for the year ended 31 December 2025 recorded a loss attributable to shareholders from continuing operations of HK\$147 million on a turnover of HK\$7,010 million, comparing with the loss of HK\$374 million and turnover of HK\$9,048 million for 2024.

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

An analysis of the total turnover is as follows:

	Year ended 31 December 2025 HK\$ million	Year ended 31 December 2024 HK\$ million (Re-presented)
Continuing operations		
Turnover		
Construction, maintenance and minor works and interior fit-out	6,882	8,892
Mainland property	128	156
Total	7,010	9,048

The construction segment reported a decrease of 23% in turnover this year to HK\$6,882 million as compared to the previous year. The decline was mainly attributable to building construction business, where certain construction contracts were nearing completion and completed during the year, such as the construction of four public housing developments projects, the design and construction of Drainage Services Department Building project and the mega-sized contract for the redevelopment of Kwai Chung Hospital (Phase 2). Nevertheless, the Group has maintained a strong order book with HK\$19.5 billion outstanding workload for the construction segment, with several construction contracts expected to accelerate progress which will lead to an increase turnover and profits contributions from 2026 onwards. During 2025, construction segment recorded HK\$6.7 billion new contracts won and also HK\$3.2 billion after the year end, totaling to HK\$9.9 billion.

Revenue from maintenance and minor works and interior fit-out business remained stable and contributed HK\$2.4 billion and HK\$1.4 billion respectively for the year, more than half of the revenue of the construction segment.

An analysis of the results attributable to shareholders is set out below:

	Year ended 31 December 2025 HK\$ million	Year ended 31 December 2024 HK\$ million
<u>Continuing Operations</u>		
Construction	234	201
Mainland Property		
Loss from property sales	(41)	(38)
Net rental income	36	33
Fair value changes on investment properties, net of deferred tax provision	(60)	(76)
Impairment loss on property inventories, net of deferred tax provision	(22)	(15)
Net operating expenses and others	(33)	(33)
	(120)	(129)
Net finance costs	(170)	(237)
Corporate overheads and others	(63)	(77)
Release of exchange gains	-	3
Net foreign exchange gain (loss)	54	(50)
Taxation	(32)	(34)
Non-controlling interests	(50)	(51)
Loss for the year from continuing operations	(147)	(374)
<u>Discontinued Operation</u>		
Hong Kong Property management	6	10
Gain on disposal of Hong Kong property management business	49	-
Profit for the year from discontinued operation	55	10
Total	(92)	(364)

The Group's operating profit before interests, tax and excluding non-operational gains or losses, improved from HK\$96 million in 2024 to HK\$139 million in 2025. These non-operational gains or losses for the year 2025 include foreign exchange gain of HK\$54 million, property portfolio's fair value changes and impairments (net of deferred tax provision) of HK\$82 million and gain on disposal of Hong Kong property management business of HK\$49 million.

Construction

For the overall construction segment, the average net profit before tax margin was 3.4% of turnover, progressively improved compared to 2.3% in the previous year. During the year, the Group completed several public housing build-only development projects awarded during the COVID years, which carried relatively lower margins. The results and profit margins of the building construction business were also slightly affected by the unfavourable contract price fluctuation

adjustments. The gross value of contracts on hand was HK\$38.9 billion and total outstanding workload reached a total of HK\$19.5 billion with a mix of several design-and-build projects that were at the foundation stage whilst some of the newly awarded projects are build-only with foundations already completed before taking over the site, which may potentially lead to a more gradual increase in turnover and profits contributions to the Group over the next few months but are expected to contribute significantly as construction progress accelerates in the coming years.

For the building maintenance and minor works segment, the profit contribution and margin dropped slightly amid the intense market competition. Profits in the prior year were also lifted by the increased contributions from completed maintenance contracts with relatively lower turnover recognised. The current outstanding workload of for maintenance and minor works has reached a total of HK\$5.0 billion with a mix of 71% from government departments and 29% from public organisations or private institutions.

