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

DISCLOSEABLE TRANSACTION

RENEWAL AND EXTENSION OF LEASES

THE TENANCY LETTERS

The Tenants, namely the Company, PEPM, PEL and PDL (all being subsidiaries of the Company), have been leasing the Premises from the Landlord for the Group's business and back office operations under the Existing Leases.

On 31 March 2025, the Tenants accepted the Tenancy Letters issued by the Landlord for renewal and extension of the Existing Leases. The Tenancy Letters constitute binding agreements between the Tenants and the Landlord until the formal tenancy agreements are executed.

LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 "Leases", the Group is required to recognise the value of the right-of-use assets on its consolidated statement of financial position in connection with the renewal and extension of the Existing Leases under the Tenancy Letters, which will be regarded as an acquisition of assets by the Group pursuant to the Listing Rules. The estimated value of the right-of-use assets to be recognised by the Group under the Tenancy Letters is approximately HK\$22.9 million (unaudited).

As one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the estimated value of the right-of-use assets to be recognised by the Group under the Tenancy Letters exceeds 5% but is less than 25%, the acceptance of the Tenancy Letters constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE TENANCY LETTERS

The Tenants, namely the Company, PEPM, PEL and PDL (all being subsidiaries of the Company), have been leasing the following premises (the “**Premises**”) from the Landlord for the Group’s business and back office operations under the Existing Leases:

Premises	Date of Lease Expiry
(1) Units Nos. 1001 and 1002 on 10/F of New Kowloon Plaza (“ Units 1001-1002 ”)	30 April 2025
(2) Unit No. 1006 on 10/F of New Kowloon Plaza (“ Unit 1006 ”)	30 April 2025
(3) Units Nos. 1101 and 1102 on 11/F of New Kowloon Plaza (“ Units 1101-1102 ”)	30 April 2025
(4) Unit No. 1112 on 11/F of New Kowloon Plaza (“ Unit 1112 ”)	30 April 2025
(5) Unit No. 1004 on 10/F of New Kowloon Plaza (“ Unit 1004 ”)	4 May 2025
(6) Units Nos. 1205 and 1206 on 12/F of New Kowloon Plaza (“ Units 1205-1206 ”)	30 April 2026
(7) Unit No. 1207 on 12/F of New Kowloon Plaza (“ Unit 1207 ”)	30 April 2026
(8) Unit No. 1210 on 12/F of New Kowloon Plaza (“ Unit 1210 ”)	30 April 2026
(9) Units Nos. 1211 and 1212 on 12/F of New Kowloon Plaza (“ Units 1211-1212 ”)	30 April 2026
(10) The whole of 13/F of New Kowloon Plaza (“ Whole of 13/F ”)	30 April 2026

On 31 March 2025, the Tenants accepted the relevant Tenancy Letters issued by the Landlord for renewal and extension of the Existing Leases. The Tenancy Letters constitute binding agreements between the Tenants and the Landlord until the formal tenancy agreements are executed.

The principal terms of each of the Tenancy Letters are summarised below:

Premises	Tenant	Lease Term	Monthly Rent^(c) HK\$
(1) Units 1001-1002	The Company	3 years from 1 May 2025 to 30 April 2028 (both days inclusive)	76,786.20
(2) Unit 1006	The Company	3 years from 1 May 2025 to 30 April 2028 (both days inclusive)	43,587.00
(3) Units 1101-1102 ^(a)	The Company	3 years from 1 May 2025 to 30 April 2028 (both days inclusive)	79,309.20
(4) Unit 1112 ^(a)	PEPM	3 years from 1 May 2025 to 30 April 2028 (both days inclusive)	75,168.00
(5) Unit 1004 ^(a)	PEL	35 months and 27 days from 5 May 2025 to 30 April 2028 (both days inclusive)	44,109.00

