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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 AND CONNECTED TRANSACTION

ACQUISITION OF SHARE INTEREST IN SHUI ON CONTRACTORS LIMITED

The Board announces that on 30 April 2025, the Company served the Call Option Notice and the Transfer Notice on Mr. Harry Chan requesting him to sell and transfer the entire one SOCON Share to the Company, representing 0.5% of the issued share capital of SOCON, free from all encumbrances (i.e. the Acquisition) for a consideration of approximately HK\$8.74 million.

The SOCON Group principally engages in construction, fitting-out and maintenance works in Hong Kong and Macau.

As one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but all such ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Since Mr. Harry Chan was a director of certain subsidiaries of SOCON before his retirement on 1 April 2025, he is a connected person of the Company at the subsidiary level. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Despite that one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5%, the Acquisition is subject to the reporting and announcement requirements but is exempted from the circular, independent financial advice and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

BACKGROUND

As disclosed in the announcement of the Company dated 4 August 2017, the Company disposed of a minority interest in SOCON to certain senior executives of the SOCON Group under an employee equity participation arrangement. The objective of the arrangement was to provide the executives with the opportunity to have a personal stake in the construction business of the Group, with a view to retaining and motivating them to strive for improved performance and providing a long-term incentive.

In 2020, the Company disposed of 0.5 SOCON Share to Mr. Harry Chan, then a senior executive of the SOCON Group, under the Sale and Purchase Agreement. Furthermore, subject to the condition of Mr. Harry Chan providing the Deed of Undertaking to the Company, he was designated as a purchaser to acquire another 0.5 SOCON Share in 2021 from a former director of certain subsidiaries of SOCON, who participated in the employee equity participation arrangement. The designation was in accordance with the terms of a deed of agreement made between the Company and the former director, with details as disclosed in the announcement issued by the Company on 30 March 2021.

Pursuant to the Sale and Purchase Agreement, the Company was granted the Call Option by Mr. Harry Chan to acquire 0.5 SOCON Share from him, which is exercisable at the discretion of the Company by serving a written notice (the “**Call Option Notice**”) on Mr. Harry Chan within 12 months from the date of occurrence of one or more specified events, including, without limitation, cessation of Mr. Harry Chan’s employment in the SOCON Group (the “**Triggering Events**”). The Call Option shall be exercised at a price equal to 50% of the adjusted pro-forma consolidated net asset value of the SOCON Group attributable to each SOCON Share as at the end of the month immediately preceding the date of the Call Option Notice.

Additionally, pursuant to the Deed of Undertaking, Mr. Harry Chan agreed and undertook to sell and transfer another 0.5 SOCON Share held by him only to such an employee of the SOCON Group or other party as designated by the Company by serving a written notice (the “**Transfer Notice**”) within 13 months from the date of occurrence of any of the Triggering Events. The disposal of the 0.5 SOCON Share to the designated purchaser under the Transfer Notice shall be at the price equal to 50% of the adjusted pro-forma consolidated net asset value of the SOCON Group attributable to each SOCON Share as at the end of the month immediately preceding the date of the Transfer Notice.

On 1 April 2025, Mr. Harry Chan ceased to be an employee of the SOCON Group due to his retirement. Therefore, the Call Option regarding the 0.5 SOCON Share held by Mr. Harry Chan has become exercisable under the Sale and Purchase Agreement, and the Company may also designate a purchaser to acquire the remaining 0.5 SOCON Share from Mr. Harry Chan in accordance with the Deed of Undertaking.

ACQUISITION OF ONE SOCON SHARE

Subject matter

On 30 April 2025, the Company served the Call Option Notice and the Transfer Notice on Mr. Harry Chan requesting him to sell and transfer the entire one SOCON Share to the Company, representing 0.5% of the issued share capital of SOCON, free from all encumbrances (the “**Acquisition**”).

Consideration

The consideration payable by the Company to Mr. Harry Chan for the Acquisition is approximately HK\$8.74 million, which is determined based on the adjusted pro-forma consolidated net asset value of the SOCON Group as at 31 March 2025, being the end of the month immediately preceding the date of the Call Option Notice and the Transfer Notice served on Mr. Harry Chan. The consideration shall be settled in cash upon completion of the Acquisition and will be funded by internal resources of the Group.