For the interior fit-out segment, the profit contribution and margin of the Group's interior fit-out business were relatively stable. With increasing contribution from the Macau market, its share of the segment's turnover rose from approximately 36% to 42% year on year, driven by the resurgence of the tourism and hospitality sectors. Given that projects in Macau tend to have higher profit margins, PDL is well positioned to continue to capture the growth and opportunities. The current outstanding workload of the PDL's business reached a total of HK\$1.3 billion with a mix of 77% and 23% from Hong Kong and Macau market respectively.

Property

The Group's property business despite delivering a steady occupancy rate ranging from 76% to 93% (as at 31 December 2025), reported a total turnover of HK\$128 million for 2025 (excluding the Hong Kong property management business), representing a 18% decrease from HK\$156 million on the same basis for 2024. Amidst the soft business and consumer sentiments and the constantly evolving consumer spending patterns, it has proactively implemented cost control to enhance operational efficiency and profitability in 2025. Although the total turnover has decreased, the Group's portfolio has shown strong resilience with stable occupancy and outperformed most of our nearby peers.

On property sales, the Group disposed of a number of retail units in Tianjin Veneto Phase 2 for an aggregate consideration of HK\$30 million and portion of these units had been delivered during the year. Together with other disposals, total loss on disposal of approximately HK\$41 million and impairment losses, net of deferred tax provision of approximately HK\$22 million on the remaining unsold units of Tianjin Veneto Phase 2 were recognised during the year.

At 31 December 2025, the Group's investment properties were valued at HK\$3,854 million and excluding the effect on the appreciation of the Renminbi against the Hong Kong dollar in the current year, there was a 1.7% gross depreciation of fair value on a portfolio basis.

Net finance costs

The Group's borrowings were predominantly Hong Kong Interbank Offered Rate ("HIBOR") based Hong Kong dollar bank borrowings. The decrease in net finance costs was mainly due to the decrease in total bank borrowings during the year, with year-end bank borrowings dropped by 10.4%, from HK\$3,499 million to HK\$3,135 million and the decrease in HIBOR. The average 1-month HIBOR decreased by around 36.8% in 2025, comparing to the prior year.

Net foreign exchange gain/loss

During 2025, the Renminbi registered a 2.5% appreciation against the Hong Kong dollar. This resulted in net foreign exchange gain totalling HK\$126 million recorded for the current year, of which HK\$54 million and HK\$72 million were recognised in the consolidated statement of profit or loss and the consolidated statement of changes in equity respectively, comparing with the foreign exchange loss of HK\$50 million and HK\$64 million respectively for the previous year, on a 2.2% depreciation.

ASSETS BASE

The total assets and net assets of the Group are summarised as follows:

	31 December 2025	31 December 2024
	HK\$ million	HK\$ million
Total assets	8,822	9,460
Net assets	1,985	1,986
	HK\$	HK\$
Net asset value per share	5.3	5.3

Total assets of the Group was HK\$8.8 billion at 31 December 2025, comparing to HK\$9.5 billion at 31 December 2024. The net assets of the Group and net asset value per share at 31 December 2025 was relatively stable as compared with 2024. Loss for the year of HK\$92 million was partially offset by the appreciation of Renminbi against the Hong Kong dollar, which caused a HK\$72 million direct increase in equity.

EQUITY, FINANCING AND GEARING

The shareholders' equity of the Company was HK\$1,985 million on 31 December 2025, comparing with HK\$1,986 million on 31 December 2024.

Net bank borrowings of the Group, which represented the total bank borrowings, net of bank balances, deposits and cash, amounted to HK\$2,004 million on 31 December 2025, as compared with HK\$2,127 million on 31 December 2024.

The maturity profile of the Group's bank borrowings is set out below:

	31 December 2025	31 December 2024
	HK\$ million	HK\$ million
Bank borrowings repayable:		
Within one year	1,544	2,636
After one year but within two years	822	310
After two years but within five years	769	553
Total bank borrowings	3,135	3,499
Bank balances, deposits and cash	(1,131)	(1,372)
Net bank borrowings	2,004	2,127

During the year, a term loan of HK\$1,100 million was partly refinanced by a 5-year term loan of HK\$700 million together with a repayment of HK\$400 million.