(6)	Units 1205-1206	PDL	2 years from 1 May 2026 to 30 April 2028 (both days inclusive)	128,777.40
(7)	Unit 1207	PDL	2 years from 1 May 2026 to 30 April 2028 (both days inclusive)	43,865.40
(8)	Unit 1210	The Company	2 years from 1 May 2026 to 30 April 2028 (both days inclusive)	61,874.40
(9)	Units 1211-1212	The Company	2 years from 1 May 2026 to 30 April 2028 (both days inclusive)	109,428.60
(10)	Whole of 13/F ^(b)	The Company	2 years from 1 May 2026 to 30 April 2028 (both days inclusive)	476,238.00

Notes:

- (a) *A licence for maintaining the existing wet pantry in each of Unit 1004, Units 1101-1102 and Unit 1112 was granted by the Landlord at a licence fee of HK\$10,800 each (paid upon acceptance of the relevant Tenancy Letters) for a period equivalent to the respective lease terms.*
- (b) *A licence for maintaining the existing drinking machine outlet pipe connecting to the washing basin drainage pipe on the Whole of 13/F was granted by the Landlord at a licence fee of HK\$7,200 (paid upon acceptance of the relevant Tenancy Letter) for a period equivalent to the lease term.*
- (c) *The monthly rent is exclusive of management charge and government rates.*

Furthermore, pursuant to the Tenancy Letters:

- a rent-free period of 6 months was granted for the leases in respect of Units 1001-1002, Unit 1006, Units 1101-1102 and Unit 1112;
- a rent-free period of 5 months and 27 days was granted for the lease in respect of Unit 1004;
- a rent-free period of 4 months was granted for the leases in respect of Units 1205-1206, Unit 1207, Unit 1210, Units 1211-1212 and the Whole of 13/F; and
- each of the Tenants has the right to renew the relevant leases for a further term of 2 years at an open market rent to be agreed with the Landlord upon giving 6 months' advanced written notice before the expiration of the lease term.

BASIS OF DETERMINATION OF THE RENTS

The rents payable under the Tenancy Letters were determined after arm's length negotiation with the Landlord, taking into consideration:

- the historical amounts of the annual rents paid or payable by the Group for the Premises under the Existing Leases, totalling approximately HK\$14.2 million;
- the prevailing market rents for premises of comparable size, usage and location;
- the rental quotation for similar premises in the vicinity from another landlord; and
- the rent-free periods offered for the renewal and extension of the Existing Leases.

The rents under the Tenancy Letters shall be payable by the Tenants monthly in advance on the first day of each calendar month and will be satisfied by the internal resources of the Group.

REASONS FOR AND BENEFITS OF RENEWAL AND EXTENSION OF THE EXISTING LEASES

The Premises have been occupied by the Group as offices for its business and back office operations for over 30 years. The Board is of the view that the renewal and extension of the Existing Leases will enable the Group to (i) secure sufficient office space; (ii) avoid any unnecessary interruption to its operations; and (iii) avoid any additional capital expenditure and overheads resulting from relocation. Furthermore, the extension of certain Existing Leases, which will expire on 30 April 2026, has allowed the Group to negotiate with the Landlord for a more favourable rental rate for all the Existing Leases, along with aligning the expiry dates of the Existing Leases to 30 April 2028 for ease of administrative processes. The Directors consider that the terms and conditions of the Tenancy Letters are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 “Leases”, the Group is required to recognise the value of the right-of-use assets on its consolidated statement of financial position in connection with the renewal and extension of the Existing Leases under the Renewal Letters, which will be regarded as an acquisition of assets by the Group pursuant to the Listing Rules. The estimated value of the right-of-use assets to be recognised by the Group under the Renewal Letters is approximately HK\$22.9 million (unaudited).

As one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the estimated value of the right-of-use assets to be recognised by the Group under the Tenancy Letters exceeds 5% but is less than 25%, the acceptance of the Tenancy Letters constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL INFORMATION

The Group principally engages in construction, fitting-out and maintenance works in Hong Kong and Macau, provision of property management services in Hong Kong and the PRC, and property development and investment in the PRC.