Mr. Harry Chan originally purchased 0.5 SOCON Share from the Company pursuant to the Sale and Purchase Agreement for a consideration of approximately HK\$2.60 million and another 0.5 SOCON Share from a former director of the SOCON Group for a consideration of approximately HK\$2.98 million, which were determined with reference to the unaudited pro-forma consolidated net asset value of the SOCON Group as at 31 May 2020 and 28 February 2021 respectively.

Completion

Pursuant to the terms of the Call Option as set out in the Sale and Purchase Agreement and the Deed of Undertaking, completion of the Acquisition shall take place within 30 calendar days from the date of the Call Option Notice and the Transfer Notice served on Mr. Harry Chan.

At the date of this announcement, SOCON is a 93.75%-owned subsidiary of the Company. Following completion of the Acquisition, SOCON will be 94.25% owned by the Company and will continue to be accounted for as a subsidiary in the consolidated financial statements of the Group.

INFORMATION ON THE SOCON GROUP

The SOCON Group principally engages in the construction, fitting-out and maintenance works in Hong Kong and Macau.

Set out below is a summary of certain financial information of the SOCON Group based on its unaudited pro-forma consolidated financial statements for the two years ended 31 December 2023 and 2024:

	For the year ended 31 December	
	2023	2024
	<i>HK\$ million</i>	<i>HK\$ million</i>
Net profit (before taxation)	412	211
Net profit (after taxation)	339	182

As at 31 December 2024, the unaudited pro-forma consolidated net asset value of the SOCON Group was approximately HK\$1,823 million.

REASON FOR AND BENEFIT OF THE ACQUISITION

The Acquisition is being carried out to enable the Company to resume ownership of the SOCON Share held by Mr. Harry Chan following cessation of his employment, pursuant to the terms of the Call Option as stipulated in the Sale and Purchase Agreement and the Deed of Undertaking.

Having considered that the terms of the Acquisition, in particular, the determination basis of the sale price of the SOCON Share, are in accordance with the terms of the Call Option and the Deed of Undertaking, which have been previously approved by the Board, the Directors (including all the independent non-executive Directors) consider that the terms of the Acquisition are normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

IMPLICATIONS OF THE LISTING RULES

As one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but all such ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Since Mr. Harry Chan was a director of certain subsidiaries of SOCON before his retirement on 1 April 2025, he is a connected person of the Company at the subsidiary level. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Despite that one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5%, the Acquisition is subject to the reporting and announcement requirements but is exempted from the circular, independent financial advice and independent shareholders' approval requirements pursuant to Rule 14A.101 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.

DEFINITIONS

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

“Acquisition”	has the meaning ascribed to it under the section headed “ACQUISITION OF ONE SOCON SHARE – Subject matter” of this announcement
“Board”	the board of directors of the Company

“Call Option”	the call option exercisable by the Company at its discretion requiring Mr. Harry Chan to sell and transfer his 0.5 SOCON Share to the Company, granted under the Sale and Purchase Agreement, upon the occurrence of any of the Triggering Events
“Call Option Notice”	has the meaning ascribed to it under the section headed “BACKGROUND” of this announcement
“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 person” and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Deed of Undertaking”	the deed of undertaking dated 23 April 2021, executed by Mr. Harry Chan in favour of the Company as a condition for his acquisition of 0.5 SOCON Share from a former director of certain subsidiaries of SOCON
“Director(s)”	the director(s) of the Company
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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
“Mr. Harry Chan”	Mr Chan Hing Chuen, Harry, a director of certain subsidiaries of SOCON prior to his retirement on 1 April 2025
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan)

“Sale and Purchase Agreement”	the sale and purchase agreement dated 30 June 2020 entered into between the Company and Mr. Harry Chan, then a senior executive of the SOCON Group, in relation to the Company’s disposal of 0.5 SOCON Share to Mr. Harry Chan and the grant of a call option by him in respect of the 0.5 SOCON Share
“SOCON”	Shui On Contractors Limited, a company incorporated in the British Virgin Islands with limited liability, which is a 93.75%-owned subsidiary of the Company at the date of this announcement
“SOCON Group”	collectively, SOCON and its subsidiaries
“SOCON Share”	ordinary share with a nominal value of US\$1.00 issued by SOCON
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer Notice”	has the meaning ascribed to it under the section headed “BACKGROUND” of this announcement
“Triggering Events”	has the meaning ascribed to it under the section headed “BACKGROUND” of this announcement
“%”	per cent

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

Hong Kong, 30 April 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*

Website: www.socam.com