Both the total bank borrowings and net bank borrowings decreased. The net gearing ratio of the Group, calculated as net bank borrowings over shareholders' equity, decreased to 101.0% on 31 December 2025, from 107.1% on 31 December 2024, which was due to repayment of bank borrowings by the Group's internal resources, whilst the equity of the Company remained stable during the year.

TREASURY POLICIES

The Group's financing and treasury activities are centrally managed and controlled at the corporate level.

The Group's bank borrowings are mainly denominated in Hong Kong dollars and have been arranged on a floating-rate basis. Investments in Chinese Mainland are partly funded by capital already converted into Renminbi and partly financed by borrowings in Hong Kong dollars. Renminbi financing is primarily at project level where the sources of repayment are also Renminbi denominated. Given that income from operations in Chinese Mainland is denominated in Renminbi and property level financing is Renminbi denominated, the Group expects that the fluctuations of the Renminbi in the short-term will not have material affect to the Group's business performance and financial position. It is in the Group's policy not to enter into derivative transactions for speculative purposes. The Group may review its treasury policies from time to time to meet any potential changes to the business environment.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Group, including foreign exchange risk, interest rate risk, liquidity risk, concentration risk and regulatory and compliance risk, are discussed in the Risk Management Report contained in this Annual Report. The financial risk management objectives and policies of the Group, including credit risk management, are set out in Note 36 to the consolidated financial statements.

EMPLOYEES

At 31 December 2025, the number of employees in the Group was approximately 1,410 (31 December 2024: 3,362) in Hong Kong and Macau, and 210 (31 December 2024: 256) in subsidiaries and joint ventures in Chinese Mainland. The reduction in headcount was primarily attributable to the disposal of the property management business in Hong Kong during the year. Excluding the property management business in Hong Kong, the number of employees in Hong Kong and Macau as at 31 December 2024 was approximately 1,570. The Group continued to offer remuneration packages which were competitive and linked to performance, with additional staff benefits such as retirement benefits and medical insurance at appropriate levels. Retaining and developing talents remained a key priority. The Group provided structured programmes to support career growth at different levels, including Graduate Engineers and Apprentices Development, Managerial Development, Leadership Development and Talent Development initiatives. A major focus in 2025 was the Growth Accelerator Programme, which aimed to identify and groom emerging leaders and facilitate their growth through accelerated program into middle management and above and to strengthen their job exposure, team and people development and adaptability skills. The Group also collaborated with local universities on internships and corporate projects to support early career talents. In Chinese Mainland, staff benefits remained aligned with market standards, with continued emphasis on corporate culture and professional development. The Group remained committed to being an employer of choice, attracting, developing and retaining high calibre and capable professionals.

Further details could be found in the Environmental, Social and Governance Report.