The principal business activity of the Company is investment holding.

PEPM is an indirect wholly-owned subsidiary of the Company, which principally engages in provision of property management services in Hong Kong.

PEL is an indirect non-wholly owned subsidiary of the Company, which principally engages in maintenance works in Hong Kong.

PDL is an indirect non-wholly owned subsidiary of the Company, which principally engages in interior decoration, fitting-out and refurbishment business in Hong Kong.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Landlord is a company incorporated in Hong Kong with limited liability, which principally engages in property investment in Hong Kong. The Landlord is indirectly owned by Ryoden Development Limited, which principally engages in property development and investment in Hong Kong and is ultimately wholly-owned by Professor Hu Shao Ming, Herman and Mr. Hu Liang Ming, Raymond.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	SOCAM Development Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 983)
“connected persons” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Leases”	the existing leases entered into between each of the Company, PEPM, PEL and PDL as tenants and the Landlord in respect of (i) Units 1001-1002, Unit 1006 and Units 1101-1102 at New Kowloon Plaza for a term commencing on 1 May 2024 and ending on 30 April 2025; (ii) Unit 1112 at New Kowloon Plaza for a term commencing on 1 November 2024 and ending on 30 April 2025; (iii) Unit 1004 at New Kowloon Plaza for a term commencing on 5 May 2023 and ending on 4 May 2025; and (iv) Units 1205-1206, Unit 1207, Unit 1210, Units 1211-1212 and the Whole of 13/F at New Kowloon Plaza for a term commencing on 1 May 2024 and ending on 30 April 2026
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS 16”	Hong Kong Financial Reporting Standard 16 “Leases” issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Landlord”	Capital Deal Limited, a company incorporated in Hong Kong with limited liability

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macao Special Administrative Region of the People’s Republic of China
“New Kowloon Plaza”	the commercial building situated at 38 Tai Kok Tsui Road, Kowloon, Hong Kong
“PDL”	Pat Davie Limited, a company incorporated in Hong Kong with limited liability, which is an indirect non-wholly owned subsidiary of the Company
“PEL”	Pacific Extend Limited, a company incorporated in Hong Kong with limited liability, which is an indirect non-wholly owned subsidiary of the Company
“PEPM”	Pacific Extend Properties Management Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan)
“Premises”	has the meaning ascribed to it in the section headed “The Tenancy Letters” in this announcement
“Tenancy Letter(s)”	<p>the tenancy letters (or any thereof) issued by the Landlord on 10 February 2025 for renewal and extension of the Existing Leases, with details as follows:</p> <ul style="list-style-type: none"> (i) the tenancy letter issued to the Company as tenant in respect of the leases for Units 1001-1002, Unit 1006 and Units 1101-1102 at New Kowloon Plaza; (ii) the tenancy letter issued to PEPM as tenant in respect of the lease for Unit 1112 at New Kowloon Plaza; (iii) the tenancy letter issued to PEL as tenant in respect of the lease for Unit 1004 at New Kowloon Plaza; (iv) the tenancy letter issued to PDL as tenant in respect of the leases for Units 1205-1206 and Unit 1207 at New Kowloon Plaza; (v) the tenancy letter issued to the Company as tenant in respect of the leases for Units 1211-1212 at New Kowloon Plaza; and (vi) the tenancy letter issued to the Company as tenant in respect of the leases for Unit 1210 and the Whole of 13/F at New Kowloon Plaza

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenants”	collectively, the Company, PEPM, PEL and PDL
“%”	per cent

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

Hong Kong, 31 March 2025

At the date of this announcement, the executive Directors 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 are Ms. Lo Bo Yue, Stephanie and Mr. Chan Wai Kan, George; and the independent non-executive Directors are Mr. Chan Kay Cheung, Mr. Lau Ping Cheung, Kaizer and Mr. Wong Hak Wood, Louis.

** For identification purpose only*

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