RESULTS

The Board of Directors (the “Board”) of SOCAM Development Limited (the “Company” or “SOCAM”) presents the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	2025 HK\$ million	2024 HK\$ million (Re-presented)
Continuing operations			
Turnover	2	7,010	9,048
Other income, other gains and losses	3	79	(16)
Cost of properties sold		(109)	(83)
Raw materials and consumables used		(432)	(946)
Staff costs		(854)	(854)
Depreciation and amortisation		(44)	(56)
Subcontracting, external labour costs and other expenses		(5,498)	(7,044)
Fair value changes on investment properties		(66)	(87)
Finance costs		(182)	(262)
Share of profit of joint ventures and an associate		<u>1</u>	<u>1</u>
Loss before taxation from continuing operations		(95)	(299)
Taxation	4	<u>(2)</u>	<u>(24)</u>
Loss for the year from continuing operations		(97)	(323)
Discontinued operation			
Profit for the year from discontinued operation	7	<u>55</u>	<u>10</u>
Loss for the year		<u>(42)</u>	<u>(313)</u>
Attributable to:			
Owners of the Company			
Loss for the year from continuing operations		(147)	(374)
Profit for the year from discontinued operation		<u>55</u>	<u>10</u>
Loss for the year attributable to owners of the Company		(92)	(364)
Non-controlling interests			
Profit for the year from continuing operations		<u>50</u>	<u>51</u>
		<u>(42)</u>	<u>(313)</u>
Basic (loss) earnings per share			
From continuing operations	6	HK\$(0.39)	HK\$(1.01)
From discontinued operation		<u>HK\$0.15</u>	<u>HK\$0.03</u>
From continuing and discontinued operations		<u>HK\$(0.24)</u>	<u>HK\$(0.98)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2025 HK\$ million	2024 HK\$ million
Loss for the year	(42)	(313)
Other comprehensive income (expense)		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of financial statements of foreign operations	72	(64)
Reclassification adjustments for exchange differences transferred to profit or loss upon deregistration of a joint venture	–	(3)
Items that will not be reclassified to profit or loss:		
Fair value changes of an equity investment at fair value through other comprehensive income	1	(2)
Remeasurement of defined benefit scheme	18	48
Other comprehensive income (expense) for the year	91	(21)
Total comprehensive income (expense) for the year	49	(334)
Total comprehensive (expense) income attributable to:		
Owners of the Company		
- from continuing operations	(56)	(395)
- from discontinued operation	55	10
Non-controlling interests	50	51
	49	(334)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2025 HK\$ million	31 December 2024 HK\$ million
Non-current Assets			
Investment properties		3,854	3,818
Goodwill		9	18
Other intangible assets		4	9
Right-of-use assets		34	41
Property, plant and equipment		15	23
Interests in joint ventures		88	87
Interest in an associate		22	22
Financial asset at fair value through other comprehensive income		21	20
Financial assets at fair value through profit or loss		56	49
Deferred tax assets		54	18
Defined benefit assets		–	1
Club memberships		1	1
Other debtor	8	5	–
Restricted bank deposits		–	8
		4,163	4,115
Current Assets			
Properties held for sale		473	570
Properties under development for sale		164	160
Debtors, deposits and prepayments	8	1,641	1,863
Contract assets		1,169	1,292
Amounts due from joint ventures		76	78
Amounts due from related companies		2	10
Tax recoverable		3	8
Restricted bank deposits		282	338
Bank balances, deposits and cash		849	1,026
		4,659	5,345
Current Liabilities			
Creditors and accrued charges	9	2,777	3,062
Contract liabilities		60	54
Lease liabilities		21	31
Amounts due to joint ventures		126	116
Amounts due to related companies		36	47
Amount due to non-controlling shareholder of a subsidiary		9	–
Taxation payable		141	147
Bank borrowings due within one year		1,544	2,636
		4,714	6,093
Net Current Liabilities		(55)	(748)
Total Assets Less Current Liabilities		4,108	3,367
Capital and Reserves			
Share capital		373	373
Reserves		1,612	1,613
Equity attributable to owners of the Company		1,985	1,986
Non-controlling interests		266	268
		2,251	2,254
Non-current Liabilities			
Bank borrowings		1,591	863
Amount due to non-controlling shareholder of a subsidiary		9	–
Lease liabilities		15	13
Deferred tax liabilities		242	237
		1,857	1,113
		4,108	3,367

Notes:

1. Basis of preparation of consolidated financial statements

At 31 December 2025, the Group reported net current liabilities of HK\$55 million, which included a term loan of HK\$250 million repaid in January 2026 upon maturity and revolving loans of HK\$909 million. With respect to the revolving loans, the Directors of the Company, at the time of approving these consolidated financial statements, believe that they will continue be made available to the Group and will not be withdrawn unexpectedly within the next twelve months from the end of the reporting period. Taking into account the internal financial resources of the Group, coupled with the Group's operating cash flows as well as the currently available banking facilities and the expectation of securing new or refinancing facilities based on the Group's existing relationships with banks and its Hong Kong construction businesses, the Group will have the ability to meet its financial obligations as they become due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

In the current year, the Group has applied the following amendment to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements.

HKAS 21 (Amendments)	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective.

HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments ¹
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity ¹
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency ²
HKFRS Accounting Standards (Amendments)	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

Except for the new HKFRS Accounting Standards as mentioned below, the Directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 *Presentation and Disclosure in Financial Statements*

HKFRS 18 *Presentation and Disclosure in Financial Statements* ("HKFRS 18"), which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements* ("HKAS 1"). This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7 *Financial Instruments: Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

2. Segment information

For management reporting purposes, the Group is currently organised into three operating divisions based on business nature. These divisions are the basis on which the Group reports information to its chief operating decision makers, who are the Executive Directors of the Company, for the purposes of resource allocation and assessment of segment performance.

The Group's reportable and operating segments under HKFRS 8 *Operating Segments* are as follows:

1. Construction, maintenance and minor works, fit-out – construction, maintenance works and minor works and provision of building information modelling services mainly in Hong Kong; and interior fit-out in Hong Kong and Macau
2. Property – property development for sale and property investment in the Chinese Mainland and provision of property management services in Hong Kong and the Chinese Mainland

The property management business in Hong Kong was discontinued in the current year. The segment information reported below excluded the results of the discontinued operation, which is described in note 7.

3. Other businesses – venture capital investment and others

2. Segment information (continued)

An analysis of the Group's reportable segment revenue and segment results from continuing operations by reportable and operating segment is as follows:

For the year ended 31 December 2025

	Construction, maintenance and minor works, fit-out HK\$ million	Property HK\$ million	Other businesses HK\$ million	Total HK\$ million
REVENUE				
Revenue from construction contracts	6,882	–	–	6,882
Revenue from property sales	–	28	–	28
Revenue from rendering of services in the Chinese Mainland	–	25	–	25
Revenue from contracts with customers	6,882	53	–	6,935
Revenue from property leasing	–	75	–	75
Total segment revenue from external customers	6,882	128	–	7,010
Timing of revenue recognition				
At a point of time	–	28	–	28
Over time	6,882	25	–	6,907
Revenue from contracts with customers	6,882	53	–	6,935
Reportable segment results	242	(120)	6	128
Unallocated items:				
Finance costs				(175)
Other corporate expenses				(48)
Consolidated loss before taxation				(95)
Segment results have been arrived at after (charging) crediting:				
Cost of properties sold	–	(109)	–	(109)
Depreciation and amortisation	(31)	(2)	–	(33)
Interest income	8	5	–	13
Fair value changes on investment properties	–	(66)	–	(66)
Impairment loss recognised on property inventories (note)	–	(46)	–	(46)
Dividend income from an equity investment	–	–	1	1
Finance costs	–	(7)	–	(7)
Share of (loss) profit of joint ventures and an associate	(1)	2	–	1

2. Segment information (continued)

For the year ended 31 December 2024 (Re-presented)

	Construction, maintenance and minor works, fit-out HK\$ million	Property HK\$ million	Other businesses HK\$ million	Total HK\$ million
REVENUE				
Revenue from construction contracts	8,889	–	–	8,889
Revenue from property sales	–	51	–	51
Revenue from rendering of services in Hong Kong	3	–	–	3
Revenue from rendering of services in the Chinese Mainland	–	26	–	26
Revenue from contracts with customers	8,892	77	–	8,969
Revenue from property leasing	–	79	–	79
Total segment revenue from external customers	8,892	156	–	9,048
Timing of revenue recognition				
At a point of time	–	51	–	51
Over time	8,892	26	–	8,918
Revenue from contracts with customers	8,892	77	–	8,969
Reportable segment results				
	217	(224)	(4)	(11)
Unallocated items:				
Other income				2
Finance costs				(251)
Other corporate expenses				(39)
Consolidated loss before taxation				(299)
Segment results have been arrived at after (charging) crediting:				
Cost of properties sold	–	(83)	–	(83)
Depreciation and amortisation	(39)	(3)	–	(42)
Interest income	16	8	–	24
Fair value changes on investment properties	–	(87)	–	(87)
Impairment loss recognised on property inventories (note)	–	(15)	–	(15)
Dividend income from an equity investment	–	–	2	2
Finance costs	–	(11)	–	(11)
Share of (loss) profit of joint ventures and an associate	(2)	(1)	4	1

Note:

Impairment loss recognised on properties inventories represented a decrease in net realisable value of certain properties held for sale and properties under development for sale as a result of a decrease in estimated market prices of these properties. The management engaged an external professional valuer to perform independent valuations for these properties.

3. Other income, other gains and losses

	2025 HK\$ million	2024 HK\$ million
Continuing operations		
Included in the other income, other gains and losses are:		
<u>Other income</u>		
Interest income on financial asset at amortised cost	–	1
Other interest income	13	24
Dividend income from an equity investment	1	2
<u>Other gains and losses</u>		
Exchange gain (loss)	52	(48)
Fair value gain on financial assets at fair value through profit or loss	3	1
Gain on disposal of property, plant and equipment	–	1
Expected credit losses reversed on trade debtors, contract assets and other receivables	–	2
	–	2

4. Taxation

	2025 HK\$ million	2024 HK\$ million
Continuing operations		
The tax charge (credit) comprises:		
Current taxation		
Hong Kong Profits Tax	40	55
Macau Complementary Tax	5	3
The People's Republic of China ("PRC") Land Appreciation Tax	–	1
Under(over)provision in prior years		
Hong Kong Profits Tax	3	(5)
PRC Land Appreciation Tax	(8)	–
	40	54
Deferred taxation	(38)	(30)
	2	24

Hong Kong Profits Tax is calculated at 16.5% (2024: 16.5%) on the estimated assessable profits for the year.

Macau Complementary Tax is calculated at 12.0% (2024: 12.0%) on the estimated assessable profits for the year.

PRC Land Appreciation Tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditure including land costs, borrowing costs and all property development expenditure.

5. Dividend

The Board does not recommend the payment of a final dividend (2024: nil) for the year ended 31 December 2025.

6. Basic (loss) earnings per share

The calculation of the basic (loss) earnings per share attributable to the owners of the Company is based on the following data:

	2025 HK\$ million	2024 HK\$ million (Re-presented)
(Loss) profit for the year attributable to owners of the Company arises from:		
- Continuing operations	(147)	(374)
- Discontinued operation	55	10
Loss for the purpose of basic loss per share from continuing and discontinued operations	<u>(92)</u>	<u>(364)</u>
Number of shares:	Million	Million
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	<u>373</u>	<u>373</u>

No diluted loss per share for both years were presented as the Company has no dilutive potential ordinary shares outstanding during both years.

7. Profit for the year from discontinued operation

On 8 September 2025, the Group entered into a sale and purchase agreement with an independent third party to dispose of the entire issued share capital of Shui On Properties Management Services Limited (“SOPMSL”). SOPMSL and its wholly-owned subsidiary, Pacific Extend Properties Management Limited, are principally engaged in the provision of property management service in Hong Kong. The transaction was completed on 19 December 2025 and a gain on disposal of SOPMSL of HK\$49 million is recognised. Details of the transaction are set out in an announcement of the Company dated 8 September 2025.

Results of the discontinued property management business in Hong Kong for the period from 1 January 2025 to 19 December 2025 of HK\$6 million (2024: HK\$10 million) and the gain on disposal of SOPMSL of HK\$49 million (2024: Nil) are included in profit for the year from discontinued operation of the consolidated statement of profit or loss for the year ended 31 December 2025.

8. Debtors, deposits and prepayments

The Group maintains a defined credit policy. The general credit term ranges from 30 to 90 days.

Included in debtors, deposits and prepayments are debtors, net of allowance for credit losses, with an aged analysis (based on the repayment terms set out in the sale and purchase agreements or invoice date, as appropriate) at the end of the reporting period as follows:

	31 December 2025	31 December 2024
	HK\$ million	HK\$ million
Trade debtors aged analysis (note a):		
Not yet due or within 90 days	422	780
91 days to 180 days	–	1
181 days to 360 days	2	1
Over 360 days	1	–
	<u>425</u>	<u>782</u>
Consideration receivable in respect of disposal of a subsidiary	6	–
Prepayments and deposits	514	370
Other receivables (note b)	703	713
Less: Allowance for credit losses	<u>(2)</u>	<u>(2)</u>
	1,646	1,863
Less: amounts due for settlement after 12 months	<u>(5)</u>	<u>–</u>
	<u>1,641</u>	<u>1,863</u>

Notes:

- (a) Included in the trade debtors are receivables of HK\$3 million (2024: HK\$1 million), which are aged over 180 days, based on the date on which revenue was recognised.
- (b) Included in other receivables at 31 December 2025 are receivables of HK\$520 million (2024: HK\$514 million) due from China Central Properties Limited's former subsidiaries (the "Debtor"), which hold a property interest in the PRC and were disposed of in 2008. The amounts are repayable on demand and out of the total outstanding balance, an amount of HK\$133 million (2024: HK\$130 million) carries interest at prevailing market rates. A court in the PRC issued notices to attach the aforesaid property interest to cause the Debtor to settle part of the outstanding receivable in the amount of approximately RMB338 million (approximately HK\$374 million) (2024: RMB338 million (approximately HK\$365 million)) and its related interest. In addition to these receivables, the Company has provided a guarantee in relation to a loan granted to the Debtor (see note 10(a)). Given that there have been continued positive outcomes in the legal disputes in relation to the property interest and recovery of the outstanding receivables, including the successful registration of title deed of the property under the name of the Debtor in May 2015, the Directors of the Company believe that these receivables will be fully settled and the guarantee provided by the Company will be fully released either through public auction of the aforesaid property interest or the sale of the equity interest of the entity holding the property interest, which is expected to take place within 12 months from the end of the reporting period.

9. Creditors and accrued charges

The aged analysis of creditors (based on invoice date) of HK\$694 million (2024: HK\$1,188 million), which are included in the Group's creditors and accrued charges, is as follows:

	31 December 2025	31 December 2024
	HK\$ million	HK\$ million
Trade creditors aged analysis:		
Not yet due or within 30 days	601	1,088
31 days to 90 days	38	70
91 days to 180 days	17	11
Over 180 days	38	19
	<u>694</u>	<u>1,188</u>
Retention payable	498	467
Provision for contract work/construction cost	1,337	1,154
Other accruals and payables	<u>248</u>	<u>253</u>
	<u>2,777</u>	<u>3,062</u>

10. Contingent liabilities

At 31 December 2025, the Group had the following contingent liabilities, which have not been provided for in the consolidated financial statements:

- (a) In 2007, the Company issued a guarantee (the "Guarantee") in favour of a bank for a loan granted to an entity which was a wholly-owned subsidiary of China Central Properties Limited ("CCP") at that time (the "Former Subsidiary"). Subsequently, the Former Subsidiary was sold by CCP in 2008, but the Company remained as the guarantor for the bank loan following the disposal (see note 8(b) for details of receivables due from the Former Subsidiary arising from such disposal). In October 2011, the Company received a notice from the aforesaid bank that it had entered into an agreement to sell all its rights and interests, including the Guarantee, to a new lender (the "New Lender"). At the same time, the Company entered into a restructuring deed with the New Lender, which was subsequently supplemented by supplemental restructuring deeds, whereby the New Lender agreed not to demand fulfilment of the Company's obligations under the Guarantee to October 2027, subject to extension after further discussions. The management reasonably believes that further extension will be granted in due time. The outstanding principal amount of the loan under the Guarantee amounting to RMB542 million (HK\$600 million) at 31 December 2025 (2024: RMB542 million (HK\$585 million)) and the related interest amounting to RMB948 million (HK\$1,049 million) (2024: RMB881 million (HK\$951 million)) are secured by a property interest in the PRC held by the Former Subsidiary. Both of the parent company of the acquirer and the acquirer of the Former Subsidiary have agreed to procure the repayment of the loan and agreed unconditionally to undertake and indemnify the Group for all losses as a result of the Guarantee.

In the opinion of the Directors of the Company, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition and at the end of the reporting period after taking into consideration the possibility of demanding fulfilment of the Company's obligations under the Guarantee by the New Lender and the collateral of the loan. Accordingly, no value has been recognised in the consolidated statement of financial position.

- (b) In respect to the delay in construction completion of a development project in Tianjin, by the date as stipulated in the relevant land grant contracts, the relevant local government authority has accepted certain reasons identified by the Group in supporting the application for extending the completion date of the project. Taking into account the aforesaid extension as accepted by the government authority, the estimated penalty as at 31 December 2025, if any, will not be more than RMB14 million (2024: RMB14 million). The management of the Company views that the exposure should be further reduced or fully exempted.

SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Company’s external auditor, Deloitte Touche Tohmatsu, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Deloitte Touche Tohmatsu on the preliminary announcement.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed the Group’s audited consolidated financial statements for the year ended 31 December 2025, including the accounting principles and practices adopted by the Group. It has also considered selected accounting, internal control and financial reporting matters of the Group, in conjunction with the Company’s external auditor.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout 2025, the Company complied with all the code provisions of the Corporate Governance Code (the “CG Code”) set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange, except for the deviations explained below.

Code provision E.1.2 of the CG Code provides that the terms of reference of the Remuneration Committee should include, amongst others, the responsibilities to (i) determine or make recommendations to the Board on the remuneration packages of individual Executive Director and senior management; (ii) review and approve compensation payable to Executive Directors and senior management for any loss or termination of office or appointment; and (iii) review and approve the remuneration proposals for management with reference to the Board’s corporate goals and objectives. The Remuneration Committee has reviewed its functions and considered that these responsibilities in relation to the remuneration and compensation of management should be vested in the Executive Directors who have a better understanding of the level of expertise, experience and performance expected of the management in the daily business operations of the Group. The Remuneration Committee would continue to be primarily responsible for the review and determination of the remuneration package of individual Executive Director. After due consideration, the Board adopted the revised terms of reference of the Remuneration Committee with the said responsibilities in relation to the remuneration and compensation of management excluded from its scope of duties, which deviates from code provision E.1.2. Notwithstanding such deviation, the Remuneration Committee is still responsible for reviewing, approving and making recommendations to the Board on the guiding principles applicable to the determination of the remuneration packages of senior management.

Having reviewed the practices and procedures of remuneration committees in other jurisdictions, the Remuneration Committee decided that it would be better practice for the Non-executive Directors to cease involvement in recommending their own remuneration. Such recommendations were made to the Board by the Chairman of the Company, taking the advice of external professionals as appropriate. This practice has been formally adopted, and the Board approved the amendment to the terms of reference of the Remuneration Committee in this respect, which also deviates from the stipulation in code provision E.1.2 that the Remuneration Committee should make recommendations to the Board on the remuneration of Non-executive Directors. The Non-executive Directors abstain from voting in respect of the determination of their own remuneration at the relevant Board meetings.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting (the “AGM”) of the Company will be held on Thursday, 28 May 2026 at 4:00 p.m. A circular containing the notice of the AGM, as well as the Company’s 2025 Annual Report, will be published on the Company’s website (www.socam.com) and the Stock Exchange’s website (www.hkexnews.hk) on or around Friday, 24 April 2026.

For ascertaining the shareholders’ entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026, both days inclusive, during which period no transfer of shares will be effected. Shareholders whose names appear on the register of members of the Company on Thursday, 28 May 2026 shall be entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all completed share transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 21 May 2026.

By Order of the Board
SOCAM Development Limited
Lo Hong Sui, Vincent
Chairman

Hong Kong, 27 March 2026

At the date of this announcement, the Executive Directors of the Company are Mr. Lo Hong Sui, Vincent (Chairman), Mr. Lee Chun Kong, Freddy (Chief Executive Officer) and Mr. Lo Adrian Jonathan Chun Sing (Deputy Chief Executive Officer); the Non-executive Directors of the Company are Ms. Lo Bo Yue, Stephanie and Mr. Chan Wai Kan, George; and the Independent Non-executive Directors of the Company are Mr. Chan Kay Cheung, Mr. Lau Ping Cheung, Kaizer and Mr. Wong Hak Wood, Louis.

** For identification purpose only*

Website: www.socam.com